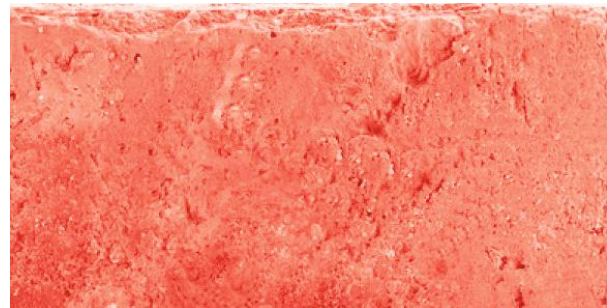
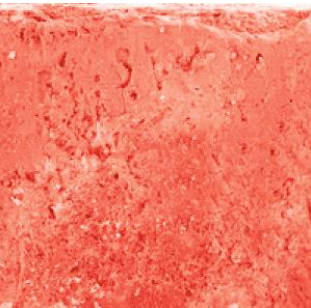


अपने घर में, अपनों के साथ।





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Forward-Looking Statements

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 realized, 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 materialize, 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.

APNE GHAR ME, APNO KE SAATH.

Staying in one's own home is deeply embedded into the psyche of every Indian. Every single individual dreams of having a house that they can call their own - where they can dwell in peace and happiness with their family.

At SRG Housing Finance Limited (SRG Housing), we do not let this dream be a distant aspiration for individuals. Our mission is to enable every individual own a home and live a happy life with his near and dear ones.

We serve the under-served individuals in rural and difficult-to-reach areas with our presence and embolden the society's economically weaker sections by catering to their housing finance needs. With this, we provide a deeply gratifying last-mile experience to our targeted base of 8,200 customers.

Since inception, we have focused on our core objective to cater to the housing needs of our customers and fulfilling their dreams. Despite the ongoing economic and industry challenges, our tailor-made products, customer-centric approach, strong track record and fortified business processes have been instrumental in driving the growth of our loan and disbursement portfolio.



8,200
HOUSEHOLDS
SERVED



33
BRANCHES
ACROSS INDIA



₹274.24 CRORE
LOAN BOOK



~250
NUMBER OF
EMPLOYEES



₹ 6.01 LAKH
AVERAGE
TICKET SIZE



6.38 YEARS
AVERAGE HOUSING
LOAN TENURE

SPREADING HAPPINESS SINCE 1999

WHO WE ARE

We are a retail affordable housing finance company, having commenced our operations in 1999. We primarily serve the low and middle income self-employed customers in the semi-urban and rural areas of India. We are engaged in Individual Housing Loans and Loan Against Property and reputed as the first company in Rajasthan to get registered with National Housing Bank (NHB).



WHAT WE DO

With over two decades of experience in offering financing in rural areas, our focus is to provide loans to the undocumented and unbanked in rural and semi-urban areas. We operate in 4 major states in India. With our experience, expertise and competencies, we operate in a segment that accounts for 96% of India's population. A majority of the loans disbursed by us are for single-unit properties.



OUR CUSTOMER SEGMENT

We cater to a number of first-time borrowers who aspire to live in their own homes. Our customers comprise the base of India's socio-economic pyramid – the daily wage laborer, local tradesmen, domestic assistants, cook, garage mechanics, shop-floor workers, tea-stall vendors, vegetable vendors, among others. They are mostly self-employed individuals belonging to the informal income segment, and not served by the formal financial system. Mostly running small businesses, these customers live in the rural parts of India that are not serviced by most banks.



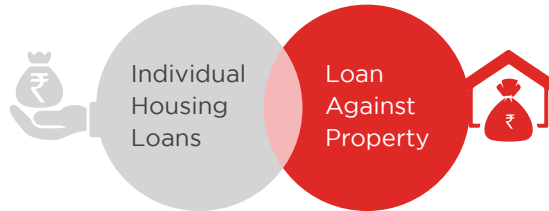
SERVING OUR CUSTOMERS

By providing housing finance, we are improving the quality of life of those under-served by the formal financing channels. Over the years, we have been able to support more than 8,000 families.

OUR MISSION

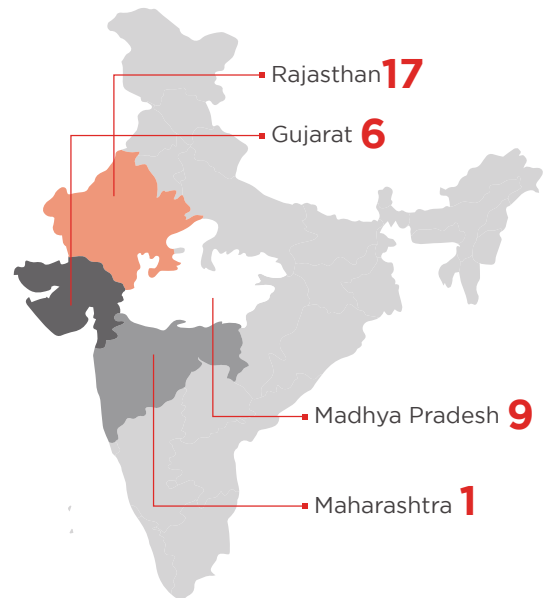
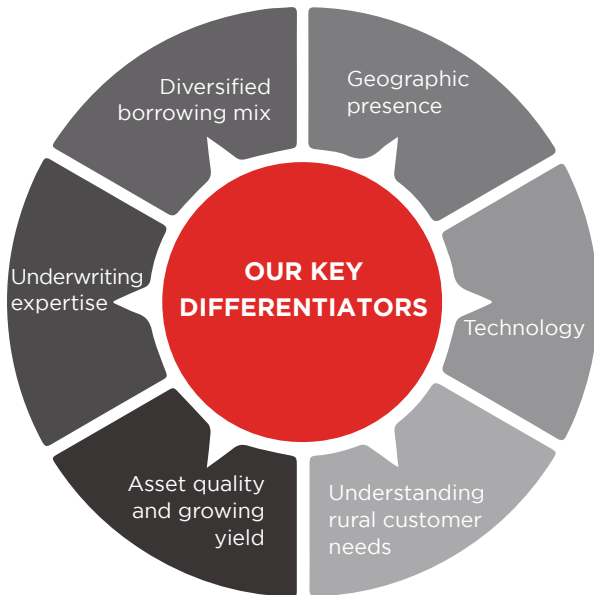
To provide housing loans to individuals in the unserved and under-served, rural and semi-urban areas of India.

OUR PRODUCT PORTFOLIO



OUR PRESENCE

Headquartered in Udaipur, Rajasthan, we currently operate through 33 branches across 4 states including Rajasthan, Madhya Pradesh, Gujarat and Maharashtra.



BUSINESS OVERVIEW

LOAN MIX



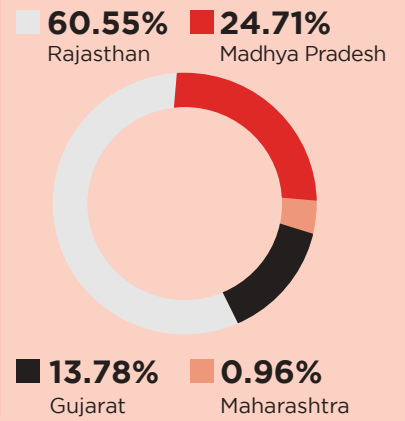
BUSINESS MIX



CUSTOMER PROFILE



STATEWISE



MANAGING DIRECTOR'S MESSAGE TO SHAREHOLDERS



We continued our mission to provide credit to first-time borrowers and to serve the unserved and under-served segments of the society.

TO OUR VALUED SHAREHOLDERS,

I am proud to present our Annual Report for FY20. The year presented its own set of challenges as the sector continued to face the ongoing liquidity crisis. Even as the economy already faced pressures due to the financial sector weakness, the fag-end of the financial year under review brought more turbulence. The world faced the novel Coronavirus pandemic, which has impacted almost every aspect of human life.

We extend our sincere gratitude to the medical personnel, health officials, government leaders and volunteers around the world who have been working tirelessly to contain the COVID-19 pandemic.

We also committed a sum of ₹ 12 lakh towards the PM CARES Fund and to the local government and organizations to provide our full-fledged support to our nation in fighting the pandemic.

BATTLING COVID-19

India too faced an extensive lockdown which disrupted economic activities. A revival in domestic investment has been delayed, given the enhanced risk aversion on a global scale and renewed concerns about the financial sector's resilience.

We, at SRG Housing, maintained our collection efficiency during the lockdown and serviced our customers well by leveraging the technological strengths, while our employees ensured

business continuity as they worked from home.

LEVERAGING THE MIGRANT OPPORTUNITY

Our agility and flexibility turned the COVID-19 adversity into an opportunity. As migrant laborers began shifting to their hometowns, we satiated their needs for housing security to help them avoid residential vulnerability, practice social distancing, and stay at home to fight the virus and bring about a meaningful change in their lives. As consumption in these cities will increase, it will also improve liquidity in the system and increase consumption demand. Our measures are aimed at improving their liveability, making them utilize their financial

resources in real estate, and creating pathways for migrant laborers.

OUR PERFORMANCE

We have an unwavering goal of providing easy home loans in semi-urban and rural regions. During the year, our Assets Under Management (AUM) stood at ₹ 274.24 crore from ₹ 280.25 crore in the earlier financial year, while disbursement was at ₹ 48.48 crore, compared to ₹ 124.90 crore in the previous year. Net Interest Income for FY20 was ₹ 65.98 crore, compared to ₹ 55.22 crore. Profit After Tax increased from ₹ 14.64 crore to ₹ 17.97 crore. Our NPAs continue to be low at 0.51%, with an average Loan to Value (LTV) ratio of 42.29%. Although our disbursements fell due to the liquidity concerns and risk averseness of lenders, we managed good asset quality with strong LTV, indicating our business fundamentals. Our strong underwriting processes and stringent Asset Liability Management (ALM) policy also helped in sustaining these difficult times.

GROWTH DRIVERS

The housing finance industry's buoyancy is further endorsed by growth drivers such as rising disposable incomes, personal income tax benefits, increasing urbanization and growth of the rural economy. We are well aligned to the Government's Pradhan Mantri Awas Yojana (PMAY). We remained well

supported by the present macro environment, which continued to be favorable for the housing finance industry for a good part of the year.

ENROUTE OUR MISSION

Our business has a compelling social impact. We continued our mission to provide credit to first-time borrowers and to serve the unserved and under-served segments of the society. Our customers are hard-working individuals with immense integrity. By granting them a housing loan, we not only enhance their financial independence, but also provide them with a sense of pride.

For those who might think owning a home is out of their reach, we turn the dream of home ownership into a reality. With this, we realize the dreams of thousands of people toiling hard for years to own a home.

In short, we facilitate and promote the Government's vision and dream to enable citizens to have their own houses. Not only this, we also offer credit insurance to all our customers, implying that in the case of any mishap due to which the applicant ceases to exist, the family is refrained from having to take the burden of making the repayment in the circumstances of lack of earnings.

OUR KEY PRIORITIES

Our strategic priorities of the year have been to maintain a stringent focus on efficiencies, to improve

asset quality, and enhance our customer experience and robust processes. We have been able to achieve and maintain a low average loan to value ratio of ~42% on the back of our strategy to lend towards construction of individual units. Once the COVID-19 pandemic dissipates, our aim is to increase our scale of operations. Our target is to increase our branch network in the north west region of the country. We also wish to scale up in Tier 2 & 3 cities of Rajasthan, Gujarat, Maharashtra and Madhya Pradesh. In addition, we plan to continue hiring smartly and build our growth foundation.

TECHNOLOGY ADVANCEMENTS

At SRG Housing, we have achieved digitalization of our processes efficiently, further shrinking the turnaround time of loan processing and final disbursement. Our processes are scalable and increasingly oriented towards automation, which implies that prospective revenue growth from here on may not be accompanied by a proportionate rise in costs. During the year, we continued our focus on creating competition for our own selves by innovating new and simpler ways to improve our processing, reduce the turnaround time, and also streamline collection and disbursement channels. Unlike the earlier days when the Relationship Officer visited the branch to complete the login process, in the current times the login and information registration of a

MANAGING DIRECTOR'S MESSAGE TO SHAREHOLDERS

customer is done at the Point of Sale.

A key area of focus for us will be to drive process efficiencies and productivity, based on advanced technology. We continue to sharpen our turnaround time (TAT) through tech-enabled solutions. In addition to this, our customized mobile apps continue to empower our employees and serve our customers. Our best-in-class technology has enabled us to lower our turnaround time for disbursement of loans.

We also accord due importance to prudent lending practices, putting in place suitable measures for risk mitigation. This included verification of the credit history of an applicant from the credit information bureaus, in-house technical and legal verification and applying loan to value parameters.

MOVING FORWARD

Given the far-reaching economic impact of the COVID-19 crisis so far, the path to recovery from this setback is expected to be slow and gradual. The sudden and unprecedented disruptions in current times have emphasized that our agility and customer-centricity are necessary attributes for us to navigate through the challenging times. Notwithstanding the near-term uncertainty, we remain steadfast in our efforts towards becoming the next big participant in India's Housing Finance sector.

Going forward, we are proud of our efficient ALM positioning. Our funds pipeline has also been subsequently enlarged to address the rising requirement of home finance from our customers. We have diversified our funding sources to moderate our fund costs and to create a stable foundation to scale the business. Post-COVID-19, we received refinance from the National Housing Bank under various schemes, which makes us well capitalized for another year.

Further, we also received funds from several public sector banks under TLTRO 2.0 scheme of the Reserve Bank of India (RBI), and we plan to also raise funds from other capital market instruments. Thus, with adequate liquidity on hand, we remain well poised to grab multiple active opportunities in play in the market and take advantage of the housing finance schemes provided by the Government.

Looking ahead, we will continue to serve our customers with passion and commitment. Our values remain our hallmark and enable us to achieve meaningful relationships with each of our customers. This has also been our key reason for rapid growth in a short time span. In fact, the market is so vast that even a moderate share of it can translate into substantial year-on-year growth. The Company is present in 17 branches in Rajasthan, 9 in Madhya Pradesh, 6 in Gujarat and 1 at Maharashtra. We operate

within a 60 km radius of our branches which provides us a substantial addressable market.

CLOSING REMARKS

In closing, I would like to thank our team for their passion, commitment and ongoing pursuit of excellence. We have always taken decisions in alignment with the professional and personal goals of our employees, thus helping them achieve an ideal work-life balance and making them feel proud of their association with us.

We are thankful to our customers, regulators, bankers and financial institutions for their continuous support. With this backing, we will continue to serve as a trusted partner to all our stakeholders by responsibly providing services that enable home ownership for people of all income groups.

Yours Sincerely,

Vinod K. Jain
Managing Director
DIN: 00248843



Serving the base of India's socio-economic pyramid

RIDING IT OUT – WITH STRENGTH AND STABILITY

AS THE COVID-19 PANDEMIC TRIGGERED A DEEP ECONOMIC CRISIS, WE ENHANCED OUR RESILIENCE TO FACE THE TESTING TIMES. WE LEVERAGED OUR ADAPTABILITY AND AGILITY AND TURNED THE CHALLENGE INTO AN OPPORTUNITY BY SATIATING THE MIGRANT LABORERS’ GROWING NEED TO ATTAIN HOUSING SECURITY.



The COVID-19 pandemic has pushed humanity and the global economy into a crisis not seen since the Great Depression. Due to its high infection rate and impact on the public health system, our Government enforced nationwide lockdowns, which significantly affected business operations and disrupted value chains.

As maximum of our customers belong to the rural areas where the spread of COVID-19 was lesser than the urban areas, we did not face much turbulence. Nonetheless, we utilized the lockdown to identify short-term and medium-term outcomes of the pandemic and to build out strategies to prepare for future challenges ahead. We upheld our focus on maintaining adequate liquidity, balanced asset liability management, efficient operations and robust asset quality, and digitized our processes and systems.

ENABLING BUSINESS CONTINUITY

Even as we closed all our offices and branches and shifted to ‘Work from Home’ to enable business continuity. We leveraged on technology to ensure business activities like customer service and liquidity management were efficiently carried out from home environments.

ENSURING QUICK CUSTOMER SERVICE

Most of our customers’ businesses belong to the essential category, therefore repayments of customers’ EMIs continued to be regular. With offices closed and disbursement also disrupted,

we utilized technology to ensure our customers were timely responded to. Even though personal visits for collection were impacted, we did not face much of a challenge. About 90% of our customers used electronic modes of payment for their installments. To help customers soften the blow of the huge crisis, we extended moratorium to our customers with ‘opt in’ option, however, not many customers took the Moratorium.

RESTARTING OPERATIONS

As India moved towards staggered opening up of the economy, the lockdown was lifted in most of the areas that we operate in – as it wasn’t much affected due to COVID-19. As we opened our branches and commenced operations, we ensured all the necessary precautions were taken at all times and social distancing norms were adhered to for the safety of our employees and customers. As the lockdown was lifted, our business again kick-started and more than 70% of the earlier collections were received.

HEALTHY ASSET QUALITY

Our asset quality remains robust and in check as we provided secured collateral loan with security of around 200 times. Hence, we are adequately protected at the portfolio level and our balance sheet is healthy. With the use of conservative practices, we have made additional provisions over and above the NHB guidelines, resulting in low impact on our balance sheet.

With improving collection and fundraising under various government schemes, we repaid all the installments opted under the Moratorium. Currently, we have enough liquidity to last us for a year.

TURNING THE COVID-19 ENFORCED LOCKDOWN INTO AN OPPORTUNITY

With our key strengths and stability, we managed to turn the national lockdown into an opportunity. Affected by the extended lockdown, several migrants have been moving from bigger cities to their hometowns. These returning migrant laborers will be in constant need for better housing to keep their family safe and protected. As consumption in the rural areas improves with more and more people re-locating there, the local businesses will get the desired push and will start flourishing again. As that happens, these individuals will demand security of having their own house and will be in need for a permanent dwelling to sustain a secure life. We look forward to play a key role in facilitating loans and guaranteeing welfare of migrant laborers in order to capitalize on this new and growing opportunity.

With improving collection and fundraising under various government schemes, we repaid all the installments opted under the Moratorium. Currently, we have enough liquidity to last us for a year.



A STABLE PERFORMANCE

LOAN BOOK BREAK-UP



FY 2019

- Individual Housing Loan 73.32 (%)
- Loan Against Properties 26.68 (%)

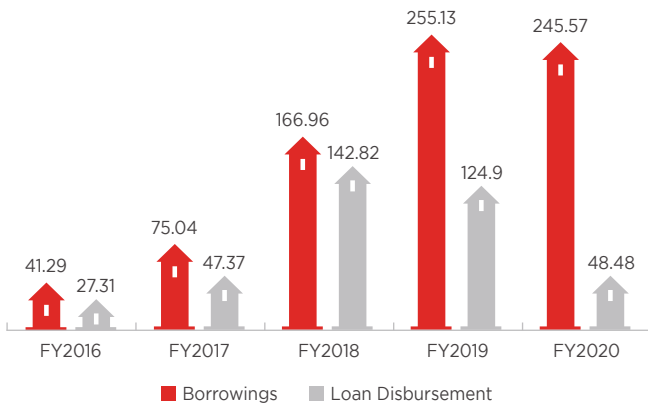


FY 2020

- Individual Housing Loan 72.31 (%)
- Loan Against Properties 27.69 (%)

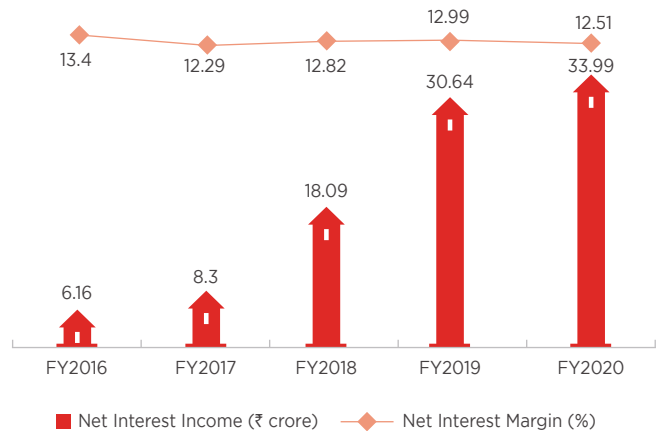
BORROWINGS AND LOAN DISBURSEMENT

(₹ crore)



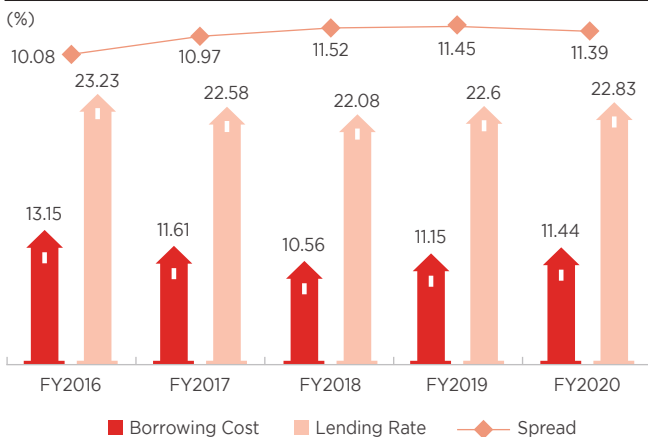
■ Borrowings ■ Loan Disbursement

NET INTEREST INCOME AND MARGIN



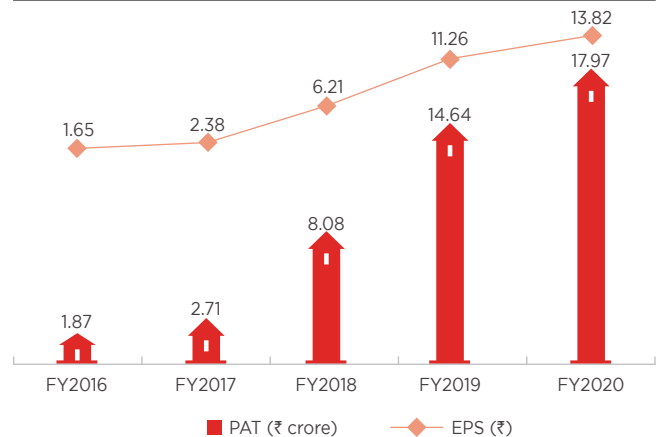
■ Net Interest Income (₹ crore) ◆ Net Interest Margin (%)

LOAN SPREAD



■ Borrowing Cost ■ Lending Rate ◆ Spread

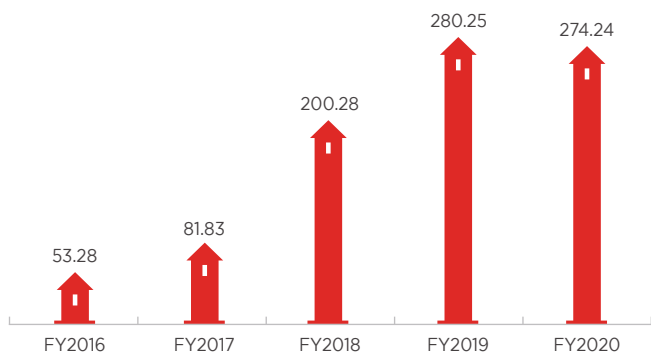
PROFIT AFTER TAX (PAT) AND EARNINGS PER SHARE (EPS)



■ PAT (₹ crore) ◆ EPS (₹)

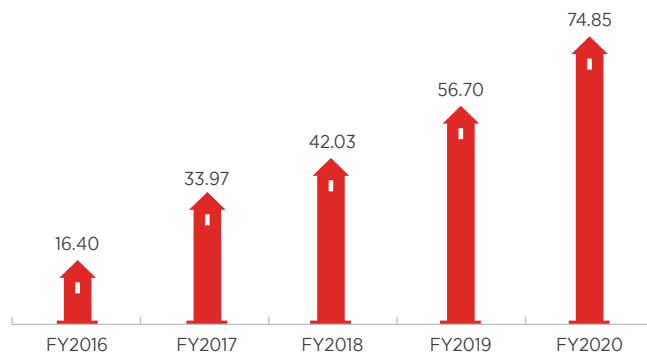
ASSETS UNDER MANAGEMENT

(₹ crore)



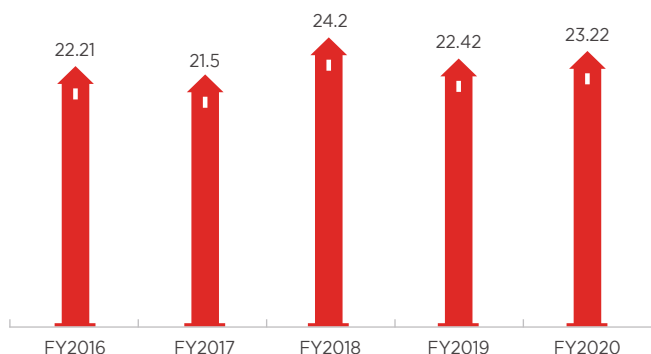
SHAREHOLDERS' FUND

(₹ crore)

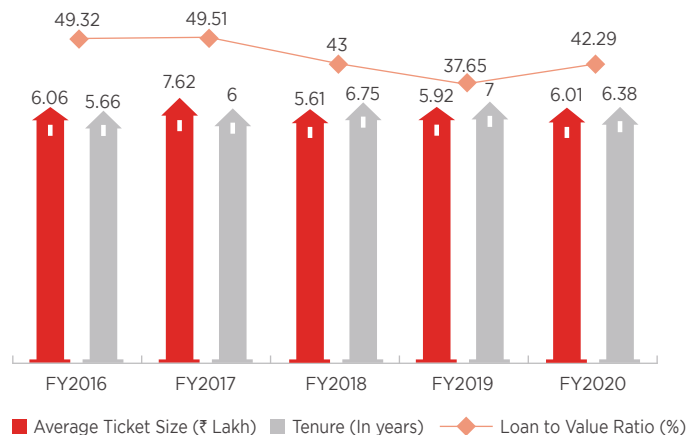


YIELD ON PORTFOLIO

(%)



AVERAGE TICKET SIZE, LTV AND TENURE



KEY PERFORMANCE INDICATORS

	FY2019	FY2020
Cost to Income Ratio (In %)	37.61	44.46
Gross NPA (As % of AUM)	1.97	2.21
Net NPA (As % of AUM)	0.94	0.51
Return on Average Assets (%)	5.46	5.51
Return on Average Equity (%)	29.55	27.32
Capital Adequacy Ratio (%)	30.27	40.04

ON THE ROAD TO SUSTAINABLE GROWTH

WITH AN UNWAVERING GOAL OF PROVIDING EASY HOME LOANS IN SEMI-URBAN AND RURAL REGIONS, WE HAVE BEEN SCALING HIGHER AND SETTING THE FOUNDATION FOR SUSTAINABLE GROWTH. BEING RESOLUTE AND FOCUSED IN OUR PRIORITIES, WE HAVE BEEN ADDRESSING THE GROWING DEMAND FOR HOUSING FINANCE AND SERVING OUR CUSTOMERS CONSISTENTLY.



We remain geared up for the next leg of our growth. We aim to achieve a loan book of ₹ 350 crore by FY21.



We aim to meet the genuine demand for millions of aspiring homeowners across the country by capitalizing on strong systems and processes. In doing so, we are constantly leveraging several years of expertise we have gained in the industry.

We maintain a stringent focus on growing the loan book and strengthening our asset quality, while we sustain our profitability. We also aim to keep our non-performing assets under check, maintain low funding cost to keep profitability high, and enhance visibility of the brand.

STRENGTHENING AND EXPANDING

We are gradually growing our presence with branches in the neighborhood, and with a larger and experienced team of resources. We are on the path of continuous improvement. Our extensive presence enables us to add value and to improve the lives of our customers. As continue to focus on our vision, we are geared up for the next leg of our growth. We aim to achieve a loan book of ₹ 350 crore by FY21.

We also plan to have a contiguous on-ground expansion across regions. From 33 branches currently, including the head office, we plan to increase our total network to 38 by FY21. Our target is to add 3-5 branches during FY21. Our branches are seamlessly integrated via a strong and scalable technology platform, facilitating quick appraisal and easy disbursement.

Our widespread presence is backed by a strong team of 251 full-time employees. Our modestly dressed executives, who speak the customers' dialect or language, also have a thorough understanding of the terrain. Further, to make a foray into newer territories and areas, we leveraged the Direct Sales Agent (DSA) model and appointed 9 DSAs. This model facilitates us in building our brand in regions where SRG Housing has recently forayed. During FY21, we plan to hire more team members. We are planning to have a diverse and more experienced workforce to further strengthen our team.

CAPITALIZING ON HOUSING SCHEMES

The housing sector is now poised for growth. Despite the expansive efforts, the mortgage penetration level in India is quite low, offering several opportunities to scale up our business. Our objective is to cater to the rising demand for housing finance. Driven by rapid urbanization and rise in the Indian middle class, we satiate the needs of the growing population looking to purchase homes in India. Our target is to leverage the government schemes like Housing for All and the Pradhan Mantri Awas Yojana (PMAY) to cover all aspects of supply, demand and funding to the housing sector.

AUGMENTING PRODUCTIVITY WITH SRG SRAJAN

OUR FOCUS HAS ALWAYS BEEN TO LEVERAGE TECHNOLOGY TO ADDRESS CUSTOMER NEEDS AND ENHANCE CUSTOMER SATISFACTION. WE ARE COMMITTED TO INTEGRATE TECHNOLOGY IN ALL OUR PROCESSES, TO ENRICH OUR USER EXPERIENCE AND ENHANCE OUR PRODUCTIVITY.



Technology adoption has helped us automate our business operations and powered better efficiencies across the organizational framework. During the year, we innovated newer and simpler ways to improve processing, reduce turnaround time, and streamline collection and disbursement channels. We continuously refined our approach to make the most of our digital platform. We are present in states that are adjacent and districts that are contiguous, making it possible to leverage our infrastructure and resources.

ENHANCING EFFICIENCY WITH SRAJAN

'SRG SRAJAN', our System Change Management Program, is aimed at standardizing our Standard Operating Procedures (SOPs) and streamlining our key activities and core functions. Our key objective behind this is to eliminate redundancies and enhance efficiencies and productivity of our resources. Processes and SOPs are re-engineered through the use of technology.

SRG SRAJAN provides best practices in system implementation, change management and system control. Besides making us future-ready and prepared for future challenges, it helps undertake changes in a planned manner and encourage improvement and growth. This program streamlines activities and SOPs by adopting system change management.

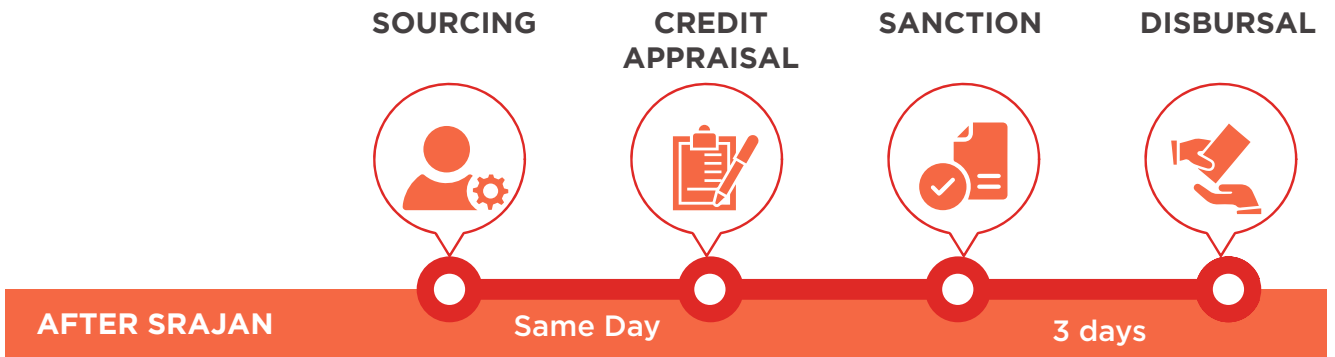
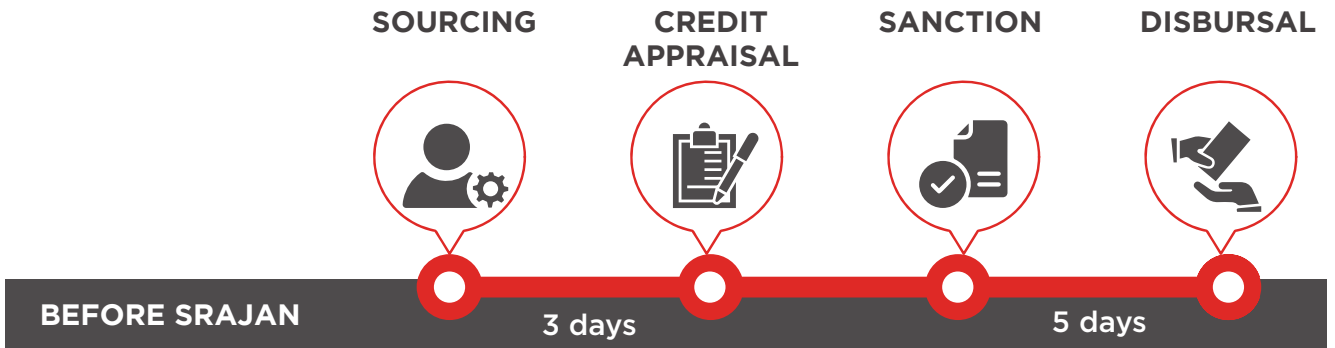
Phase 1 of the program included completion of mobile-lending solutions, HRMS and the Go Collect application. In Phase 2, we are conducting a due diligence exercise of the existing processes with a stringent focus on core system development. Analytical and performance dashboards have been created for every level for all types of employees - frontline, middle-level management and the top management.

BEST PRACTICES IN SRAJAN

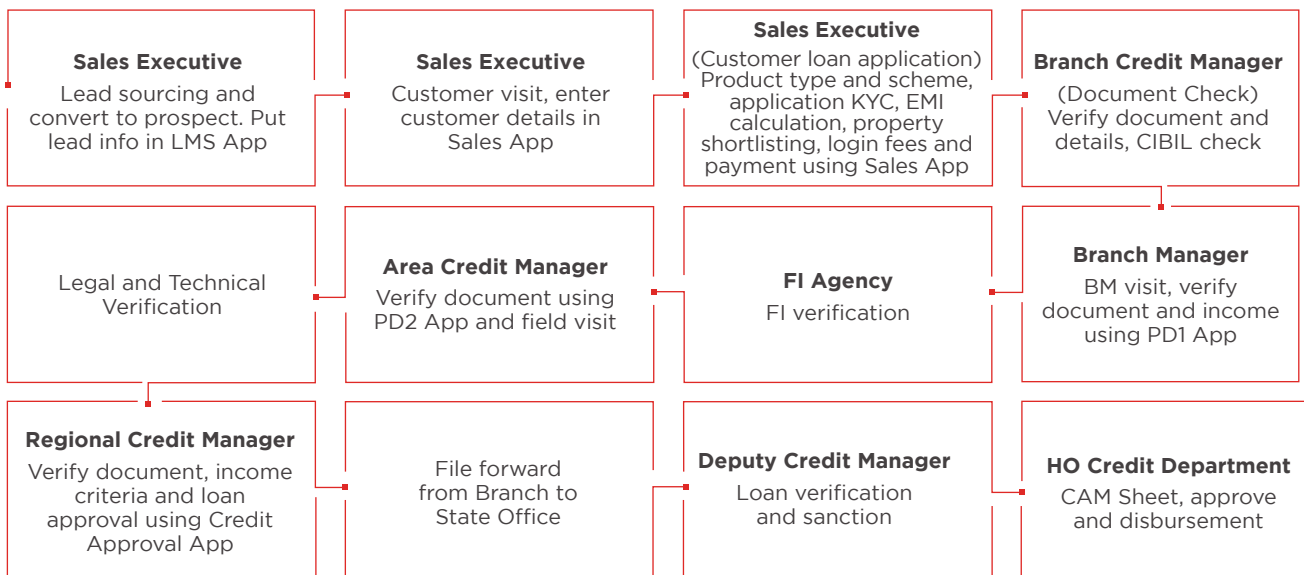
Setting and designing the System and Data Flow for the existing ERP system - "Finwin"

Undertaking Detailed Business Requirement Assessment and transforming it to Business Requirement Design

Assessment of integration and enhancement of processes in key functional areas like Business Sourcing & LMS, Credit Underwriting and Sanction, Loan Management & Repayment, Accounting & Finance, Collection & Recovery, Legal & Compliance, Customer Relationship and Performance Management System



SRG SRAJAN - LEAD TO DISBURSEMENT PROCESS



OUR ESTEEMED BOARD



01 —————
MR. VINOD K. JAIN
Managing Director (Promoter)
DIN No. 00248843

Mr. Vinod K. Jain is the Managing Director and Promoter of SRG Housing. He has over two-and-a-half decades of experience in the financial services space. During his inspiring career, he has taken multi-dimensional roles and a strategic direction that drove the Company to its peak. With his deep financial prowess and effective team management capabilities, he has scaled the Company to higher levels with utmost honesty and integrity. He has envisioned to transform the Company as the next big participant in India's Housing Finance sector.

02 —————
MRS. SEEMA JAIN
Non-Executive, Non-Independent Director
DIN No. 00248706

Mrs. Seema Jain serves as the Non-Executive Director to the Board since inception. She has a wide knowledge of finance, with excellent leadership, management and organizational skills. She has more than 20 years of experience

in Human Resource, Strategic Planning, Administration and Corporate Governance.

03 —————
MR. ASHOK KABRA
Non-Executive, Independent Director
DIN No. 00240618

Mr. Ashok Kabra is a Non-Executive, Independent Director of the Company and serves on various Committees. He holds a Master's degree in Commerce. He has a diverse exposure of more than 19 years in corporate finance, stock broking, investments and financial services.

04 —————
MR. VIKAS GUPTA
Non-Executive, Independent Director
DIN No. 05280808

Mr. Vikas Gupta is the Non-Executive, Independent Director of the Company. He is a Bachelor in Commerce from Mohan Lal Sukhadia University, Udaipur and a Law (LLB) graduate. He is registered with the Commissioner of Income Tax, Udaipur as an Income Tax Practitioner. He has more than 20 years of exposure in legal matters, tax consultancy and all related financial services.

05 —————
MR. NISHANT BADALA
Non-Executive, Independent Director
DIN No. 06611795

Mr. Nishant Badala is the Non-Executive, Independent Director of the Company. He holds a Master's degree in Commerce from the University of Udaipur. He is a Chartered Accountant and a Company Secretary by profession. He has more than 8 years of experience in Accounting & Financial Experience and Risk Management and provides valuable inputs on various financial and strategic decision-making.

06 —————
MS. GARIMA SONI
Non-Executive, Non-Independent Director
DIN No. 08336081

Ms. Garima Soni is the Non-Executive, Non-Independent Director of the Company. She is a practicing Company Secretary and holds a Master's degree in Legislative Law. She has over 7 years of experience in compliance and finance, policy making and corporate governance.

OUR SENIOR MANAGEMENT



01

MR. ASHOK MODI

Chief Financial Officer

Mr. Ashok Modi has over 26 years of experience in audit and strategic planning for financial strengthening of individuals and organizations. He has in-depth knowledge of financial system and various derivatives. He has been with the Company since 2012.

02

MR. LAVANG MURDIA

Chief Marketing Officer

Mr. Lavang Murdia has over 16 years of experience in sales and marketing. His knowledge has been instrumental in building robust business models for companies in finance, insurance and telecom sectors. He has expertise in channel management where he conducts research for identifying and building new market opportunities. He has been with the Company since 2010.

03

MS. SUNAINA NAGAR

CS and Chief Investor Relations Officer

Ms. Sunaina Nagar is an associate member of the Institute of Company Secretaries of India and holds an LLB degree. She has also done her MBA (PGDFM) from Narsee Monjee Institute of Management Studies. She handles compliance, equity and debt financing matters. Her deep insights and research mind-set have helped the Company find innovative ways to expand and flourish. She has gained an extensive working experience in the Housing Finance Industry. And has been adjudged amongst the 101 Most Influential BFSI Leaders by ET Now World BFSI Congress and Awards. She has been with the Company since 2015.

04

MR. ARCHIS JAIN

Head Business and Operations

Mr. Archis Jain has a Master's degree in Family Business Programme from SP Jain School of Global Management. He is responsible for driving business operations, as well as implementation and monitoring of business targets. He is leading the team to analyze opportunities, develop go-forward plans, and for efficient and effective business workflow with technological advancements. He has been awarded as a Young Achiever of the Year at the ABP News BFSI Awards, 2019.

AWARDS & RECOGNITION



Managing Director Vinod Kumar Jain awarded among 100 Top most Influential BFSI Leaders by World BFSI Congress in February 2019.



Adjudged Best Housing Finance Company at the ET Now BFSI Awards in February 2019.



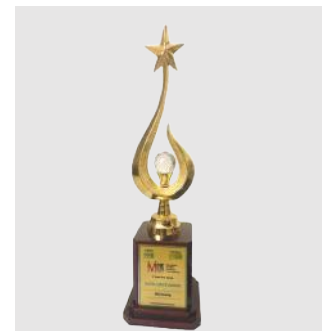
Awarded as the Leading Housing Company of the Year at BFSI Awards in November 2019.



Archis Jain, Business and Operation Head, awarded Young Achiever of the Year at BFSI Awards in November 2019.



Award for excellence in home loan by World BFSI Congress and Awards in February 2020.



Won Excellence Award at the 9th Mine India Microfinance and NBFC Conference in August 2019.



Sunaina Nagar, Chief Investor Relations Officer, presented with 101 Top Most Influential BFSI Leaders at World BFSI Congress & Awards in February 2020.



Received Excellence Award at the 3rd Mine India Microfinance and NBFC Conference in May 2018.



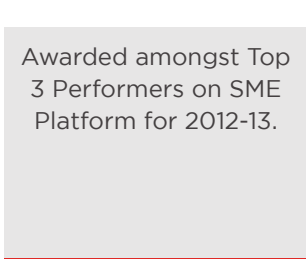
Adjudged among the Top 100 SMEs in India by the Skoch Group in March 2018.



Awarded Housing Finance Company of the Year – Medium and Small (Private) by Times Network in July 2018.



Awarded Skoch Order of Merit on the 47th Skoch Summit in March 2017.



Awarded amongst Top 3 Performers on SME Platform for 2012-13.



Awarded as "Fastest Growing Housing Finance Company of the Year" by ET NOW BFSI Award in February 2018.

INVESTOR FAQs

SRG Housing is a matured company and has been serving its existing geographies for a long period of time. What has been your key business learnings?

Over the years, our biggest learning has been that in this business, we should record profits upfront, and liabilities (risks) are back-ended. The primary requirement for a good operating model in the finance business is to focus on two things – conservatism and profitability. As it is said, ‘well begun is half done’, so we ensure “Conservatism” by focusing on a robust disbursement mechanism. This includes a detailed set of internal checks and balances with the aim of avoiding all the possible risks before making a commitment to any loan. This makes our collection process smooth and hassle-free. We ensure “Profitability” by establishing a niche in customers served, categories funded, and geographies covered, besides maintaining a strict operating philosophy where every cost head is approved only if it adds significant value to the Company.

Kindly share your financial performance in the past few years, including FY20?

We have recorded exemplary performance between FY17 and FY19. However, since then the industry has been facing a lot of headwinds with the liquidity crisis faced by prominent organizations. This led to Housing Finance Companies (HFCs) facing a backlash, along with the broader Banking and NBFC sectors too. Given this context, as most HFCs adopted a ‘wait and watch’ and risk aversion mode, growth practically took a backseat and affected performance across the industry. We maintained a stringent focus on growth, but were sure to never compromise quality for profitability. This was clearly evident in FY20 when we successfully maintained our loan book of ₹ 274.24 crore and registered a profit growth of 23%.

What are your key differentiators in the marketplace given the current environment?

SRG Housing Finance Limited focuses on lending to a niche set of customers who are generally unserved by the formal lending sector, and this is the segment that forms a significant part of India’s population. We have developed a reputation which symbolizes dependability and transparency. Over the years, we have demonstrated through our continual performance that we have good expertise in the housing finance business and that we possess a strong understanding of the areas we operate in and type of customers we serve. Our performance depicts our strong processes and systems, and an acute focus on conservatism and profitability.

- We operate with one of the widest and highest Net Interest Margins and Spreads, which is a clear proof of our brand strength
- We reported PAT of above 6% on our Average Loan Book, highlighting our healthy and best-in-class operating performance and efficiencies and a stringent focus on profitability
- With a focus on safety, we maintain our average Loan To Value ratio at 42%, with an average ticket size of ₹ 6.01 lakh. About 22% of our loans are made to salaried customers, while the remaining 78% are made to non-salaried customers
- We have a strong asset quality, considering the perceived market risks, with a cash flow driven customer profile
- Our return ratios are higher than the industry average
- We maintain a focused market approach on Tier 3 and rural market areas
- Our centralized processing systems help maintain proper controls and checks

INVESTOR FAQs

What has been the impact of the moratorium offered and how many of your customers have opted for this?

Close to 30% of our customer base opted for the first moratorium which delayed their EMI payments by three months – from March to May 2020. Based on our communication with them, it was evident that since a majority of them operate self-run businesses and are largely engaged in essential services, they were marginally impacted by the crisis. They opted for the moratorium only to get an added financial safety and benefit during tough times. However, as we gradually communicated with them, customers realized they don't need to opt in for the second moratorium that would push their EMI payments till August 2020. Hence, a majority of our customers did not opt for the second moratorium, while some withdrew from the first one too by making the requisite payments. Even as far as SRG Housing Finance Limited is concerned, although we initially opted for a moratorium from some of our lenders, but later we repaid the dues. As of today, we have not availed the moratorium facility from any of our lenders.

Do you foresee any impact on your asset quality owing to the COVID-19 situation?

In the areas we serve, customers are generally keen to pay back the loans, as most of these are for self-occupied homes. Another key reason for timely repayment by our customers or lower default rates are the social and cultural influences. As an influencing person is taken on board as a guarantor in each case, our customers are more inclined to not default due to the fear of social stigma attached. Besides this, we also focus on ensuring that we have all the requisite documents and every loan application meets all the stringent regulations and guidelines we have imposed. With our experience of serving the underserved customers, we are aware that our defaults may increase in short-term due to the mismatch of cash flows, and not so much due to their non-willingness to repay. Currently, our NPA position is comfortable with our GNPA at 2.21%, NNPA at 0.51% and PCR (provision coverage ratio) of more than 100%. We do not see any major hit on asset quality owing to COVID-19.

In what way has the COVID-19 pandemic impacted the Company?

The sudden outbreak of COVID-19 has impacted the entire world – several economies and businesses of all kinds have been adversely affected, and we are no exception. To avoid the spread of the virus, the Government imposed a lockdown in the entire country. This impacted our operations too. However, it is in such challenging situations and testing times that the core strengths of a business are put under a litmus test. At SRG Housing, although our operations were impacted, we continued to be fairly well placed owing to our constant focus on managing ALM, ensuring profitability, maintaining good relations with our customers and ensuring robust operating processes, all of which helped us sustain the challenging situations. Our dedicated team played a significant role in planning our operations and execution and emerging unscathed despite the tough times. Thus, we strongly do believe that if handled well, the pandemic can present an opportunity to stronger players to use their strengths wisely, grow higher, attract the right talent and improve their market share.

Has COVID-19 impacted demand irreversibly in the short term?

Although it is difficult to make any forecasts about demand, we can safely say that our customer category has been marginally impacted. The reasons being that 78% of our customers are self-employed with 88% of them living in rural or semi-urban areas and 50% are engaged in essential services. As the incidence of COVID-19 is comparatively lesser in rural and semi-urban areas, cash flows of essential services were flowing even during the lockdown. This provides a strong resilience to us to navigate through tough times successfully.

Given the industry circumstances, your AUM targets haven't been met in the past two years. Considering the current economic situation, in what manner have you revised your growth targets?

Yes, we do agree that we missed our AUM targets of the last two years, given the industry challenges, and now with the COVID situation. However, we believe this is largely owing to the external issues which have been beyond our control. As things stand, it is difficult to accurately forecast how demand and supply variables will pan out, and to be able to set new targets. However, we always view targets as a guiding light for the performance of our team, and strive to achieve them with all our efforts. Thus, for FY21, we have set ourselves a target of ₹ 350 crore loan book, with similar or better margins and asset quality. This may prove a bit ambitious if COVID impact gets further extended; and on the flip side, if demand picks up strongly post-COVID, we may even exceed the target. However, as things currently stand, we will aim for a ₹ 350 crore loan book and would like to set any target for FY22 only by the fourth quarter of the current year, as we gain more visibility.

How has your liquidity position been? Did you face any challenges in raising funds in the current environment?

SRG Housing has been one of the few players in the industry with a fairly comfortable liquidity position even when the pandemic was at its peak. We had a healthy cash position of ₹ 30 crore at FY20 end, which has been further boosted by additional funds sanctioned from NHB (₹ 40 crore), Privately Placed NCDs under TLTRO 2.0 Scheme of RBI (₹ 35 crore) and SBI TLWC (₹ 25 crore). Despite being a comparatively small HFC with just ₹ 18 crore PAT, ₹ 75 crore Net Worth and ₹ 280 crore Loan Book, we were successful in gaining sizeable approvals from reputed institutions – a further testimony to our superior processes and the strength of our business model. We are constantly focusing on getting more funds and ensuring enough liquidity and have currently applied for some additional funding from Banks and FIs.

How are we preparing for the future?

Our first and foremost focus area is to augment our technological capabilities to enhance productivity and further improve our customer service. Through 'SRG SRAJAN', our System Change Management Program, we are standardizing our Standard Operating Procedures (SOPs) and streamlining key activities and core functions.

Further, we aim to maintain an unyielding focus on safety and profitability and navigate through tough times with relative ease. We are aiming at constant improvement to serve all our stakeholders – customers, shareholders, employees and the community. To prepare for a better future, we are strengthening our product offerings and serving our customers well. With continuous investment in technology, we are bringing about greater efficiency in cost and delivery. Risk management tools have been fully embedded in our processes, ensuring high quality of loans.

As India is all set to undergo a revolution in the affordable housing industry, we are better preparing ourselves to embrace this positively. Technology has also emerged as a key driver of our Company's customer-centric growth strategy, enabling it to boost operational productivity and efficiencies. Further, customer satisfaction is ensured through efficient customer interfaces with quick turnaround, while adhering to the highest underwriting standards.

Armed with a long-term vision, the next generation too is fully engaged in day-to-day operations, aimed at building a futuristic business which will last for generations to come. Our focus is not to look at the short term, but rather build an enduring and sustainable business.

INVESTOR FAQs

You are reputed for your capabilities in asset liability management. How are you maintaining a healthy ALM?

One of the most ignored areas in managing a housing finance company is maintaining an ALM surplus. During tough times, a deficit in ALM can severely hamper growth and operations. Over the history of our operations at SRG Housing, we have remained extremely focused and have never compromised on our strengths in management of our assets and liabilities. A healthy ALM has been one of the key reasons for the excellent performance of the Company till date.

What are your philosophies on employee hiring? Did you face any specific challenges in hiring during the pandemic?

On a general basis, we do not face difficulties in hiring the right fit for the organization. We state our ways of functioning and what we expect from our potential hires in advance. We only hire employees who believe in our philosophy. It is easier to get the right fit at the lower end of the spectrum, but as we go higher in terms of hierarchy, there are specific challenges in being able to hire the right people who believe in our philosophies and ideologies. We are always keen to hire those who pledge to make SRG Housing better than what it was earlier. Interestingly, the pandemic has turned out to be a good opportunity for us to hire some of the best talents in the industry, who we believe will help us achieve our targets and move to the next stage of growth.

What are our expansion plans? Are you looking at newer geographies to foray into?

Our reach has been increasing in the regions we operate, albeit slowly and steadily. As we understand the defined and undefined laws of the lands in these regions, we aim at leveraging experience in expanding and penetrating further in the existing geographies, and not going into newer territories. We are looking at capturing further markets by entering newer geographies. Our expansion plan for FY21 is to add 3-5 branches and take our employee count to 350.

Any specific message you want to convey to your shareholders?

At SRG Housing Finance Limited, our mission is to help every individual own a home and live a happy life with their near and dear ones.

We aim to leverage our key strengths in serving more than 8,000 customers, as we move forward. However, our greatest strength has been the trust that our customers have in our Company and our employees. Over time, their hard work and dedication, and a culture of caring has earned us our customers' trust.

In the current challenging times of unprecedented changes and large-scale disruption, trust is a very important tool, and is the one factor guarding us zealously as we live our passion of serving the under-served and becoming a key HFC player in India. To continue earning this trust, our Board of Directors, leadership team and employees are passionately committed to deliver business results, constantly create value for a sustainable future and to improve the lives of those around us.

CORPORATE INFORMATION

STATUTORY AUDITOR

M/s PKJ & Co.

Chartered Accountants

INTERNAL AUDITOR

M/s Jain Kothari & Company

Chartered Accountants

SECRETARIAL AUDITOR

Mr. Shivhari Jalan

Practicing Company Secretary

LISTED ON

BSE Limited Code: 534680

BANKERS & FINANCIAL INSTITUTIONS

National Housing Bank

State Bank of India

Punjab National Bank (E-Oriental Bank of Commerce)

Union Bank (E-Andhra Bank)

UCO Bank

DCB Bank

South Indian Bank

AU Small Finance Bank

LIC Housing Finance Ltd.

MAS Financial Services Ltd.

MAS Rural Housing and Mortgage Finance Limited

AVANSE Financial Services Ltd.

Hinduja Housing Finance Ltd.

Hinduja Leyland Finance Ltd.

NABKISAN Finance Limited

NABSAMRUDDHI Finance Limited

REGISTERED OFFICE

321, SM Lodha Complex, Near Shastri Circle,
Udaipur, Rajasthan - 313 001.

Phone: 0294-2561882, 2412609

CORPORATE OFFICE

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

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:

Windsor, 6th Floor, Office No. 604, C.S.T. Road,

Kalina, Santacruz (East), Mumbai-400 098

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

C 101, 247 Park, L. B. S. Marg,

Vikhroli (West), Mumbai - 400 083 (Maharashtra)

Tel: 022-28515606 • Fax No: 022-28512885

Email: support@sharexindia.com

Web: www.sharexindia.com

CIN: U67190MH1994PTC077176

AUDIT COMMITTEE

Mr. Nishant Badala, Chairman

Mr. Vikas Gupta, Member

Mr. Ashok Kabra, Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Vikas Gupta, Chairman

Mrs. Seema Jain, Member

Mr. Ashok Kabra, Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Ashok Kabra, Chairman

Mr. Vikas Gupta, Member

Mrs. Seema Jain, Member

RISK MANAGEMENT COMMITTEE

Mr. Vinod K. Jain, Chairman

Mrs. Seema Jain, Member

Mr. Vikas Gupta, Member

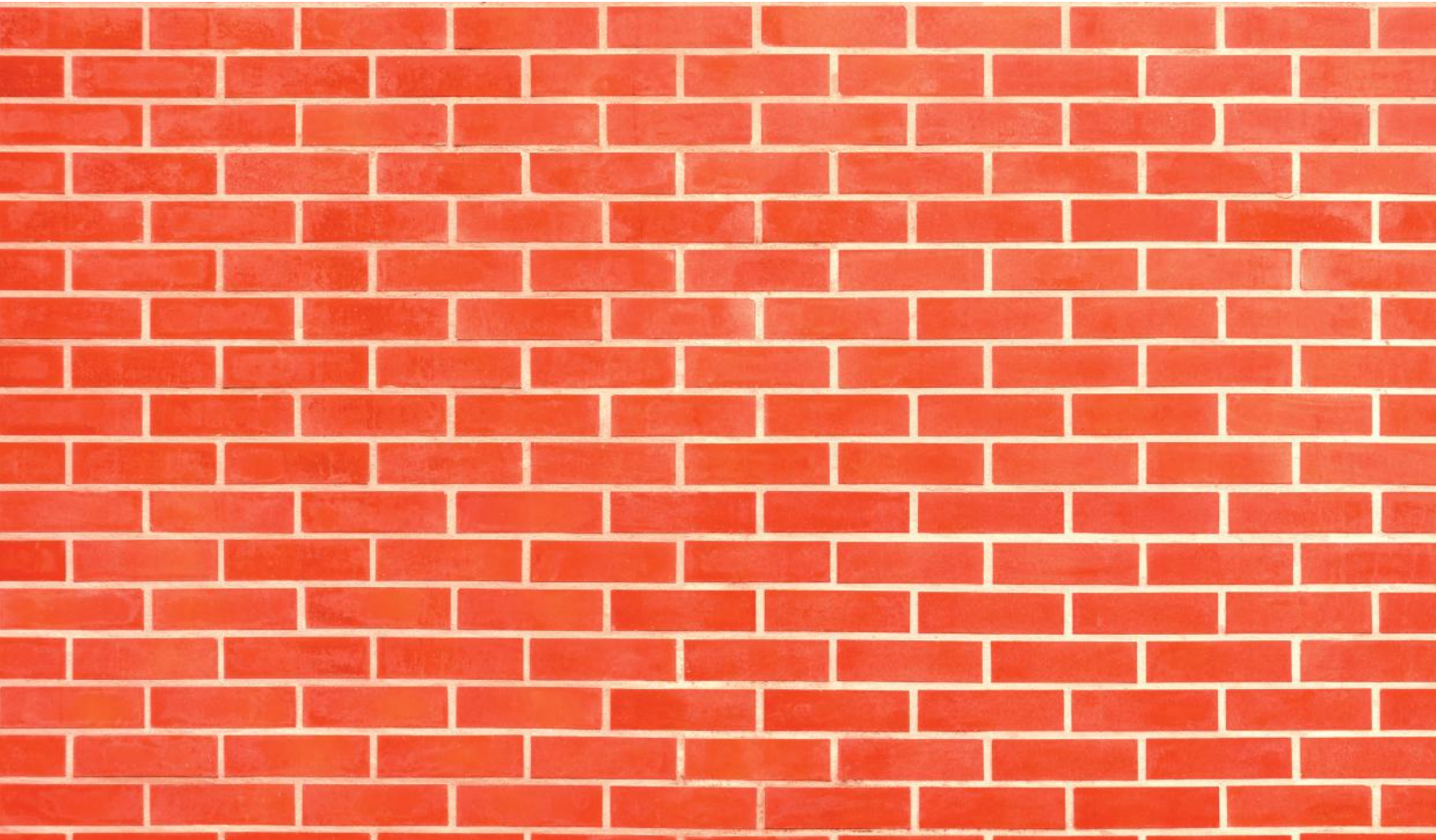
IT STRATEGY COMMITTEE AND STEERING COMMITTEE

Mr. Nishant Badala, Chairman

Mr. Vinod K. Jain, CIO-Member

Mr. Kartik Singh Mehta, CTO-Member

STATUTORY REPORTS



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY AND COVID-19 OUTBREAK

Year 2019 witnessed the slowest economic growth since 2009. The outbreak of COVID-19 pandemic impacted the macro-economic environment in the first half of 2020. International Monetary Fund in its World Economic Outlook (WEO) for June calculated a global growth of 2.9% in 2019 compared to 3.6% in 2018. The slow growth in 2019 was attributed to international trade disruptions, negative growth in selected emerging economies and geopolitical tensions. However, the impact of COVID-19 pandemic on economic activities in H1 2020 made the World Bank and IMF revise their projection for 2020 due to the prolonged effects of the COVID-19 pandemic. According to the World Bank, the COVID-19 recession has experienced the fastest downgrades in growth projections among all global recessions since 1990.

GLOBAL ECONOMIC GROWTH: ACTUAL AND PROJECTIONS (%)

Output	2018	2019	2020P	2021P
World Output	3.6	2.9	-4.9	5.4
Advanced Economies	2.2	1.7	-8.0	4.8
Emerging Markets and Developing Economies (EMDEs)	4.5	3.7	-3.0	5.9

Source: IMF World Economic Outlook, June 2020, P = Projections

IMF revised its forecast for 2020 in its June WEO and projected a negative growth of 4.9%, deeper than the April projection of negative 3%. The recession dynamics are driven by the intensification of the pandemic in a number of advanced countries and EMDEs and the losses brought about by the containment measures like quarantines, lockdown and ban on travel. Consumption, services output and investment have dropped severely causing supply disruptions, demand plunge and a drop in labor market. According to World Trade Organization's (WTO) latest forecast, considering the uncertainty over the pandemic trajectory and its economic impact, the volume of world trade in 2020 may contract by 13% to 32%, under an optimistic to pessimistic scenario. Despite the recession, policy countermeasures have limited economic damage and lifted financial sentiments, keeping the hope of a rebound in the long run. A number of European countries have passed the peak contamination stage and are slowly getting into normalization of economic activities. Based on optimistic assumptions, global GDP growth for 2021 is projected at 5.4%.

INDIAN ECONOMY

The Indian economy, which was witnessing a steady slowdown in consumption, investment and trade over FY20 was confronted with an unprecedented shock of COVID-19 in the last quarter of the fiscal. The Indian Government faced challenges such as a widening fiscal deficit, lower GST collections and

liquidity crunch, worsened by a global pessimism. The virus outbreak and the resulted nationwide lockdown have reduced the chances of a rebound. Both National Statistical Office (NSO) and IMF calculated India's Gross Domestic Product growth at 4.2% in FY20 compared to 6.1% in the previous year.

India significantly eased the monetary policy and offered extensive credit support in the year under review to keep the economy moving. The growth roadmap was also streamlined by the amendment of Insolvency and Bankruptcy Code (IBC), the launch of the National Infrastructure Pipeline (NIP) and the Union Budget 2020-21 with targeted allocations. However, the outbreak of COVID-19 shifted the Government's focus to ramp-up healthcare and support to the economy.

COVID-19 Support and Outlook

Despite the growth challenges, the Government continued with its recalibrated fiscal and monetary stimulus. The Centre has announced a ₹ 20 lakh crore stimulus package named "Aatmanirbhar Bharat" as a socio economic support to the country with an aim to boost localization and building a self-reliant economy. The package announced policy and liquidity support to cottage industries and MSMEs, NBFCs, laborers, farmers, middle class, urban and rural poor. Other supporting measures offered under this package were tax breaks and collateral-free loans for businesses and MSMEs and incentives for domestic manufacturing.

The RBI cut the repo rate to 4% and reverse repo rate to 3.75%, in order to make loans easily available to banks and discourage parking of cash with RBI. Further, to inject liquidity in the economy, it allowed loan repayment moratorium for six months.

After two months of lockdown, Government decided on a phased reopening of the economy in June with strict SOPs, in order to provide relief to the economy. As per data from Centre for Monitoring Indian Economy (CMIE), after reaching the record high of 27.1% in May, India's unemployment rate dropped to its pre-lockdown level of 8.5% in the week ended June 21, driven by improvement in employment scenario in the rural areas. IMF revised its forecast for India in its June WEO, and projected a negative growth of 4.5% for FY21 considering the severe lockdown impact in the first half of the year. It, however, projects the Indian economy to grow by 6% in FY22 backed by the Government's policy support.

INDUSTRY OVERVIEW

1. Housing Finance sector

RBI has recently defined 'housing finance' as financing, for purchase/construction/reconstruction/ renovation/repairs of new/old residential units for loans extended to individuals or group of individuals including co-operative societies, corporates, Government agencies, educational, health, social, cultural or other institutions/centers. Housing Finance Companies (HFCs) are a part of non-banking financial companies (NBFC) sector and serve as an alternative financing channel to the real estate and housing sector. Currently, there are 100 registered HFCs operating in India. RBI has also redefined HFCs as those that have 50% assets as housing loans and 75% of which should be for individual homebuyers.

Growth for HFCs remained muted in FY19 mostly attributed to the liquidity stress faced by the NBFC sector. It impacted credit growth in housing finance companies during FY19 and the share of HFCs in individual housing loans market reduced from 38% in FY18 to 36% in FY19. Despite generalized risk aversion among the investors, the consolidated balance sheet of HFCs showed reasonable asset growth in FY19 at ₹ 13,51,590 crore, from ₹ 11,61,459 crore in the previous year. According to National Housing Bank, the housing loan portfolio of HFCs grew at a CAGR of 19.5% during FY15 to FY19 while the total loans and advances grew at a CAGR of 21% during the period.

Source: REPORT ON TREND AND PROGRESS OF HOUSING IN INDIA 2019: National Housing Bank

<https://m.rbi.org.in/Scripts/PublicationsView.aspx?id=19367>

Restructuring of HFC Sector

The Government of India and RBI took a series of measures to improve liquidity and efficiency of the NBFC sector. The Finance Bill 2019 conferred powers to the RBI, to intervene in the governance of NBFCs, in order to safeguard creditor/investor interest, manage liquidity and ensure financial stability.

Partial Credit Guarantee Scheme (PCGS)

Partial Credit Guarantee Scheme (PCGS) was announced in December 2019, which supported transfer of assets from NBFC/HFCs to PSBs). PCGS 2.0 is an extension of the existing scheme, announced as a part of Aatmanirbhar Bharat package to address temporary liquidity/cash flow mismatches of otherwise solvent NBFCs/HFCs/MFIs. The Government provides portfolio guarantee for the first loss of up to 20% and the guarantees are now capped at an overall level of ₹ 10,000 crore.

Total Borrowing and NOF

National Housing Bank directed HFCs to cut down their total borrowings to 12 times of their Net Owned Funds (NOF) and raise their Capital Adequacy Requirement (CAR) to 15% in phased manner by March 2022. RBI also proposed increasing the minimum net owned funds for HFCs to ₹ 20 crore from ₹ 10 crore within two years.

Liquidity infusion from NHB

NHB introduced Liquidity Infusion Facility (LIFt) in August 2019 as a special window till June 30, 2020 for all HFCs. The scheme provides for additional exposure of up to 30% of HFC's NOF or 50% of NHB's NOF. This was in addition to the two existing schemes of Liberalised Refinance Scheme (LRS) and Affordable Housing Fund (AHF).

Removal of DRR

The Ministry of Corporate Affairs eliminated the requirement for creation of a Debenture Redemption Reserve (DRR) of 25% of the value of outstanding debentures for listed companies, NBFCs registered with RBI and for Housing Finance Companies registered with National Housing Bank (NHB) both for public issue as well as private placements.

Financing window for stalled housing projects

The Finance Minister announced a last-mile ₹ 20,000 crore affordable housing package to benefit around 3.5 lakh homeowners in September 2019. This was a part of Government’s plan to set up a financing window to help revive stalled housing projects. The Union Government contributed ₹ 10,000 crore of this fund under National Investment and Infrastructure Fund (NIIF), while the rest was to be supported by investors.

2. Real Estate and Housing Sector

Real estate sector in India is expected to reach USD 1 trillion by 2030, driven by nuclear families, rapid urbanization and rising household income. Real Estate stock in India was estimated to reach 3.7 million square feet (msf) in 2019, with addition of 200 msf over the year. Real estate has been among the stronger sectors in India’s economy in last few years, as involvement from the Government and the private sector has driven rapid growth. Financial, Real Estate & Professional Services contribute 20% of the country’s total Gross Value Added (GVA), and ‘Real estate and professional services’ remains the major component of this sector with more than 70% share. However, the sector grew by just 6.1% in FY20, compared to 13% in the previous year, plagued by economic slowdown, widespread negative consumer sentiments, a corporate slump and credit crunch. This was further worsened by the lockdown induced by the Coronavirus outbreak. Demand in the commercial and residential real estate sectors will be muted because of economic strain, investments and construction projects are stalled and office spaces are being replaced by work from home arrangements.

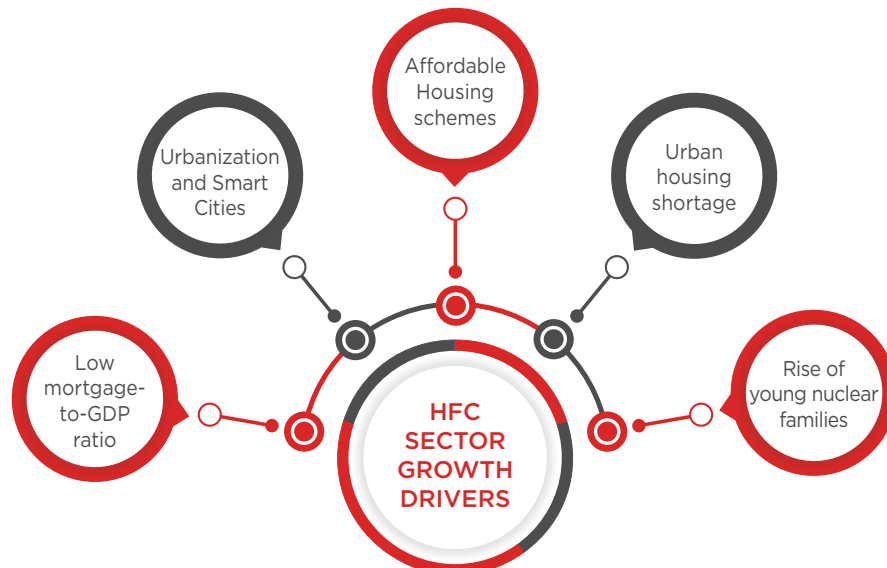
Despite the current slowdown, the sector remains a priority for the Government and will continue to grow, driven by infrastructure spending and urban development schemes by the Government. India’s vast population base will create room for a strong residential economy. The implementation of GST and the Real Estate Regulatory Authority (RERA) are expected to create a level playing field and make real estate more transparent, thus providing protection to the end customers. Further, the increasing incomes of the middle-class, migration to cities for work and the rise of nuclear families will support the growth of real estate sector, which in turn will also benefit the housing finance sector.

Affordable Housing

Affordable Housing remains the key sub-segment in the Housing and real estate sector. With the growth of urban development, urban housing shortage is becoming a growing concern for India’s urban planners. This has emphasized the Government focus on affordable housing. Affordable housing sector was inferred ‘Infrastructure Status’ by the Government in order to augment its growth. The sector has been supported extensively with schemes such as Housing for All by 2022, targeting 20 million households, and the Smart Cities Mission, with a target of creating 100 smart cities. Further, Pradhan Mantri Awas Yojana - Credit Linked Subsidy Scheme (PMAY - CLSS), launched in June 2015 intends to provide ‘Housing for All’ by year 2022.

Source: <https://realty.economicstimes.indiatimes.com/news/residential/india-needs-additional-25-million-affordable-houses-by-2030-report/70450083>

http://www.mospi.gov.in/sites/default/files/press_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf



Extensive Government Initiatives

I. Housing and Smart Cities Mission

The Government has initiated renovation of urban areas in existing cities and creation of new smart cities with urban infrastructure under Smart Cities Mission. Investment of USD 31.7 billion has been proposed by the Government to build 100 cities under the Smart City initiative. Heritage City Development and Augmentation Yojana (HRIDAY), Atal Mission for Rejuvenation and Urban Transformation (AMRUT) are some more schemes that will boost urban housing projects. The Government targets building five crore homes in the next five years and proposes to develop five new smart cities in collaboration with States in PPP mode in Budget 2020-21.

II. Pradhan Mantri Awas Yojana - Credit Linked Subsidy Scheme (PMAY - CLSS)

The Pradhan Mantri Awas Yojana (Urban) Mission launched in June 2015 intends to provide 'Housing for All' in the urban areas by the year 2022. Under this, the Government provides assistance to the implementing agencies through States/Union Territories (UTs) and Central Nodal Agencies (CNAs) for providing houses to all eligible families/beneficiaries against the housing demand of about 1.12 crore. The Credit Linked Subsidy Scheme (CLSS) under PMAY becomes a key driver of the sector, which offers loan subsidies of up to ₹ 2.67 lakh to Economically Weaker Sections (EWS), Low Income Group (LIG), and Middle Income Group-I (MIG-I) and Middle Income Group-II (MIG-II) depending on their eligibility.

Within its COVID-19 support package, the Government extended the deadline for the affordable housing Credit Linked Subsidy Scheme (CLSS) for middle income group up to March 2021, with an aim to keep the demand for affordable housing floating. The extension is also expected to lead to ₹ 70,000 crore investments in the housing sector.

Source: <https://pmaymis.gov.in/>, <https://nhb.org.in/housing-for-all-by-2022/>

III. Budgetary Support

The Union Budget 2020-21 increased the outlay for Housing and Urban Affairs Ministry by 18.4% to ₹ 50,039.90 crore. The outlay for PMAY also increased to at ₹ 27,500 crore. The Government allocated ₹ 13,750 crore for the Smart Cities Mission and AMRUT for FY21 against ₹ 9,842 crore in FY20.

Additionally, the Government extended the benefits of availing additional deduction of up to ₹ 1.50 lakh for interest paid on loans for affordable houses till March 31, 2021. To further incentivize the affordable housing sector, the Government extended the tax holiday to real estate developers of affordable housing projects till March 31, 2021.

IV. RBI Loan Moratorium

Reserve Bank of India (RBI) in its COVID-19 package has allowed all financial institutions to provide a three months' moratorium on all kinds of term loans till May 31, 2020. Later, with the intensification of the virus in India, RBI announced an extension of the moratorium by further three months, till August 31, 2020. As lending institutions, NBFCs and HFCs were allowed to offer moratorium to their customers as well as to avail the same from their lenders.

V. TLTRO 2.0

RBI is offering liquidity support to banks on condition that they would support NBFCs through funds in investment grade corporate bonds, commercial paper and Non-convertible debentures (NCDs) of these entities. In March, the RBI had announced special Targeted Long Term Repos Operations (TLTRO) to ease liquidity conditions in the financial system. This will let banks borrow one to three-year funds from the central bank at the repo rate, by presenting Government securities with similar tenure as collateral. Under this scheme, RBI announced TLTRO 2.0 of ₹ 50,000 crore to ensure liquidity flow to NBFCs and microfinance institutions (MFIs). The RBI chief added that at least 50% of amount availed by banks through this must go to mid and small-sized NBFCs and MFIs. This amount may go beyond ₹ 50,000 crore depending on the severity of the situation.

VI. Repo Rate

On the repo rate front, RBI took up a two-way measure. Since February last year, the RBI reduced the policy repo rate by a cumulative 250 bps, from 6.5% to 4% in May 2020. There is a possibility of a further scope for a rate cut if the inflation growth evolves as expected. This was intended at making loans easily available to banks and help the economy fight the COVID-19 pandemic. The reverse repo rate was reduced to 3.75%, making it less attractive for commercial banks to park cash with the RBI.

VII. Commercial Realty Loans

RBI also announced that the date for commencement of commercial operations, in NBFCs loans to commercial realty projects, can be extended by one year. This will help boost credit to the sector.

Source:

- i. <https://www.thehindu.com/business/Economy/rbi-cuts-repo-rate-again-down-to-4/article31652475.ece>,
- ii. <https://www.bloombergquint.com/economy-finance/rbi-briefing-live-governor-shaktikanta-das-may-announce-additional-measures-amid-lockdown-extension>
- iii. <https://www.moneycontrol.com/news/business/economy/rbis-targeted-long-term-repo-operations-all-your-questions-answered-5139191.html>
- iv. <https://www.financialexpress.com/money/how-budget-2020-will-boost-affordable-housing/1863168/>

Impact of COVID-19 on the Industry

The COVID-19 lockdown has affected domestic demand and cash flows of various entities from multiple sectors. However, after the serious liquidity crunch driven by the failure of IL&FS and DHFL, the financial sector showed signs of revival with Housing Finance companies focusing more on asset liability management and liquidity during the year under review. Industry disbursement and Assets Under Management (AUM) witnessed a declining trend because of the cautious stance of managements towards developer financing and big-ticket Loan Against Properties. The lockdown further impacted disbursement in the last 2 weeks of March.

However, according to a recent report by Centrum Institutional Research “Housing Finance: A Blend of Resilience and Returns”, the COVID-19 scenario poses lesser challenges for housing finance sector. During the lockdown period from March to May 2020, corporate and housing segments claimed the least moratorium (20-25%) allowed by RBI. Asset quality for housing loans has been the best among the segments, with GNPA under 2%. The report expects the HFCs would be the best placed to bounce back when the moratorium ends in August 2020. With extensive liquidity support from the Government and RBI, the sector is getting back to operations with optimism despite the COVID crisis.

Overall, HFC sector growth is expected to remain muted for FY21 due to falling customer demand due to the stress in cash flows. The management in most of the HFCs will focus more towards collection and managing sufficient liquidity. Focus of most players will remain in the affordable housing space. This is

attributed to the fact that ticket sizes are lower in affordable housing sector and the situation is better in tier 2, 3, 4 cities in terms of lockdown relaxations. Further, rural areas which cater to a large portion of affordable housing loans are much less affected by the pandemic.

COMPANY OVERVIEW

SRG HOUSING FINANCE LIMITED, (SRG Housing or the Company) is a listed Housing Finance Company (HFC) incorporated in 1999, having a registered office in Udaipur, Rajasthan and with its corporate office in Mumbai. SRG Housing is the first company in India to get migrated from BSE SME platform, where it registered in 2012, to BSE main board in 2015. The Company has its presence in 4 states of India - Rajasthan, Madhya Pradesh, Gujarat and Maharashtra.

The Company’s product line is segregated into two major products: Housing Loan and Loan against Property. Housing loan can be availed for construction or buying a new house as well as for renovation and extension. It offers Mortgage property loan/ Loan against Property (LAP) offering, and loans against residential/commercial property for business or other purposes.

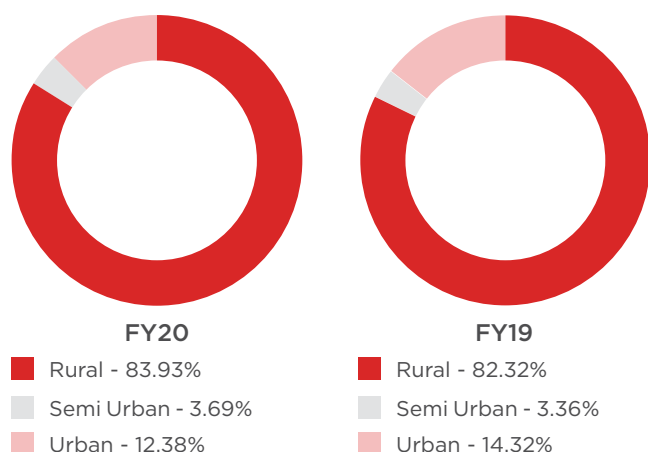
With two decades of expanding operations in India’s rural sector, the Company has helped the underserved segment of customer enter the country’s financial mainstream. The major section of SRG Housing’s customers belong to low and middle income group – self-employed people owning small or medium businesses with informal source of income and limited access to formal banking credit. By virtue of its knowledge and understanding of the target group of customers, the Company has been able to create opportunities for them to improve their lifestyle and build long-term assets and wealth. This way, the Company’s success goes beyond financial growth and lies in making a positive impact in the society it caters to.

Loan Book Break-Up - Product Category (in %)

Particulars	FY20	FY19
Housing loan	72.31%	73.32%
Loan against Property	27.69%	26.68%

Loan Book Break-Up - Customer Category (in %)

Particulars	FY20	FY19
Self-employed	77.93%	80.16%
Salaried	22.07%	19.84%

Loan Book Break-Up – Geography-wise (in %)

Operational Highlights

- AUM, Approvals and Disbursements**

As on March 31, 2020, the total loan portfolio or Assets under Management (AUM) stood at ₹ 274.24 crore as against ₹ 280.25 crore in the previous year, registering a drop of 2.14%. Total housing loan portfolio stood at ₹ 198.30 crore and total Loan against Property stood at ₹ 75.94 crore. During the year under review, total loan disbursements dropped 61% year over year to

stand at ₹ 48.40 crore as against ₹ 124.90 crore in the previous year. The loan approvals during the fiscal stood at ₹ 49.76 crore as compared to ₹ 124.83 crore in FY19.

The economic slowdown in FY20 covering almost all key sectors, sluggish manufacturing sector, lack of growth in new job creations and agricultural inflation caused increased financial stress amongst rural households. Banks were cautious and were averting risks by squeezing credit, especially in lending to MSMEs. The year-on-year bank credit growth was 6% as on March 31, 2020 hitting a five-decade low. Despite the liquidity support from RBI, banks parked an estimated ₹ 8.5 trillion with the central bank under reverse repo rate facility. All these factors had a negative impact on the liquidity position, loan portfolio, loan disbursements and approval.

Approximately, 84% of the loans originated from rural areas reflecting the Company's unique business model. For FY20, the average tenure of loans was 6.38 years and average Loan to Value (LTV) ratio of the AUM stood at about 42% supported by strong standards of credit underwriting, which safeguarded the Company against credit risk.

Offering Mix: FY20

Particulars	Loan to Value (LTV) (%)	Disbursements (₹ in crore)	Average Ticket Size (₹ in lakh)	Yield (%)
Housing loan	41.84%	32.48 crore	5.24 lakh	23.05%
Loan against Property	44.62%	16.00 crore	10 lakh	21.72%

- Marketing and Distribution**

The Company has expanded its branches to 33 in FY20, with 17 branches in Rajasthan, 9 in Madhya Pradesh, 6 in Gujarat and 1 in Maharashtra. It merged small and geographically close branches in Rajasthan into the district headquarters for operational convenience and efficiency. Its main customer target is the Low and Middle Income (LMI) segment.

The key focus of the Company's marketing strategy is to enhance brand visibility and customize its offerings according to customer demographics. It provides convenient doorstep services to customers through Direct Selling Agents (DSA) and Home Loan Agents.

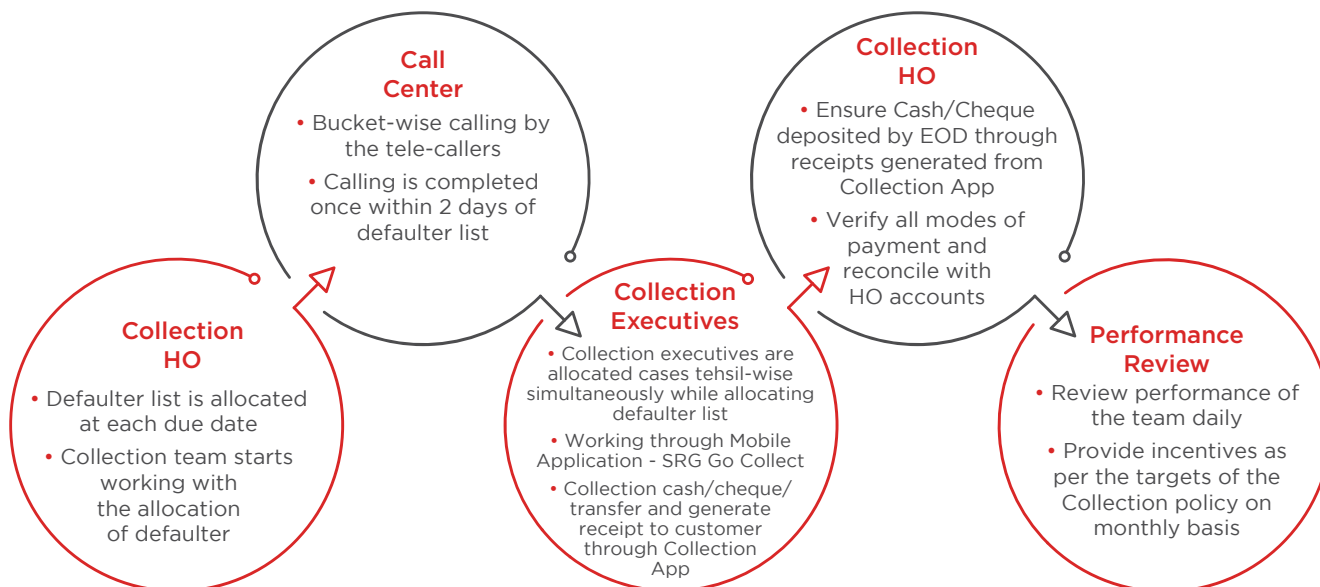
The Company's marketing strategy covers digital influence medium, social media and local customer touchpoints. It implements cost effective measures like advertising through local media including advertisements in regional newspapers; magazines and cable channels; hoardings and canopies at prominent locations in cinema halls; bus terminals and railway stations; distribution of pamphlets and banners periodically and conducting loan camps every 2-3 months. The Company's relentless focus on marketing and distribution has enabled it to build a strong business network across Tier II and Tier III areas.

For the past year, the Company has been maintaining a Lead Management System (LMS) and Sales Login File, via SRG Sales Application. This has streamlined the approval process and reduced the incidence of error. Further, the Company does not disburse cash; the money is directly transferred into the customer's account after obtaining the required documents.

• **Collection and Recovery Process**

SRG Housing's collection and recovery processes are supported by digital technology and a robust in-house collection app.

Collection Process



• **Asset Quality and NPA**

A loan is classified as NPA when the borrower crosses more than 90 days past the due date. Defaults occur when a borrower is unable to make timely payment, misses the payment, avoids or stops making payment due to reasons such as cash flow mismatches, lack of income, job loss or medical emergencies etc. As on March 31, 2020, the net non-performing assets stood at 0.51% as compared to 0.94% in the previous year. The Company's Asset Quality remains robust and in control as it provides collateral loans with security of about 200 times. Further, a majority of the Company's customers are hardworking people with the highest integrity and defaulting on a loan is considered a matter of disrespect and shame in the society. The accuracy and efficiency of the Company's customer screening plays a key role in reducing its non-performing assets.

Collection Process

Particulars	FY20	FY19
Gross NPA %	2.21%	1.97%
Net NPA %	0.51%	0.94%

In case of further default, the Company provides notice of possession to defaulters under SARFAESI Act. As the Company lends towards residential homes, which is usually occupied by the borrower and his family, they would normally take all actions to save the house from being re-possessed. Due to the low ticket size, the amount due tends to be comparatively low. As a result, the customers arrange the funds from family and friends to clear their dues. The Company did not write off any loan during the year, as it has sufficient security coverage. Generally, a loan write-off happens when a loan continues as a bad loan for more than 7 years and realizable value of security is not sufficient.

The Company continued to ensure that there is adequate provisioning for unforeseen contingencies. As per the prudential norms prescribed by NHB, the Company is required to carry a provision of ₹ 2.71 crore, out of which ₹ 4.82 crore is on account of non-performing assets and 0.84 crore is in respect of standard loans. The Company does not anticipate a major hit on asset quality due to COVID-19. The Company has opted for dispensation of spreading the provision over two quarters and the provisions for COVID-19 as on March 2020 stood at 0.42 crore. Total Provisions stood at 6.08 crore.

• Impairment on Financial Instruments

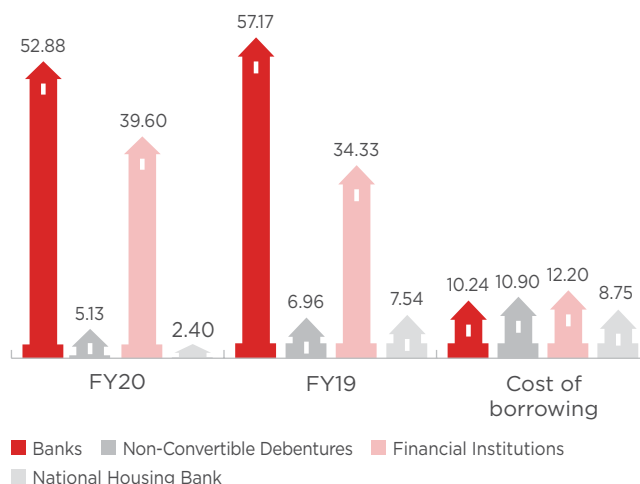
	(₹ in crore)	
	As at March 31, 2020	As at March 31, 2019
Expected Credit Loss under Ind AS, asset classification and provisioning moves from the 'rule based', incurred loss model to the Expected Credit Loss (ECL) model of providing for expected future credit losses. Exposure at Default		
Stage-1	262.21	267.46
Stage-2	5.97	7.26
Stage-3	6.05	5.53

Particulars	31-Mar-20	31-Mar-19
Gross Stage-1	262.21	267.46
ECL provision	1.25	0.85
Net Stage -1	260.96	266.61
Coverage Ratio-1	0.48%	0.32%
Gross Stage-2	5.97	7.26
ECL provision	0.14	0.13
Net Stage -2	5.83	7.13
Coverage Ratio-2	2.35%	1.79%
Gross Stage-3	6.05	5.53
ECL provision	4.69	4.14
Net Stage -3	1.36	1.39
Coverage Ratio-3	77.52%	74.86%
EAD	274.23	280.25
ECL Provision	6.08	5.12
Net	268.15	275.13
ECL/EAD	2.22%	1.83%

• Funding Sources

In FY20, total borrowings of the Company dropped to ₹ 245.58 crore compared to ₹ 255.13 crore in the previous year. During FY20, the Company raised ₹ 47.50 crore in total, out of which 31.57% is from PSU banks, 10.52% from NHB and 57.91% from Financial Institutions. The Company borrows 31.80% at fixed rate of interest and 68.20% at variable rate against which it lends all loans for a fixed rate.

Well Diversified Borrowing Mix (Borrowing profile in %)



NHB Required Ratio of Borrowings

Timeline	Ratio of Borrowing to Net Own Funds
On or after March 31, 2020*	14 Times
On or after March 31, 2021	13 Times
On or after March 31, 2022	12 Times

*Previously the ratio of borrowings to net owned funds was 16 times.

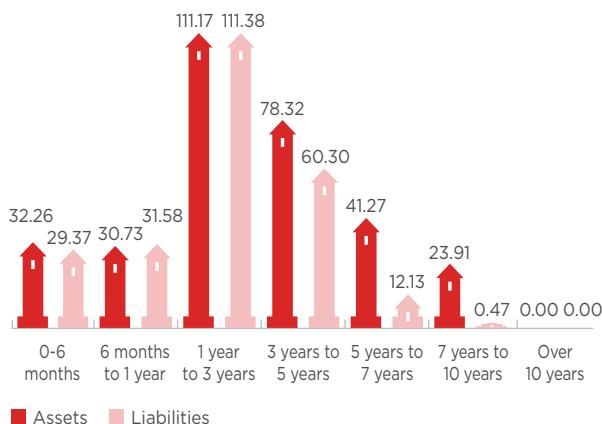
• Asset-Liability Management

SRG Housing's asset liability management operations are undertaken in accordance with the ALM guidelines issued by NHB. The Board of Directors has approved an Asset-Liability Management Policy as a blueprint for the team to manage the operations. The Company has a team with excellent domain expertise and experience to manage ALM risks. An Asset-Liability Management Committee (ALCO) comprising the Managing Director and members of Senior Management monitors the ALM position at periodic intervals.

Led by robust policies and expert management team, the Company has never faced any significant cash flow mismatch in its operations. The Company maintains its ALM position based on the maturity buckets and arranges for adequate credit in time so that it does not face any growth limitations because of asset liability mismatch. Further, a steady surplus record in all buckets has protected the Company's reputation from lenders' and stakeholders' perspective, even during the HFC liquidity crunch period. This has given the Company an edge over its competitors in the market.

The Company has registered positive ALM across all Bucket-wise in FY20.

ALM Bucket-wise as on March 31, 2020 (₹ in crore)



SRG Housing maintains a cumulative surplus of ₹ 72.41 crore over the tenor.

Key Strengths

SRG Housing is a well-known name in the housing finance sector in both rural and semi-urban areas. The Company has a few unique strengths that are instrumental in driving its growth and creating its brand:

Focus in Underserved and Unserved Markets

Rural and semi-urban areas in the four states of Rajasthan, Madhya Pradesh, Gujarat and Maharashtra have been the major operating areas of SRG Housing, with 84% of revenue coming from rural areas. The Company's strength lies in its ability to assist the underserved and unserved section of the society with informal income sources to enter the country's mainstream financial system. The key driving force of the Company is its endeavor to help people build long-term assets and empowering them with a sense of ownership and financial discipline. The Company's aim is to not only create value for shareholders but all stakeholders through its business operations.

Strong Board and Management Support

The Company's board of directors and management have a wealth of experience and expertise in the housing finance sector. SRG Housing is creating a long-term business model for the second generation to carry forward the legacy. The second-generation promoter, Mr. Archis Jain, has already joined the Company and is responsible for driving business operations, implementation and monitoring of business targets. He is the son of the promoter Mr. Vinod Jain and is being groomed under his proficient leadership. The Company is not just looking at the short term, but at building a sustainable and scalable business.

SRG Housing is credited with being a pioneer in housing finance industry in Rajasthan. The management's long-term vision, strategic decision-making, policy formulation and implementation have been instrumental in catapulting the Company's growth trajectory and surviving the industry crisis.

Strong Asset Quality

The Company has maintained a strong asset quality over the years, which gives it an edge over its peers. Its ability to manage collections on time and ensuring best credit underwriting has helped it maintain a positive cash flow. The Company implements rigorous customer screening to reduce the risk of non-performing assets. Every customer's credit bureau records are checked thoroughly. A majority of customers avail an institutional loan for the first time with no previous credit history. People in rural India are calculative about borrowing funds and borrow only when they face deficiency in funds and only the exact amount required. This is a win-win situation for both the Company and its customers, as the EMI as well as the ticket size remains smaller.

The Company records around 35% to 40% Head office level rejection rate in loan applications. Branch level rejection is rate about 50%. The Company complies with strict underwriting parameters both at initial login levels and at Head Office credit department level and sanctions cases only on a selective basis.

Diversified Source of Funds

SRG Housing is supported by a strong group of lenders. The Company has received refinance from the National Housing Bank under its refinance scheme. It has a well-diversified source of funds with a strong exposure to banks and financial institutions.

Faster Loan Disbursals

SRG Housing's technological know-how and a deep knowledge of the target market have facilitated

a smooth credit appraisal system and faster loan disbursements without taking underwriting risks. The experienced team processes requests faster based on a thorough understanding of customer needs and their affordability to repay loans within tenure. Further, the Company has empaneled advocates at all the branches, who provide Search and legal reports, supported by the in-house legal team which verifies all the documents. Before SRAJAN, time taken for login to disbursement was 35 days, now post implementation of SRAJAN it is less than 15 days.

Lower Loan to Value

For FY20, the average Loan to Value (LTV) ratio of the AUM stood at about 41% supported by strong standards of credit underwriting. This safeguards the Company against credit risk. This is attributed to its strategy of lending towards construction of individual units only, excluding land acquisition cost.

Technology

The Company is revamping its processes and systems, right from customer sourcing to credit evaluation, disbursement and collection with a well-defined technology roadmap. This enables it to achieve operational efficiency, productivity and cost-effectiveness. The 'SRG SRAJAN' project, a System Change Management Program for standardizing Standard Operating Procedures (SOPs) and streamlining key activities and core functions, is designed to make the Company future-ready and proactive to changes in the industry.

Employee Advantage

The Company boasts employees who have been a part of the SRG Housing family since the Initial public offering (IPO). The Company values these associations and believe they play a critical role in business sustainability and growth. The Company maintains a high retention ratio and a core team with a rich experience of over 5-7 years with SRG Housing, which helps in streamlining growth strategies. Further, the executives are well connected with customers; they are approachable, speak their dialect or language and possess a thorough understanding of the geography they work in. The executives know in advance what business needs to be generated from that particular location next year and the year after next, strengthening a long-term preparedness. This has helped them plan right down to their monthly targets much earlier for a better execution plan.

FINANCIAL REVIEW

The Financial Results in FY20 were calculated as per Indian Accounting Standards (Ind AS) of Schedule III effective from April 1, 2019.

In FY20, SRG Housing registered total revenue of ₹ 72.6 crore from all operations, compared to ₹ 58.12 crore in previous financial year, up 25% YoY. Despite the drop in loan disbursement and total AUM, revenue and profit increased YoY. Profit Before tax (PBT) grew by 15.51% to ₹ 22.49 crore in FY20 from ₹ 19.47 crore in FY19. Profit After Tax (PAT) grew by 22.75% to ₹ 17.97 crore from ₹ 14.64 crore in FY19. Net Interest Income (NII) grew by 10.9% to ₹ 33.99 crore in FY20 as compared to ₹ 30.64 crore in FY19. Net Interest Margin (NIM) dropped by 0.48 basis points to 12.51% in FY20 as compared to 12.99% in FY19, attributed to the drop in loan portfolio. Although there is a slight decline in NIMs, SRG Housing maintains highest NIMs in the industry by far. The Company continued to gain a strong spread on its loans at about 12%.

Financial Highlights (₹ in crore)

Particulars	FY20	FY19	Growth %
Total Income	72.6	58.12	24.91%
Interest and Finance Charges	30.38	23.12	31.40%
Net Interest Income	33.99	30.64	10.93%
Total Operating Expenses	18.77	13.16	42.63%
Pre-Provisioning Operating Profit	23.45	21.84	7.37%
Provisions	0.96	2.37	-59.49%
PBT	22.49	19.47	15.51%
PAT	17.97	14.64	22.75%
Other Comprehensive Income/Expenses	-0.03	-0.02	50.00%
Total Comprehensive Income	17.94	14.62	22.71%
Earnings Per Share	13.82	11.26	22.74%

Change in Key Financial Ratios

Ratios	FY20	FY19
Net Interest Income to average loans	12.51%	12.99%
Total Operating Expenses to NII	55.22%	42.95%
Average Return on Equity	27.32%	29.55%
CRAR-	40.04%	30.27%
Tier-I	39.32%	29.78%
Tier-II	0.72%	0.49%
Gross NPA	2.21%	1.97%
Net NPA	0.51%	0.94%
Provision Coverage Ratio	100.55%	92.57%
EPS	13.82	11.26
Interest Coverage Ratio	1.74	1.87
Debt Equity Ratio	3.28	4.50
Net Profit Margin %	24.75%	25.20%
Cost to income	44.46	37.61
Opex to Avg Asset	5.76	4.88
Profit to Avg. Asset	5.51	5.46

Loan Quality and Provisions Carried (In %)

Particulars	FY16	FY17	FY18	FY19	FY20
	As per IGAAP			As per Ind AS	
Gross AUM	53.29	81.83	200.28	280.25	274.23
Provisions	0.43	0.67	2.75	5.12	6.08

The provisioning for COVID-19 is ₹ 0.42 crore.

Return on Net Worth

Fiscal Year	Amount (₹ in crore)	% Growth
FY19	56.70	29.55%
FY20	74.86	27.32%

Note: The increase in Net worth was due to profit for the year and Ind AS impact.

MANAGEMENT OUTLOOK

The outbreak of COVID-19 pandemic and the resultant lockdown and halt to all economic activities disrupted the Company's business since March end to May 2020 and this is expected to have an impact on the Company's business in the medium and long term. Due to the lockdown, the Company's offices had to be shut and Work from home was implemented for all employees.

The Company leveraged on its technology infrastructure in order to continue its business operations related to customer service and liquidity

management. However, loan disbursements were also disrupted during the lockdown period as brick and mortar businesses had to close its shutters temporarily. Since about 90% of customers repay their loan EMIs through electronic mode, collections were not that severely impacted. Under the COVID-19 support provision extended by RBI, the Company offered loan moratorium to its customers with an 'opt-in' option. From June 1, 2020, the Company resumed operations in all the branches, following the SOPs determined by the Government. The Company is now following all necessary protocols related to hygiene and social distancing for its employees and customers.

SRG Housing caters to the affordable housing segment which remains a priority in Government policies. A majority of the Company's customers belong to rural areas, where the spread of COVID-19 is limited. Since most of the customer's businesses fall in the essential category, the repayment schedule was not much impacted. Further, the improvement in rural employment scenario after the announcement and implementation of Aatmanirbhar schemes remains a bright spot in the Company's future growth.

SRG Housing's strong liquidity position will enable it to recover quickly once the economic activities are normalized. During the lockdown period, the Company has opted for moratorium from its lenders. However, with the resumption of operations and improvement in collections, the Company is raising funds under various schemes of National Housing Bank and under the TLTRO 2.0 scheme of RBI. The Company has successfully repaid all the installments opted under moratorium. The Company's robust, controlled asset quality will adequately protect it at the portfolio level during the crisis. The Company sees no material impact on its balance sheet in the medium and long term as it has adopted conservative practices and has always provided additional provision over and above the NHB guidelines. However, the present uncertainties regarding the pandemic remain a concern for the Company as well as the industry. SRG Housing will continue its focus on maintaining adequate liquidity, balanced ALM and robust asset quality. Further, its efforts towards enhancing efficiency with digitalization of processes and systems will be a significant support toward streamlining its operations and scaling up the business.

RISK MANAGEMENT

Risk management is an integral part of business operations of SRG Housing due to the complex nature of business and various risks associated with it. The Company has a risk management committee that is

responsible for studying, monitoring and identifying the key enterprise risks. The committee also develops the risk assessment and mitigation roadmap by drafting proper policies and control measures. They analyze the entire operations in terms of risk management policies, review the effectiveness of credit risk management policies, and analyze all the related processes with respect to credit decisions. Review and approval of credit proposals remain at their jurisdiction. The Committee reports the results of credit and enterprise risk monitoring and mitigation measures to the management and the Board.

Significant Risks and their Mitigation

Sr. No.	Risk Description	Consequences	Mitigation	Likelihood (1-4)
1	Liquidity Risk: Because of short-term borrowing tenure, housing finance companies may face asset-liability mismatch risk and liquidity risk.	<ul style="list-style-type: none"> • Reputation loss • Business loss • Liquidity crunch • Income loss 	SRG Housing closely monitors asset maturities and liabilities for funds and borrowings and the repayment schedules. ALCO team monitors and manages ALM position based on maturity buckets. This enables the Company to maintain balance of assets and liabilities.	3
2	Credit Risk: Borrowers may default on loans due to any reason resulting in a credit risk for the Company.	<ul style="list-style-type: none"> • Credit crunch • Cash crunch • Lower AUM • Higher NPA • Impact on profitability 	SRG Housing verifies the credit profile of all borrowers with a robust credit appraisal and follows a strong recovery processes. The Company's customers are usually first time borrowers and borrow only the deficient amount.	2
3	Operational Risk: Any failure and mismanagement in Company operations because of various factors related to law, HR, technology or customer relation can pose a risk to business.	<ul style="list-style-type: none"> • Reputation loss • Loss in business • Shutdown 	SRG Housing has a code of conduct policy for a major part of operations and services including loan origination, document processing, marketing and research, supervision of loans, data processing and back office are managed in-house to retain control on operations. All outsourced services are legally governed for a better hold.	1
4	Competition Risk: Operating in a competitive and fragmented market with high growth prospects may lead to steep competition and cause a loss in market share.	<ul style="list-style-type: none"> • Business loss • Loss in market share 	The Company has established strong brand equity in the rural markets with a steady record in positive ALM and lower NPA. As it caters to the underserved section of consumers in the credit market, the demand in this segment continues to remain higher than supply.	2
5	Interest Rate Risk: Any unfavorable fluctuation in repo rates/interest rates can impact the business of HFCs negatively.	<ul style="list-style-type: none"> • Business Loss • Impact on profitability 	SRG Housing's Net interest margin (NIM) is about 13% is higher than the competitors. The Company borrows fund at variable rate and lends at a fixed rate maintaining adequate margins. This insulates the Company from interest rate risks.	1

Sr. No.	Risk Description	Consequences	Mitigation	Likelihood (1-4)
6	Manpower Risk: Higher attrition rate and inability to fill up key positions in manpower can affect business operations.	<ul style="list-style-type: none"> • Growth deceleration • Operation failure • Reputation loss 	SRG Housing focuses on hiring the right people with a drive to perform and retain them with proper motivation and recognition. At the management level, it has a well experienced team with long-term association and with a strategic growth vision.	3
7	Technology Risk: HFCs are constantly upgrading their technological know-how for better efficiency and service. Inability to adapt to the dynamic technological environment poses a risk to the business.	<ul style="list-style-type: none"> • Cyber Security compromise and data leak • Business loss to peers • Operation failure 	SRG Housing has a robust IT system and uses latest software to manage its operations. It has an integrated operations system supported with an efficient ERP system adhering to the standard safety protocols. Further, IT systems are constantly upgraded to stay updated with the latest technology.	2
8	Regulatory Risk: Financial sector is dynamic and constantly undergoes disruptive changes in rules and regulations. Failure to comply with any such regulatory change may impact the functioning of the business.	<ul style="list-style-type: none"> • Reputation loss • Business loss • Legal non-compliances 	SRG Housing closely monitors any change in regulations or introduction of new laws and amends its policies and procedures accordingly to stay updated in the market.	2
9	Economic Risk: Housing finance companies are exposed to macroeconomic risks, brought about by economic slowdown. This can impact the overall financial markets and the business prospects of the Company.	<ul style="list-style-type: none"> • Credit aversion from borrowers • Liquidity crunch • Lower AUM 	SRG Housing mainly caters to the underserved section of the rural and semi urban society with informal income sources. Since this segment is insulated from macro-economic factors, the Company faces minimal impact from any kind of economic slowdown.	2

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

SRG Housing has an adequate internal control system that oversees the business operations effectively and efficiently. SRG SRAJAN program, which was initiated for revamping the processes and standardizing the internal functions focusing on automation and technology, is playing a significant role in enhancing the internal control system. The system reviews the reliability of financial and other records. The system also monitors preparation of financial information and other data, for maintaining accountability of operations and for protecting the Company assets. The internal controls also ensure compliance with applicable regulations and statutes. Process flows for all functions have been documented for reference and record and followed to streamline the system.

The Company has an internal audit committee that prepares the risk-based internal audit report. Internal reports are verified by an independent firm of chartered accountants in accordance with standard policies and procedures. They also suggest the enhancement required for processes and systems. The Audit Committee has the responsibility to supervise the implementation of the suggested observations and recommendations.

The Company carries out quarterly branch audits across all branches. A team from Head Office visits the branches and select cases at random for property inspection and customer verification.

INFORMATION TECHNOLOGY

SRG Housing commenced with various initiatives towards improving the IT infrastructure during FY19, which continued in FY20. The Company is revamping all its processes and systems, right from customer sourcing to credit evaluation, disbursement and collection. This is enabling it to achieve operational efficiency, higher productivity and cost-effectiveness.

The Company has initiated 'SRG SRAJAN' in FY19, a System Change Management Program for standardizing Standard Operating Procedures (SOPs) and streamlining key activities and core functions. A consultant firm having hands-on experience in System Change Management was appointed to help implement these actions smoothly. This will provide the management with the best practices of system implementation and control and change management. The project covers:

- Setting and designing the system and data flow for the existing ERP system - "Finwin"
- Undertaking detailed business requirement assessment and transforming it to business requirement design
- Assessment of integration and enhancement of processes in key functional areas like business sourcing & IMS, credit underwriting and sanction, loan management & repayment accounting & finance, collection & recovery, legal & compliance, customer relationship and performance management system

Phase 1 of the SRG SRAJAN program was successfully completed covering Mobile Lending Solutions, HRMS and Go Collect Application, which has helped serve customers better and faster. The mobile platforms have helped the Company's executives to process loan applications, capture leads and accelerate loan processing through smartphones. This has helped login and registration process easier for the Company's marketing executives. Digitalization of most processes have been achieved in a smart way, raising the possibility of reducing the turnaround time (TAT).

In FY20, the Company continued with Phase 2 of the program covering the below areas:

- Due diligence for existing processes after implementing mobile solutions
- Focusing on core system development

- Analytical dashboards & performance dashboards for every level including frontline employees, middle level management and top management

HUMAN RESOURCES

SRG Housing considers human resources as the most critical element driving organizational growth and sustainability. It believes in hiring talented individuals and nurturing them with training and skill development. Further, the Company strives to retain these individuals with various employee motivational programs, reward and recognition and strategic employee engagement. The Company's comprehensive and well-structured HR policies ensure employee growth both at personal and professional levels, and at the same time also aligns their goals with that of the Company to create a win-win situation.

Some of the major training and development programs for employees in the year under review are:

- HR Mantra Software Training to all the Employees
- Interdepartmental Training on Credit Evaluation and Goal Setting
- Soft Skill Development Training on Communication
- Soft Skill Development Training on Email Etiquette and Conflict Resolution
- Soft Skill Development Training on File & Folder Management
- SRAJAN Training & Interdepartmental Training and Objective Key Results (OKR Session)

The Company conducted a total of 312 induction sessions during the year with 52 in Gujarat, 76 in Madhya Pradesh, 180 in Rajasthan and 4 in Maharashtra.

To keep the employees motivated, the Company conducted Saturday recreational and creative activities. It also conducted activities to promote teamwork, communication and understanding of the business. Additionally, a poster-making activity based on the topic of Stay Home and Stay Safe during the outbreak of COVID-19 was initiated. Work from Home policy during the lockdown period was initiated to safeguard the health and safety of the employees.

The founders have extensive knowledge in financial services and mortgage and have nurtured a strong senior management team that has grown with the Company. The in-house Legal Team comprises lawyers, chartered accountants and company secretaries. As technology remains at the core of

the business, the Company has an independent IT team which looks after the server-based database management and data transition security and maintaining relevant IT controls.

The total number of employees as on March 31, 2020 stands at 251.

SEGMENT REPORTING

The Company is exclusively engaged in the Housing and Mortgage Finance business and revenues are mainly derived from this activity. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting 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 and approved by 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.

CAUTIONARY STATEMENT

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

DIRECTOR'S REPORT

To,
The Members

The Board of Directors of your Company take pleasure in presenting before you the 21st Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2020.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS & STATE OF AFFAIRS:

Particulars	₹ In Crores)	
	2019-20	2018-19
Profit Before Fair Value Changes, and Provision for Expected Credit Loss	23.22	21.83
Net Gain/(Loss) on Fair Value Changes	0.23	0.00
Impairment on Financial Instruments (Expected Credit Loss)	0.96	2.37
Profit Before Tax	22.49	19.46
Less : Tax Expenses (Including Deferred tax)	4.52	4.82
Profit After Tax	17.97	14.64
Other Comprehensive Income	-0.03	-0.02
Total Comprehensive Income	17.94	14.62
Retained Earnings		
Opening Balance	22.86	11.75
Profit for the year	17.97	14.64
Other Comprehensive Income	-0.03	-0.02
Amount Available for Appropriations	40.80	26.37
Appropriations:		
Transferred to Special Reserve under Section 36(1)(viii) of The Income Tax Act, 1961& Section 29C of the NHB Act, 1987	3.70	3.20
Excess provision	-0.24	0.31
Other Adjustment due to IND AS	0.03	0.00

Note: Figures have been regrouped wherever necessary while preparing the statements as per IND-AS requirements.

BUSINESS PERFORMANCE:-

A. Lending operations:-

The Gross Loan Book as at March 31, 2020 stood at ₹ 274.24 Crores as against ₹ 280.25 Crores as at March 31, 2019 degrowth of 2.14%. As at March 31, 2020 the Loan Portfolio contributing Housing loans as 72.31%, (previous year 73.32%) and Loan against properties as 27.69% (previous year 26.68 %). During the year ended March 31, 2020, Company recorded Loan sanctions of ₹ 49.76 Crore as compared to ₹ 124.83 Crore in previous year and loan disbursement was ₹ 48.48 Crore as against ₹ 124.90 Crores in previous year.

The growth in Financial Year 2019-20 was impacted due to tight liquidity, moderate economic growth, risk averseness in the lending environment and COVID-19 pandemic. As a result there was degrowth in lending operation. Amid

such environment we continued our focus on maintaining adequate liquidity, balanced ALM, efficient operations and robust asset quality.

Further details of lending operations are provided in the Management Discussion and Analysis Report.

B. Profits:

During the year under review, your Company recorded an Operating Profit (i.e. Profit before tax and provisions for contingencies) of ₹ 53.83 Crore (previous year ₹ 40.13 Crore), registering an Y-o-Y increase of 34.14%, Profit Before Tax (PBT) of ₹ 22.49 Crore (previous year ₹ 19.46 Crore) registering an Y-o-Y increase of 15.57%, Profit After Tax (PAT) of ₹ 17.97 Crore (previous year ₹ 14.64 Crore) registering an Year-on-Year increase of 22.74%.

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 was no changes in the Share Capital of the Company.

BORROWINGS:

A. NHB Refinance:

Your Company has availed refinance aggregating ₹ 5 Crores during the year. The refinance outstanding as at March 31, 2020 amounts to ₹ 5.90 Crores.

B. Banks and Financial Institutions:

The Company availed fresh credit facilities of ₹ 42.50 Crores from multiple Banks and Financial Institutions during the year 2019-20. The outstanding credit facilities from Banks and Financial Institutions as at March 31, 2020 amounts to ₹ 227.08 Crores.

During the year, the rating assigned to term loans continued as BWR BBB (BWR Triple B) Outlook: Stable from Brickwork Ratings, the Credit Rating Agency.

C. Non-Convertible Debentures ("NCDs"):

During the year 2019-20 the Company did not issue any NCDs. As on March 31, 2020 the outstanding NCDs stood at ₹ 12.60 Crores. During the year, the rating assigned to NCDs continued as BWR BBB (BWR Triple B) Outlook: Stable from Brickwork Ratings, the Credit Rating Agency.

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 which were issued by the Company in Financial year 2017-18 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, 2020, 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.

The unclaimed dividend in respect of financial year 2014-15 must be claimed by shareholders on or before April, 2022 failing which the Company will transfer the unclaimed dividend and the corresponding shares to the IEPF within a period of 30 days from that date. The concerned shareholders, however, may claim the dividend and shares from IEPF, the procedure for which is detailed in the Shareholders' Information section of this Report.

As at March 31, 2020 there is no unpaid/unclaimed Dividend and the shares 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.

As at March 31, 2020 there were no NCDs amount or interest thereon, which remained unclaimed and unpaid.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to SEBI (LODR) Regulations, 2015, and NHB Directions, Report on Management Discussion and Analysis is forming part of this Annual Report.

ASSOCIATE AND SUBSIDIARY COMPANY:

The Company does not have any subsidiary and associate Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of Section 134 (3) (c) read with Section 134(5) of The Companies Act, 2013, and based on the information provided by the management, your Directors hereby confirm that:

- a. In the preparation of the annual accounts for the year ended on March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended March 31, 2020.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d. The annual accounts of the Company have been prepared on a going concern basis;
- e. Internal Financial Controls have been laid down to be followed by the Company and such Internal Financial Controls were adequate and operating effectively;

- f. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

REGULATORY GUIDELINES:

a) Compliance with Directions/ Guidelines of National Housing Bank (NHB) and other statutes

The Government has issued notification communicating transfer of regulation of HFCs from National Housing Bank to Reserve Bank of India (RBI). Reserve Bank has issued a Press Release dated August 13, 2019 stating that RBI will carry out a review of the extant regulatory framework applicable to HFCs and come out with revised regulations in due course and till such time HFCs shall continue to comply with the directions and instructions issued by NHB.

SRGHFL has complied with the Housing Finance Companies (NHB) Directions, 2010 and other directions/guidelines prescribed by NHB regarding prudential guidelines/norms for non-performing assets (NPAs) asset classification of credit/ investments, credit rating, Fair Practices Code (FPC), Most Important Terms and Conditions (MITC), Customer Complaints Redressal Mechanism, Know Your Customer (KYC), Anti-Money Laundering (AML) Guidelines, Asset Liability Management, Capital Adequacy Ratio (CAR) norms, Information Technology frameworks, CERSAI, Implementation of Indian Accounting Standards (Ind AS), Guidelines on Reporting and Monitoring of Frauds in Housing Finance Companies, INGRAM software, constitution of IT Strategy Committee, Guidelines on reporting and monitoring of Frauds in Housing Finance Companies and other related instructions issued by the National Housing Bank (NHB) were implemented in letter and spirit to the extent applicable.

The details of compliances are outlined in the Management Discussion and Analysis Report and Corporate Governance Section of this Report.

b) Compliance under the Companies Act, 2013

SRGHFL has complied with the requirements of the applicable provisions of the Companies Act, 2013 and related Rules thereunder during the year. For more details regarding Compliances, please refer the Secretarial Audit Report enclosed to this Report as "Annexure-IV".

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance (National Housing Bank) Directions, 2016 and the Companies Act, 2013 and Rules thereto, as amended from time to time.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) 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 Secretarial Auditor confirming compliance with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 forms part of this report as "Annexure-VI".

The said certificate for financial year 2019-20 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. 32 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 Section 188 of Companies Act, 2013 accordingly information in Form AOC-2 is not annexed.

All related party transactions are approved by the Audit Committee or Board or members at a general meeting, as applicable.

Pursuant to Corporate Governance (National Housing Bank) Directions, 2016, dated February 9, 2017, a policy on transactions with related parties is given as "Annexure V-A" to this report and also available at the website of the Company www.srghousing.com.

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 Director's Report.

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

CORPORATE SOCIAL RESPONSIBILITY POLICY AND INITIATIVES:

In accordance with the provisions of Section 135 of The Companies Act, 2013 and the rules framed thereunder, the Company has a Corporate Social Responsibility Committee. The role of the CSR Committee is to review the CSR policy, indicate activities to be undertaken by the Company towards CSR activities and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR activities.

During the year the Company has donated in health sector, disaster management in accordance with Schedule VII of the Act and CSR Policy of the Company. The total amount spent during financial year 2019-20 was ₹ 16.42 Lakhs. The unspent amount of ₹ 20.11 Lakhs is carried forward as per the provisions of Companies Act, 2013 with the aim to go in for appropriate projects. The Annual Report on CSR activities including brief contents are provided as "Annexure - II" to this report.

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 AND KEY MANAGERIAL PERSONNEL:

During the year, Mr. Vinod K. Jain, Managing Director of the Company was reappointed as the Managing Director of the Company at the 20th Annual General Meeting of the Company held on 30th September, 2019 for a period of 3 years with effect from May 7th, 2019 on such terms and conditions as approved by the board in consultation with Nomination & Remuneration Committee of the Company.

During the year, Mr. Ashok Kabra and Mr. Vikas Gupta, Independent Directors were reappointed at the 20th Annual General Meeting of the Company held on 30th September, 2019 for a further period of 5 years i.e. upto the conclusion of Annual General Meeting for the calendar year 2024.

In accordance with the provisions of The Companies Act, 2013 and the Articles of Association of the Company Ms. Garima Soni, Non-Executive Director being the longest in office among directors who are liable to retire by rotation, retires by rotation and being eligible; offers herself for re-appointment at the ensuing 21st Annual General Meeting.

The tenure of Mr. Nishant Badala, Independent Director has been ended on 13th May, 2020. Considering his remarkable efforts and strategies, which contributed towards the continued growth of the Company and fit and proper criteria for reappointment as per Corporate Governance (National Housing Bank) Directions, 2016 the Nomination and Remuneration committee, recommended his re-appointment as the Independent Director of the Company and the board of Directors in their meeting held on 14th May 2020 approved his reappointment as the Independent Director of the Company subject to approval of the Members in the ensuing 21st Annual General Meeting for the further period of 5 years i.e. upto the conclusion of 26th Annual General Meeting of the Company to be held in the financial year 2025, in terms of Section 149(10) of the Companies Act, 2013.

The necessary resolution for re-appointment of the aforesaid directors and their detailed profile has been

included in the Notice conveying the ensuing 21st Annual General Meeting.

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.

There were no changes in Key Managerial Personnel during the financial year.

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

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 and Regulation 25(8) of SEBI (LODR) Regulations, 2015 that the Independent Directors of the Company meet with the criteria of their Independence as laid down in Section 149(6) and Regulation 16(1)(b) of SEBI (LODR), 2015.

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, 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 the Board.

The Statutory Auditors have audited the books of accounts of the Company for the financial year ended March 31, 2020 and have issued the Auditors' Report thereon.

The Statutory auditors' report annexed to the financial statements for the year under review does not contain any qualifications, reservations or adverse remarks.

Secretarial Auditor:

Mr. Shiv Hari Jalan, Practicing Company Secretary was appointed as the Secretarial Auditor of the Company for the financial year 2019-20 by the Board of Directors pursuant to provisions of the Companies Act, 2013 and Rules framed there under. Secretarial Audit Report as

provided by Mr. Shiv Hari Jalan, Practicing Company Secretary is annexed to this Report as “Annexure-IV”. The Report does not contain any qualifications, reservations or adverse remarks.

In addition to the Secretarial Audit Report, Secretarial Compliance Report has also been issued by Mr. Shiv Hari Jalan, Practicing Company Secretary as per the SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 02, 2019, and the said report has been submitted to the Stock Exchange.

SECRETARIAL STANDARDS:

The Company complies with the mandatory Secretarial Standards i.e. SS-1 and SS-2 issued by the Institute of Company Secretaries of India.

MEETINGS OF THE BOARD AND COMMITTEES:

During the financial year 2019-20 seven meetings of the board of directors were held and the related details, including details of various committees and meetings thereof are available in the Report of Directors on Corporate Governance forming part of this Annual 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. 5 forming part of Financial Statements of the Company for the year ended March 31, 2020.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

There is no information to disclose under the head ‘Conservation of Energy and Technology Absorption’ given in the above rules since the Company is engaged in providing housing loans. However, your Company is taking every step to conserve and minimize the use of energy wherever possible. There were no foreign exchange earnings and outgo, during financial year 2019-20.

REQUIREMENT FOR MAINTENANCE OF COST RECORDS:

Since the Company is into housing finance, the Company is not required to maintain cost records as

specified by the Central Government under section 148 (1) of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of The Companies Act, 2013 and Rule 12(1) of The Companies (Management and Administration) Rules, 2014, the details forming part of extract of annual return in MGT-9 is annexed herewith as “Annexure-III” and pursuant to Section 134 (3) (a) of the said Act, the same has also been placed on the website of the Company at www.srghousing.com.

PARTICULARS OF EMPLOYEES:

As at March 31, 2020, the Company had 1 employee employed throughout the year who was in receipt of remuneration of more than ₹ 1.02 crores per annum. Except this no other employee employed throughout the year that was in receipt of remuneration of ₹ 1.02 crores or more per annum or ₹ 8.50 lacs or more per month if employed for part of the year. Disclosures on managerial remuneration are annexed to this report.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes and commitments affecting financial position of the Company between March 31, 2020 and the date of Director’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 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.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year, there were no significant or material orders passed by the regulators or courts or tribunals against the Company.

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-I” to this report.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2019-2020 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.

CAPITAL ADEQUACY:

Particulars as on March 31 st	2020	2019
Capital Adequacy Ratio	40.04%	30.27%

SRGHFL's capital adequacy in the form of CRAR stood at 40.04% as of March 31, 2020, which is well above the NHB's minimum stipulated requirement of 13%, 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.

The Gross NPA of your Company as on March 31, 2020 was ₹ 6.05 Crore (previous year ₹ 5.53 Crore). The net NPA as on was ₹ 1.36 Crore (previous year 2.59 Crore). The gross NPA percentage as on March 31, 2020 stood at 2.21% compared to 1.97% as on March 31, 2019.

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 and for standard assets as per NHB guidelines. However by way of prudence and abundant caution, Company has

provided additional provision over and above the NHB guidelines and as on 31st March, 2020 has maintained cumulative NPA provision of ₹ 4.82 Crores (Previous year ₹ 4.26 Crores).

Further for standard assets Company carries provision of ₹ 0.84 Crores (Previous year ₹ 0.87 Crores).

ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation for the advice, guidance and support given by various regulatory authorities including the National Housing Bank (NHB), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Stock Exchange (BSE), Depositories (NSDL & CDSL), Debenture Trustees, Debenture Holders, and all the Bankers and Lenders of the Company.

The Directors would like to acknowledge the role of all its stakeholders - shareholders, borrowers, key partners, lenders, customers, Statutory and Secretarial Auditors and all others for their continuing support to the Company. Your Directors also record 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, Registrar & Share Transfer Agent, Rating agencies, local/ statutory authorities, Service Providers and Counselors for their continued support and patronage.

Last and foremost your directors extend gratitude to medical personnel, health officers, government leaders and volunteers around the world who are working endlessly to respond the COVID-19 pandemic.

Best Wishes

Vinod K. Jain
Managing Director
DIN: 00248843

Seema Jain
Director
DIN: 00248706

Date: - 19-08-2020
Place: - Udaipur

Annexure - I

DETAILS OF MANAGERIAL REMUNERATION

Sr. No.	Requirements	Disclosures
(i)	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2019-20	Executive Director Mr. Vinod K. Jain- Managing Director- 174.82x
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	Executive Director Mr. Vinod K. Jain- Managing Director- 33.96%
		KMPs (Other than Managing Director) Mr. Ashok Kumar- 20% Ms. Sunaina Nagar- 20%
(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 251 permanent employees on the rolls of the Company, as on March 31, 2020.
(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;	The Average increase in the remuneration of all employees other than the Managerial Personnel : 13.55%
		The Average increase in the remuneration of Managerial Personnel : 28.18%
		Justification : Managerial Personnel salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
(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.

Annexure - II

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be Undertaken and a reference to the web-link to the CSR policy and projects or programmes:-

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large.

The Company's CSR Policy is available on the web link: <https://www.srghousing.com/DataImages/download/Updated%20CSR%20policy.pdf>

The Novel Corona Virus (COVID -19) Pandemic has had a devastating effect on the human population and has spread rapidly across the country posing a serious health threat. It has also affected the economic condition of people due to the lockdown and temporary shut-down of offices, industries and all activities. For the relief and rehabilitation SRGHFL has contributed an amount of 11.42 Lakhs under COVID-19 relief to PM cares Fund and for food distribution in local areas.

2. The Corporate Social Responsibility Committee comprised of:-

Mr. Nishant Badala - Chairperson
 Mr. Vinod K. Jain - Member
 Ms. Seema Jain - Member

3. The average net profit of the Company for the last three years is: ₹ 1170.47 Lakhs

4. Prescribed CSR Expenditure (2% of the amount in Point 3 above): ₹ 23.41 Lakhs

Unspent Amount 2018-19: ₹ 13.12 Lakhs
 Total Prescribed CSR Expenditure: ₹ 36.53 Lakhs

5. Details of CSR spent during the financial year:

- a) Total amount spent during the financial year 2019-20: ₹ 16.42 Lakhs
 b) Amount unspent, if any: ₹ 20.11 lakhs
 c) Manner in Which Amount spent during the year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Project or Programs 1) Local Area or other 2) Specify the State and district where project or programs was undertaken.	Amount outlay (budget projects or programs wise (₹ in lakhs)	Amount spent on the projects or programs Sub head:- 1) Direct expenditure on Projects or Programs 2) Overheads; (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
1	Mortuary Van	Healthcare	Local Area	5.00	5.00	5.00	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2	Combating COVID-19 Pandemic- Prime Minister's National Relief Fund or PM CARES Fund	Disaster Relief	PAN India	5.00	5.00	5.00	Implementing Agency - PM CARES Fund
3	Combating COVID-19 Pandemic- Distribution of meal packets	Disaster Relief	Rajasthan	6.42	6.42	6.42	Implementation Agency - -Chief Minister food kit & Direct
Total						16.42	

6. In case the Company has failed to spend 2% of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount:-

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. Company's CSR initiatives are on the focus areas as approved by the CSR Committee benefitting the community in accordance with the provisions of Companies Act, 2013 and we are looking for appropriate projects for the same. The CSR Committee and the board decided to invest in a qualified large scale project for which the amount accumulated this year was not enough hence the CSR Committee and the Board decided to carry forward it to next year for this reason, during the year, the Company's spent on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in subsequent financial years and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:-

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

Sd/-
Mr. Vinod K. Jain
 Managing Director

Sd/-
Mr. Nishant Badala
 Chairperson of CSR Committee

Place: Udaipur
 Date: 19.08.2020

Annexure- III EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

(As on the financial year ended on March 31st, 2020)

[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, srghousing@gmail.com; website- www.srghousing.com
Whether listed company:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Sharex Dynamic (India) Pvt. Ltd. Address:- C 101, 247 Park, LBS Marg, Vikhroli West Mumbai-400083 Email Id:- support@sharexindia.com Website : www.sharexindia.com Tel No:- +91 22 28515644/5606 Fax: +91 22 8512885

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Housing Finance	65922	98.23

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary and associate companies as on 31st March, 2020.

IV. SHAREHOLDING PATTERN

Equity Share Capital Breakup as percentage of Total Equity

(I) CATEGORY-wise Share Holding

Category Of Shareholders	No. Of Shares Held At The Beginning Of The Year 01-04-2019				No. Of Shares Held At The End Of The Year 31-03-2020				% Change During The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1). Indian									
(A). Individual / HUF	5384083	0	5384083	41.416	5605380	0	5605380	43.119	1.703
(B). Central Govt.		0				0			0
(C). State Govt(S).		0				0			0
(D). Bodies Corpp.	2226279	0	2226279	17.125	2392555	0	2392555	18.404	1.279
(E). Fiins / Banks.		0				0			0
(F). Any Other		0				0			0
Sub-Total (A) (1):-	7610362	0	7610362	58.541	7997935	0	7997935	61.523	2.982
(2). Foreign									
(A). Individual NRI / For Ind	-	-	-	-	-	-	-	-	-
(B). Other Individual	-	-	-	-	-	-	-	-	-
(C). Bodies Corporates	-	-	-	-	-	-	-	-	-
(D). Banks / FI	-	-	-	-	-	-	-	-	-
(E). Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(F). Any Other Specify	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding Of Promoter (A) = (A) (1)+(A)(2)	7610362	0	7610362	58.541	7997935	0	7997935	61.523	2.982
(B) (1). Public Shareholding									
(A). Mutual Funds	-	-	-	-	-	-	-	-	-
(B). Banks / FI	-	-	-	-	-	-	-	-	-
(C). Central Govt.	-	-	-	-	-	-	-	-	-
(D). State Govt.	-	-	-	-	-	-	-	-	-
(E). Venture Capital Funds	-	-	-	-	-	-	-	-	-
(F). Insurance Companies	-	-	-	-	-	-	-	-	-
(G). Foreign Portfolio Investors	53950	0	53950	0.415	48950	0	48950	0.377	-0.038
(H). Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(I). Others (Specify)	-	-	-	-	-	-	-	-	-
A) Alternate Investment Fund	-	-	-	-	20000	0	20000	0.154	0.154
Sub-Total (B)(1):-	53950	0	53950	0.415	68950	0	68950	0.531	0.116
2. Non-Institutions									
(A). Bodies Corp.									
(i). Indian	413222	0	413222	3.179	78713	0	78713	0.605	-2.574
(ii). Overseas	-	-	-	-	-	-	-	-	-

Category Of Shareholders	No. Of Shares Held At The Beginning Of The Year 01-04-2019				No. Of Shares Held At The End Of The Year 31-03-2020				% Change During The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B). Individuals									
(i) Individual Shareholders Holding Nominal Share Capital Upto ₹ 1 Lakh	800175	0	800175	6.155	854338	0	854338	6.572	0.417
(ii) Individual Shareholders Holding Nominal Share Capital In Excess Of ₹ 1 Lakh	4017606	0	4017606	30.905	3954262	0	3954262	30.417	-0.488
(C). Other (Specify)									
Non Resident Indians	88050	0	88050	0.677	36480	0	36480	0.281	-0.396
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	16635	0	16635	0.128	9322	0	9322	0.072	-0.056
Trusts	-	-	-	-	-	-	-	-	-
Foreign Boodies - D R	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):-	5335688	0	5335688	41.044	4933115	0	4933115	37.947	-3.097
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5389638	0	5389638	41.459	5002065	0	5002065	38.478	-2.981
C. Shares Held By Custodian For Gdrs & Adrs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13000000	0	13000000	100.00	13000000	0	13000000	100.00	0.000

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% change in shareholding 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	1565119	12.04	-	16,78,955	12.92	-	0.88
2	Pushpa Jain	612381	4.71	-	6,12,381	4.71	-	0.00
3	Rajesh Jain	560721	4.31	-	5,60,721	4.31	-	0.00
4	SRG Global Solutions Pvt. Ltd.	525000	4.04	-	5,25,000	4.04	-	0.00
5	Seema Jain	543751	4.18	-	5,43,751	4.18	-	0.00
6	Genda Lal Jain HUF	399000	3.07	-	3,99,000	3.07	-	0.00
7	Vinod Jain HUF	557915	4.29	-	6,61,876	5.09	-	0.80
8	SRG Global Builders Pvt. Ltd.	226799	1.74	-	2,26,799	1.74	-	0.00
9	Meenakshi Jain	223965	1.72	-	2,23,965	1.72	-	0.00
10	Rajesh Jain HUF	204960	1.58	-	2,04,960	1.58	-	0.00
11	Aarti Prakash Jain	202650	1.56	-	2,02,650	1.56	-	0.00
12	Genda Lal Jain	168021	1.29	-	1,68,021	1.29	-	0.00
13	Jikisha Jain	165600	1.27	-	1,65,600	1.27	-	0.00
14	Hriday Biz Private Limited	52500	0.40	-	52,500	0.40	-	0.00
15	S R G Securities Finance Limited	200000	1.54	-	3,66,276	2.82	-	1.28
16	Ambitious Associates Pvt. Ltd.	756060	5.82	-	7,56,060	5.82	-	0.00
17	Rhythm Consultants Private Limited	465920	3.58	-	4,65,920	3.58	-	0.00
18	Archis Jain	180000	1.38	-	1,83,500	1.41	-	0.03
	Total	76,10,362	58.54	-	79,97,935	61.52	-	2.98

(iii) Change in Promoters' Shareholding

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019		Shareholding at the end of the Year 31/03/2020				% of total Shares of the company
		No. of Shares at the beginning of the year 01/04/2019	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	Hriday Biz Private Ltd.	52500	0.40	-	-	-	52500	0.40
2	Genda Lal Jain HUF	399000	3.07	-	-	-	399000	3.07
3	Vinod Kumar Jain HUF	557915	4.29	17-06-2019	12500	Acquisition	570415	4.39
				18-06-2019	76880	Acquisition	647295	4.97
				21-06-2019	14581	Acquisition	661876	5.09
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	Genda Lal Jain	168021	1.29	-	-	-	168021	1.29
9	Vinod Kumar Jain	1565119	12.04	31-03-2020	113836	Acquisition	16,78,955	12.92
10	Seema Jain	543751	4.18	-	-	-	5,43,751	4.18
11	Rajesh Jain	560721	4.31	-	-	-	5,60,721	4.31
12	Pushpa Jain	612381	4.71	-	-	-	612381	4.71
13	Meenakshi Jain	223965	1.72	-	-	-	223965	1.72
14	Manorma Jain	0	0.00	-	-	-	0	0.00
15	Aarti Prakash Jain	202650	1.56	-	-	-	202650	1.56
16	Jikisha Jain	165600	1.27	-	-	-	165600	1.27
17	S R G Securities Finance Limited	200000	1.54	31-03-2020	166276	Acquisition	3,66,276	2.82
18	Ambitious Associates Pvt. Ltd.	756060	5.82	-	-	-	756060	5.82
19	Rhythm Consultants Private Limited	465920	3.58	-	-	-	465920	3.58
20	Archis Jain	180000	1.38	19-06-2019	2500	Acquisition	1,82,500	1.39
				21-06-2019	1000	Acquisition	1,83,500	1.42
Total		7610362	58.53				79,97,935	61.52

(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 (01-04-2019)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	Cumulative No. of Shares at the end of the year (31.03.2020)	% of total Shares of the company
1	Bhanwar Lal Jain	444150	3.417	-	-	-	444150	3.417
2	Meenaxi Narendra Mehta	425000	3.269	-	-	-	425000	3.269
3	Jagruti Rajiv Dutia	200000	1.538	29-06-2019	60000	Buy	260000	2.000
4	Kala Tiwari	189000	1.454	-	-	-	189000	1.454
5	Ashish Diwakar Raote	170000	1.308	-	-	-	170000	1.308
6	Namrata Prakash Lodha	145000	1.115	-	-	-	145000	1.115
7	Avnish Tiwari	140700	1.082	-	-	-	140700	1.082
8	Vardee Bai Sharma	134400	1.034	-	-	-	134400	1.034
9	Narendra Anopchand Mehta	125000	0.962	-	-	-	125000	0.962
10	Nikunj Narendra Mehta	125000	0.962	-	-	-	125000	0.962

(v) Shareholding of Directors and Key Managerial Personnel

A	VINOD KUMAR JAIN (MANAGING DIRECTOR)	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020	
		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	1565119	12.04	1565119	12.04
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	Acquisition :- 31-03-2020	1,13,836	0.88	16,78,955	12.92
3(1+2)	At the End of the year			16,78,955	12.92
B	SEEMA JAIN (DIRECTOR)	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020	
		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 Shareholding 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
C	GARIMA SONI (DIRECTOR)	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020	
		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	4652	0.03	4652	0.03
2	Date wise Increase / Decrease in Shareholding 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	4652	0.03	4652	0.03
D	SUNAINA NAGAR (COMPANY SECRETARY)	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020	
		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	0	0	0	0
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	Acquisition :- 31-03-2020	2477	0.01	2477	0.01
3(1+2)	At the End of the year			2477	0.01

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	254.99	0	0	254.99
ii) Interest due but not paid	0.00	0	0	0.00
iii) Interest accrued but not due	0.14	0	0	0.14
Total (i+ii+iii)	255.13	0	0	255.13
Change in Indebtedness during the financial year				
• Addition	47.50	0	0	47.50
• Reduction	57.05	0	0	57.05
Net Change	-9.55	0.00	0.00	-9.55
Indebtedness at the end of the financial year				
i) Principal Amount	245.15	0	0	245.15
ii) Interest due but not paid	0.00	0	0	0.00
ii) Interest accrued but not due	0.43	0	0	0.43
Total (i+ii+iii)	245.58	0.00	0.00	245.58

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

S I . no	Particulars of Remuneration	Name of MD/WTD/ Manager (₹ in Lacs)	Total Amount (₹ in Lacs)
		VINOD K. JAIN (Managing Director)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	301.57	301.57
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	----	----
2.	Stock Option	----	----
3.	Sweat Equity	----	----
4.	Commission		
	- as% of profit	----	----
	- Others, specify...		
5.	Others, please specify	----	----
	Total(A)	301.57	301.57

* Remuneration is in accordance with proviso of Section II-A Part II Schedule V to the Companies Act, 2013.

B. Remuneration to other directors

Company not paid any remuneration to other Directors except Managing Director.

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

Sl. no	Particulars of Remuneration	Sunaina Nagar (Company Secretary) ₹ In Lacs	Ashok Kumar (CFO) ₹ In Lacs	Total ₹ In Lacs
1.	Gross salary	14.18	19.80	33.98
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5.	Others ,please specify (Company's contribution to PF)	0.21	0.21	-
	Total	14.39	20.01	34.40

VII. PENALTIES/PUNISHMENT/COMPOUNDING 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-IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
 The Members,
 SRG HOUSING FINANCE LIMITED
 321, S.M. Lodha Complex,
 Near Shastri Circle,
 Udaipur - 313001.

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.

Due to COVID -19 lockdown We have conducted Secretarial Audit from remote location through documents provided us on Email based on said verification of 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 31.03.2020 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 the Company for the financial year ended on 31st March, 2020 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the period under review)
 - (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period under review)

- (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during the period under review)
- (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the company during the period under review)
- (j) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the period under review)
- (vi) Other laws applicable specifically to the Company namely:
 - (a) National Housing Bank (NHB) Act, 1987 and Rules, Regulations, Circulars, Directions and Guidelines prescribed thereunder;;
 - (b) Housing Finance Companies (NHB) Directions, 2010;
 - (c) Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 and
 - (d) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules,

Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

The Company has spent an amount of ₹ 16.42 Lakhs against the amount of ₹ 23.41 Lakhs to be spent for the financial year 2019-20 towards Corporate Social Responsibility;

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 sent in advance in accordance with the provisions of Companies Act, 2013 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.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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 had no specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Mumbai
Date: 19.08.2020
UDIN: F005703B000594016

For **Shiv Hari Jalan & Co.**
Company Secretaries
FRN: S2016MH382700

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P.NO: 4226

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

'Annexure A'

To,
The Members,
SRG HOUSING FINANCE LIMITED
321, S.M. Lodha Complex,
Near Shastri Circle,
Udaipur - 313001.

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, We followed provide a reasonable basis for Our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, We have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provision of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai
Date: 19.08.2020
UDIN: FO05703B000594016

For **Shiv Hari Jalan & Co.**
Company Secretaries
FRN: S2016MH382700

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P.NO: 4226

SECRETARIAL COMPLIANCE REPORT

of
SRG Housing Finance Limited
for the year ended 31st March, 2020
(Pursuant to circular CIR/CFD/CMD1/27/2019 dated 08th February, 2019)

Due to COVID -19 lockdown We have examined through remote location though documents provided us on Email:

- (a) all the documents and records of SRG Housing Finance Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 (“Review Period”) in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the period under review)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the period under review)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during the period under review)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Applicable Regulation and circulars / guidelines issued thereunder.

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NONE			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NONE				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
No observations were made in previous report issued by M/s Deepak Vijaywargey and Associates, Company Secretaries on May 24, 2019 and hence reporting on action taken by the listed entity and our comment thereto, does not arise.				

Place: Mumbai
 Date: 30.06.2020
 UDIN: F005703B000400097

For **Shiv Hari Jalan & Co.**
 Company Secretaries
 FRN: S2016MH382700

(Shiv Hari Jalan)
 Proprietor
 FCS No: 5703
 C.P.NO: 4226

Annexure - V

REPORT ON CORPORATE GOVERNANCE

Good Corporate Governance is ensured by transparent disclosure, accountability, integrity, taking fair and ethical business decisions and also conducting business taking into account the stakeholders' interests.

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 ("SRG Housing", "the Company", "SRGHFL"), we are 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's Board follows ethical standards of Corporate Governance and adheres to the norms and disclosure requirements mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter collectively referred to as ("Listing Regulations") as applicable and looks at corporate governance as a part of its business. The Company also adheres Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016.

The Board has a set of policy on Corporate Governance to help fulfill Company's corporate responsibility towards its stakeholders. The Board, at the discretion, may change the policy or guidelines periodically to achieve our stated objectives. Further, these guidelines allow the Board to make decisions that are independent of the management.

The policy is available on the website of the Company at <https://www.srghousing.com/DataImages/download/Corporate%20Governance%20Policy.pdf>

Given below is the report of the directors on corporate governance in accordance with the provisions of the Listing Regulations and applicable NHB directions.

1) BOARD OF DIRECTORS:

a. Composition & Category of directors:

The board comprises of Six Directors; out of which 1 is Executive Director and 5 are Non-Executive Directors which includes 3 Independent Directors. All the Directors bring a wide range of skills and experience to the board. 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. Brief profiles of the directors, are set out in this report.

All the directors of the Company have confirmed that they are not debarred from holding the office of director by virtue of any order by SEBI or any other authority. The directors have ascertained that neither they nor any other company on which they serve as directors have been identified as a wilful defaulter.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations.

The composition of the Board is in conformity with Listing Regulations and Companies Act, 2013.

Details of the Board of Directors in terms of their directorships/memberships in committees of listed public companies are as under:

Directors	DIN	No. of Directorship (including SRGHFL)	Name of the Listed Companies	No. of Committees		Category of Director
				Member (Including SRGHFL)	Chairman (Including SRGHFL)	
Mr. Vinod K. Jain	00248843	2	SRG Housing Finance Limited	0	0	Promoter - Managing Director
			S R G Securities Finance Limited	1	0	Promoter - Managing Director
Mrs. Seema Jain	00248706	2	SRG Housing Finance Limited	1	0	Promoter -Non- Executive Director
			S R G Securities Finance Limited	1	0	Promoter - Whole Time Director
Mr. Ashok Kabra	00240618	1	SRG Housing Finance Limited	2	0	Independent Director
Mr. Vikas Gupta	05280808	1	SRG Housing Finance Limited	1	1	Independent Director
Mr. Nishant Badala	06611795	2	SRG Housing Finance Limited	0	1	Independent Director
			S R G Securities Finance Limited	0	2	Independent Director
Ms. Garima Soni	08336081	1	SRG Housing Finance Limited	0	0	Non-Executive Director

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.

Disclosure of relationship between directors inter-se:

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

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

Details of Shareholding of Directors as on 31st March, 2020:

The shareholding details of the directors as at March 31st, 2020 are included under Extract of Annual Return (MGT-9) forming part to this Report.

b. Responsibilities of Board:

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 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.

c. Board Expertise and Attributes

The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance. The table below summarizes the list of core skills/expertise/competencies identified by the board of directors as required in the context of business and sector for it to function effectively and those actually available with the board :-

Sr. No.	Specific skills/ expertise/ competency	Name of Director
1	Knowledge on Company's businesses, policies, major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.	Mr. Vinod Kumar Jain Mrs. Seema Jain Ms. Garima Soni Mr. Nishant Badala Mr. Ashok Kabra Mr. Vikas Gupta
2	Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.	Mr. Vinod Kumar Jain Mrs. Seema Jain Ms. Garima Soni
3	Business Strategy, Governance, Administration, Decision Making.	Mr. Vinod Kumar Jain Mrs. Seema Jain Ms. Garima Soni
4	Financial and Management skills.	Mr. Vinod Kumar Jain Mr. Nishant Badala Mr. Ashok Kabra Mr. Vikas Gupta
5	Technical / Professional skills and specialized knowledge in relation to Company's business.	Mr. Vinod Kumar Jain Mr. Nishant Badala Mr. Vikas Gupta Ms. Garima Soni
6	Experience in finance, risk management, legal, compliance and corporate governance.	Mr. Vinod Kumar Jain Mr. Nishant Badala Ms. Garima Soni Mr. Vikas Gupta

d. Independent Directors

Board confirms that in the opinion of the board, the independent directors fulfill the conditions specified in the Listing Regulations and Companies Act, 2013 and are independent of the management.

All the independent directors of the Company have confirmed that they have registered themselves in the databank created for independent directors, well within the stipulated time frame.

➤ 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.

➤ Appointment of Independent Directors:

The Company has 3 (three) Independent Directors on its Board. 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: <https://www.srghousing.com/Code-Of-Conducts>.

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 familiarization programme is to ensure that the Independent Directors are updated on the business environment and overall operations of the Company. This enables the Independent Directors to make better informed decisions in the interest of the Company and its stakeholders. A familiarization programme was conducted for Independent 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 familiarization programme is placed on the Company's website at the link: <https://www.srghousing.com/Familiarizations-Programme>

➤ **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 20, 2020 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.

e. 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.

In terms of Regulation 17(10) of the SEBI (LODR) Regulations, 2015 read with the SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2017/004 dated January 05, 2017, your Company has put in place the 'Board and Director's Evaluation Policy' laying down a framework for evaluation of the Board, its Committees and of the individual directors with defined attributes for evaluation.

During the year, the Nomination and Remuneration Committee has evaluated the performance of the board as a whole and of its committees and the performance of the directors. The Independent Directors also held a separate meeting to review the performance of the executive directors, non-executive directors, and the overall performance of the board.

f. Code of conduct:

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:

<https://www.srghousing.com/DataImages/download/Code%20of%20Conduct%20of%20Directors%20and%20KMP.pdf>

The Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for financial year 2019-20. A declaration signed by the Company's Managing Director is published in this Report under "Annexure V-B".

The Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

2) BOARD MEETINGS, COMMITTEE MEETINGS AND PROCEDURES:

Board Meetings:-

The meetings of the Board of Directors are generally held at the Registered Office of the Company. During the year, Board met 7 (Seven) 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
06.05.2019	6	6
29.05.2019	6	6
13.08.2019	6	3
13.09.2019	6	4
14.10.2019	6	6
27.11.2019	6	3
12.02.2020	6	5

The Company places before the Board all those details as considered necessary under the SEBI (LODR) Regulations, 2015, NHB Directions and other applicable laws. 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) of each Director for the year ended 31st March 2020 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	7	7	Yes	1	0	1
Mrs. Seema Jain	7	5	Yes	1	0	1
Mr. Ashok Kabra	7	6	Yes	0	0	0
Mr. Vikas Gupta	7	5	Yes	0	0	0
Mr. Nishant Badala	7	6	Yes	1	2	0
Ms. Garima Soni	7	4	No	0	0	0

Leave of absence was granted to the Directors as requested.

Board Committees:

a) Audit committee:

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of 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, 2019

Terms of reference:-

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, NHB Directions and other applicable laws. The committee reviews the reports of the internal auditors and statutory auditors along with the

comments and corrective action taken by the management. The committee also reviews the asset-liability management system 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/annual financial statements before submission to the Board for approval, related party transactions. 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.

The audit committee met 5 (Five) times during the year on 06-05-2019, 29-05-2019, 13-09-2019, 27-11-2019 & 12-02-2020.

The Composition of Audit Committee and attendance is as mentioned below:-

Name of Members	Number of Meetings attended
Mr. Nishant Badala - Chairman	5
Mr. Vikas Gupta - Member	4
Mr. Ashok Kabra - Member	5

Leave of absence was granted to the Committee Member as requested.

The Company endeavours that the gap between the approval of financial results by the Audit Committee and the board is kept to minimum, as required under the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

b) Nomination and Remuneration Committee:

The Committee's composition meets with the provisions of Section 178 of the Companies Act and Regulation 19 of the SEBI (LODR) Regulations and NHB Directions.

Terms of reference:-

The role of the Nomination and Remuneration Committee inter alia, includes, Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal; Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

Evaluate and approve the adequacy of the compensation plans, policies and programs for Company's Executive Directors, KMP and Senior Management; Recommend appointment and removal of Directors, for approval at the general meeting of shareholders; Carry out evaluation of the performance of the Board and review the evaluation's implementation and compliance; Devise a policy on diversity of Board; Develop and recommend to the Board a set of corporate governance guidelines applicable to the Company and monitor compliance with regard to the same. The role and responsibilities of the committee shall include such other items as may be prescribed by the Board in compliance with applicable law from time to time.

During the financial year 2019-20 the committee met on 26-04-2019.

The details of composition and attendance at the Nomination and Remuneration Committee-

Directors	Number of Meetings attended
Mr. Vikas Gupta -Chairman	1
Mr. Ashok Kabra - Member	1
Mrs. Seema Jain - Member	1

c) Stakeholder's Relationship Committee:

The Stakeholders Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Act and Regulation 20 of the SEBI (LODR) Regulations.

Terms of reference:-

Resolving the grievances of the security holders of the listed entity, 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.

The chairman of the committee was present at the 20th AGM to answer shareholder queries.

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.

The committee met on 30-12-2019.

The Company Secretary is the Secretary to the Committee.

The composition of the committee and details of attendance is as below:-

Directors	Number of Meetings attended
Mr. Vikas Gupta –Chairman	1
Mr. Ashok Kabra – Member	1
Mrs. Seema Jain – Member	1

There are no complaint received during the year and no complaint is pending as on 31st March, 2020.

d) Corporate Social Responsibility Committee:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

Terms of reference:-

The Committee is primarily responsible for formulating and recommending to the Board of Directors, a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects.

The Committee met three times during the year on 16-09-2019, 30-12-2019 and 27-03-2020. The details of attendance at the CSR Committee meeting are as under:

Directors	Number of Meetings attended
Mr. Nishant Badala – Chairman	3
Mr. Vinod K. Jain-Member	3
Mrs. Seema Jain – Member	3

e) Risk Management Committee:

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.

Terms of reference:-

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 Committee met 11 times during the year on, 18-04-2019, 21-05-2019, 10-06-2019, 23-07-2019, 10-08-2019, 20-09-2019, 12-10-2019, 15-11-2019, 19-12-2019, 24-01-2020 and 20-02-2020 the details of attendance at the Risk Management Committee meeting are as under:

Directors	Number of Meetings attended
Mr. Vinod K. Jain – Chairman	11
Ms. Seema Jain –Member	11
Mr. Vikas Gupta – Member	11

The Board of Directors reviewed the risk profile of the Company and the efficacy of the measures in place to mitigate the risks. The board was of the opinion that there were no key risks immediately foreseeable that could threaten the existence of the Company.

Performance evaluation criteria for independent directors:

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board and in the evaluation process, the Directors who are subject to evaluation had not participated.

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:

<https://www.srghousing.com/DataImages/download/POLICY.pdf>

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

Remuneration to Directors

Non-Executive Directors:

During the financial year 2019-20, 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 Extract of Annual Return (MGT-9) attached to this Report. Disclosures with respect to remuneration of executive Directors:-

- (i) **All elements of remuneration package of individual directors are summarized under major groups, such as salary, benefits, bonus, pension etc.**

Remuneration of Managing Director – Mr. Vinod K. Jain is totally comprises as Salary, the details of the same under Extract of Annual Return (MGT-9).

- (ii) **Details of fixed component and performance linked incentives, along with the performance criteria:**

The Remuneration of Managing Director includes Yearly remuneration of ₹ 180 Lakhs plus 5% of net profits of the Company for that financial year computed in the manner laid down in Section 198.

- (iii) **Service contracts, notice period, severance fee:** Not applicable.

- (iv) **Stock option details, if any, and whether issued at a discount as well as the period over which accrued and over which exercisable:** Not applicable.

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, 2020 except the rent agreement entered into by the Company with Non- Executive Director Mrs. Seema Jain for taking on rent the office premises of the Company.

3) GENERAL MEETINGS / POSTAL BALLOTS:

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
Udaipur Chamber of Commerce & industry, Chamber Bhawan, Chamber Marg, M.I.A., Udaipur-313001	2016-2017	30 th September, 2017 at 02:35 PM
Udaipur Chamber of Commerce & industry, Chamber Bhawan, Chamber Marg, M.I.A., Udaipur-313001	2017-2018	8 th September, 2018 at 03:00 PM
The Solitaire - Gardens and Banquets, Delhi Public School shobhagpura road, opposite Mahila police station, near Yois hotel, Bhuwana, Udaipur (Raj.),313001	2018-2019	30 th September, 2019, at 12:15 p.m.

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

AGM/EGM	Subject
18TH Annual General Meeting held on 30/09/2017	<ul style="list-style-type: none"> 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
19TH Annual General Meeting held on 08/09/2018	<ul style="list-style-type: none"> Approval for issuance of non-convertible debentures/ unsecured redeemable subordinated debt –tier-II NCDs.

AGM/EGM	Subject
20 th Annual General Meeting held on 30/09/2019	<ul style="list-style-type: none"> • Approval for Issuance of Redeemable Non Convertible Debentures/ Unsecured Redeemable Subordinated Debt -Tier-II NCDs/Bonds. • Approval for increasing the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013 upto ₹ 725 crores. • Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1) (a) of the Companies Act, 2013: • Approval for Re-appointment of Mr. Vinod K. Jain, Managing Director • Approval for Re-appointment of Mr. Ashok Kabra (DIN 00240618) as an Independent Director of the Company • Approval for Re-appointment of Mr. Vikas Gupta (DIN 05280808) as an Independent Director of the Company • Approval for Related Party Transactions/ Arrangements • Issue of Equity Shares

Postal Ballot:

1. Details of Special Resolutions passed through Postal Ballot in the last year: NA
2. Person who conducted the postal ballot exercise: NA
3. Whether any Special Resolution is proposed to be conducted through postal ballot: No resolution is proposed to be conducted through Postal Ballot as on the date of AGM.
4. Procedure for Postal Ballot: Your Company follows the provisions of the Companies Act, 2013 and Listing Regulations 2015 for Postal Ballot, if any.

4) 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.

Quarterly performance and financial results of the Company are intimated to the Shareholders through the website of Bombay Stock Exchange (BSE) i.e. on www.bseindia.com, SRGHFL's website i.e. www.srghousing.com of the Company. The Company also publishes the abridged version of audited/ unaudited financial results on a quarterly/annual basis, in the prescribed format, in English and Regional Language newspaper. Company normally publishes the abridged version of audited/ unaudited financial results in leading newspapers in English viz. Financial

Express and in the Regional Language i.e. Jai Rajasthan or Nafa Nuksan. 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. The Company complies with Regulation 30 read with Schedule III and Regulation 46 of SEBI (LODR) Regulations, 2015 in respect of presentation made to analysts or to Institutional Investors. Further, the Company has also displayed official news releases which are available on company's website www.srghousing.com.

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.

The Annual Report of the Company for the financial year 2019-20 will be e-mailed to the members as stated above and in compliance with the guidelines issued by MCA vide its various notifications and circulars since March 2020,

relaxing various requirements during the present scenario of COVID-19 pandemic. If any member wishes to get a hard copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member and upon normalization of postal services.

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.

5) GENERAL SHAREHOLDER INFORMATION: ANNUAL GENERAL MEETING:

Date and time:	24 th September, 2020, through Video-Conference
Deemed Venue:	SRG Housing Finance Limited 321, S.M. Lodha Complex, Near Shastri Circle, Udaipur Rajasthan- 313001
Book Closure Date :	Friday September 18, 2020 to Thursday September 24, 2020 (both days inclusive)
Financial Year	1 st April to 31 st March

Financial Calendar 2020-21 (tentative): Financial Results will be announced as per the following tentative schedule:

Quarter ending June, 2020	upto September 15 th , 2020*
Quarter/ Half Year ending September, 2020	During First/Second week of November 2020
Quarter ending December, 2020	During First/Second week of February 2021
Quarter/ Half Year/ Year ending March, 2021	By 30 th May 2021
Annual General Meeting	By September, 2021

*Pursuant to SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/140

PARTICULARS OF DIVIDEND FOR THE YEAR ENDED 31.03.2020:

No Dividend was declared or paid during the year 2019-20.

LISTING OF EQUITY SHARES:

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

(Note: Annual Listing fees for the year 2019-20 & 2020-21 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 INE559N07017
ISIN allotted by Depositories (Company ID Number)	

(Note: Annual Listing fees for the year 2019-20 & 2020-21 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 with respect to its listed debt securities.

DEBENTURE TRUSTEE:

Catalyst Trusteeship Limited (Formerly known as GDA Trusteeship Limited)

Address: Office No. 6th Floor, Office No-604, C.S.T. Road, Kalina, Santacruz (East), Mumbai-400 098

Tel: +91 22 4922 0555. Fax: +91 22 4922 0505

Email: dt@ctltrustee.com,

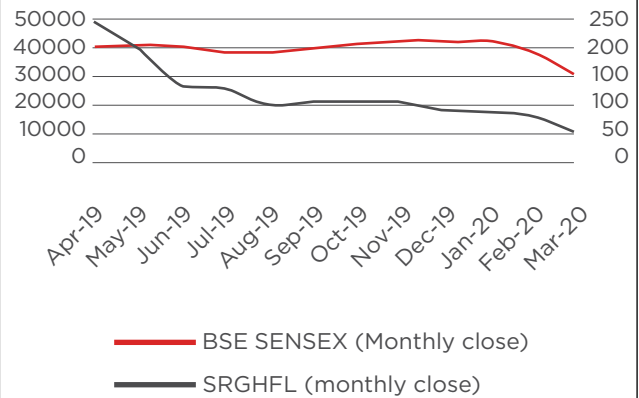
Website: www.catalysttrustee.com

Stock Market Data:

The BSE Limited

Month	Open Price	High Price	Low Price	Close Price	BSE SENSEX (monthly close)
Apr-19	250.00	255.00	226.40	235.00	39031.55
May-19	245.00	257.00	185.20	194.00	39714.2
Jun-19	190.00	203.80	101.15	125.00	39394.64
Jul-19	124.00	142.00	112.30	122.30	37481.12
Aug-19	116.00	119.90	84.15	89.85	37332.79
Sep-19	89.90	113.50	84.95	97.65	38667.33
Oct-19	94.05	109.65	65.95	99.00	40129.05
Nov-19	95.65	107.45	86.55	98.90	40793.81
Dec-19	98.90	104.00	76.30	83.30	41253.74
Jan-20	80.70	91.35	73.00	82.00	40723.49
Feb-20	83.00	86.80	72.05	76.30	38297.29
Mar-20	72.00	82.80	39.00	49.75	29468.49

The listed NCDs did not trade during the financial year 2019-20.

Relative Performance of SRG Housing Share Price v/s BSE Sensex

SHAREHOLDING PATTERN AS ON 31ST MARCH 2020:

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	12	56,05,380	56,05,380	43.12	43.12	-	-
b	Central Govt/ State Govt(s)	-	-	-	-	-	-	-
c	Fins / Banks	-	-	-	-	-	-	-
d	Any Other specify : Bodies Corporate	6	23,92,555	23,92,555	18.40	18.40	-	-
	Sub Total (A)(1)	18	79,97,935	79,97,935	61.52	61.52	-	-
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)	18	79,97,935	79,97,935	61.52	61.52	-	-

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
(B)	Public shareholding							
1	Institutions							
a	Mutual Funds	-	-	-	-	-	-	-
b	Venture Capital Funds	-	-	-	-	-	-	-
c	Alternate Investment Funds	1	20000	20000	0.15	0.15	-	-
d	Foreign Venture Capital Investors	-	-	-	-	-	-	-
e	Foreign Portfolio Investors	1	48950	48950	0.38	0.38	-	-
f	Fin Inst/ Banks	-	-	-	-	-	-	-
g	Insurance Companies	-	-	-	-	-	-	-
h	Provident Fund/ Pension Fund	-	-	-	-	-	-	-
i	Any Other Specify	-	-	-	-	-	-	-
	Sub-Total (B)(1)	2	68950	68950	0.53	0.53	-	-
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 ₹ 2 lac	1365	1061441	1061441	8.16	8.16	-	-
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lac	43	3664065	3664065	28.19	28.19	-	-
b	NBFCs registered with RBI	-	-	-	-	-	-	-
c	Employee Trusts	-	-	-	-	-	-	-
d	Overseas Depositories (holdings DRs)(balancing figure)	-	-	-	-	-	-	-
e	Any Other (Specify):							
	i. Bodies Corporate	18	78713	78713	0.61	0.61	-	-
	ii. Clearing Member	11	9322	9322	0.07	0.07	-	-
	iii. HUF	55	83094	83094	0.64	0.64	-	-
	iv. NRI	28	36480	36480	0.28	0.28	-	-
	Sub-Total (B)(3)	1520	4933115	4933115	37.95	37.95	-	-
(B)	Total (B)= (B)(1)+(B)(2)+(B)(3)	1522	5002065	5002065	38.48	38.48	-	-
(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)	1540	13000000	13000000	100.00	100.000	-	-

Distribution of Shareholding as on 31st March 2020:

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
UPTO TO 100	833	25505	0.20
101 TO 200	165	26630	0.20
201 TO 500	188	66915	0.51
501 TO 1000	100	78424	0.60
1001 TO 5000	109	228891	1.76
5001 TO 10000	60	475636	3.66
10001 TO 100000	55	1619274	12.46
100001 TO ABOVE	30	10478725	80.61
Total	1540	13000000	100

REGISTRAR AND SHARE TRANSFER AGENTS & SHARE TRANSFER SYSTEM:

Sharex (Dynamic) India Private Limited, having its registered office at C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083, 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 31.03.2020 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 31 st March, 2020	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 2020, 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 2020.

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.

Credit Ratings:

List of all credit ratings obtained by the entity:-

Sr. No.	Instrument	Rating Agency	Rating	Revision if any
1	Bank Loan	Brickwork Ratings	BWR BBB; Stable	None
2	NCD	Brickwork Ratings	BWR BBB; Stable	None

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, 2020, 100 % of equity shares of SRGHFL have been dematerialised by members through NSDL and CDSL.

Outstanding GDRs/ADRs/ 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.

Plant Locations:

Not Applicable being a Housing Finance Company.

ADDRESS FOR CORRESPONDENCE:

To contact Registrars & Share Transfer Agents for matters relating to shares

Sharex Dynamic (India) Pvt. Ltd.
 Address:- C 101, 247 Park, LBS Marg, Vikhroli West Mumbai-400083
 Email Id:- support@sharexindia.com
 Website : www.sharexindia.com
 Tel No:- +91 22 28515644/5606
 Fax: +91 22 8512885

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

6) COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:

Certificate from the Company's Secretarial Auditor Mr. Shiv Hari Jalan, Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015, is attached to this Report. "Annexure -VI"

7) 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.

8) AUDIT QUALIFICATIONS:

The Financial Statements of the Company are unqualified.

9) SEPARATE POSTS OF CHAIRMAN AND MANAGING DIRECTOR:

The Company has appointed only Managing Director of the Company.

10) REPORTING OF INTERNAL AUDITOR:

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

11) DECLARATION BY BOARD:

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

12) REAPPOINTMENT OF DIRECTOR:

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

13) ACCOUNTING STANDARDS/ TREATMENT:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as applicable read with Section 133 of the Companies Act, 2013 and guidelines issued by National Housing Bank.

14) MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report forms part of this Report which includes discussion on industry structure, opportunities and threats, segment/ product-wise performance, outlook, risks and concerns, internal control systems and their adequacy, financial performance with respect to operational performance, developments, if any, in Human Resources/Industrial Relations front, including number of people employed, details of significant changes in key financial ratios etc.

15) CERTIFICATION ON FINANCIAL REPORTING AND INTERNAL CONTROLS: (CEO/CFO CERTIFICATE)

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 as "Annexure-V-C".

16) PREVENTION OF INSIDER TRADING

The Company has adopted the Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information. This Code of Conduct is applicable to all the Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company. Unpublished price sensitive information is shared confidentially and strictly on a need to know basis. The amended policy is available on our website at <https://www.srghousing.com/Policy-Insider-Trading>. Identified persons according to this code of conduct are prohibited from trading in the securities of the Company during the restricted trading periods notified by the Company.

17) OTHER DISCLOSURES:

a) Related party transactions

There were no transactions with related parties that may have potential conflict with the interest of the Company. Details of related party transactions entered into by the Company in the ordinary course of its business are included in the notes forming part of the financial statements and are also uploaded on the website of the Company, along with submission to stock exchanges on a half-yearly basis. The transactions in accordance with Regulation

23 of SEBI (LODR) Regulations, 2015 were entered with the related parties pursuant to the shareholders' approval obtained at the 20th Annual General Meeting held on 30th September 2019 and with the prior approval of Audit Committee and Board of Directors of the Company.

b) Details of Non-Compliance:

No penalties or strictures have been imposed on the Company by any stock exchange, SEBI or any other statutory authority on any matter relating to the capital markets.

c) 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.

d) 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.

e) Non Mandatory Requirements:

The Company has a regime of un-qualified financial statements. There were no qualifications on financial statements by the Auditors. The Company shall endeavour to adopt the non-mandatory requirements, as and when necessary.

f) Certificate under Regulation 34(3) of SEBI Listing Regulations:

The Company has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, from Mr. Shiv Hari Janan, Company Secretary in practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authority. The said certificate forms part of this report as "Annexure V-E".

g) Fees paid to Statutory Auditors:

During the year, the total fees incurred by the Company, for services rendered by statutory auditors are given below:

Particulars	Amount (₹ in lakhs)
Audit Fees	1.25
Tax Audit Fees	0.25
Certification Fees	0.25
Total	1.75

h) Declaration under Sexual Harassment of Women at Workplace

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. During FY19-20 no cases of sexual harassment were reported.

i) Corporate Policies:-

As required under the various provisions of the Companies Act, 2013, Housing Finance Companies-Corporate Governance (NHB) Directions, 2016, Listing Regulations and other applicable laws and for availability of information for the stakeholders, the web link of the important documents placed on the website of the Corporation is provided below:

Sr. No.	Name of Policy	Web link
1	Code of Conduct for Directors and Senior Management	https://www.srghousing.com/DataImages/download/Code%20of%20Conduct%20of%20Directors%20and%20KMP.pdf
2	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://www.srghousing.com/DataImages/download/Code%20of%20internal%20procedures%20and%20conduct%20for%20regulating,%20monitoring%20and%20reporting%20of%20trading%20by%20designated%20persons%2001.04.2019.pdf
3	Corporate Social Responsibility Policy	https://www.srghousing.com/DataImages/download/Updated%20CSR%20policy.pdf
4	Whistle Blower /Vigil Mechanism Policy	https://www.srghousing.com/DataImages/download/Policy%20on%20Vigil%20Mechanism.pdf
5	Policy on Related Party Transactions	https://www.srghousing.com/DataImages/download/Policy%20of%20Related%20party%20transactions.pdf
6	Policy for Selection, Appointment and Remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees	https://www.srghousing.com/DataImages/download/POLICY.pdf
7	Policy on Determination of Materiality	https://www.srghousing.com/DataImages/download/20.%20MATERIALITY%20POLICY.pdf
8	Archival Policy	https://www.srghousing.com/DataImages/download/ARCHIVAL%20POLICY.pdf
9	Familiarisation Policy	https://www.srghousing.com/DataImages/download/Familiarisation-Policy-.pdf

Annexure - V-A

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, Indian 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, NHB Act, Directions and Notification issued by NHB from time to time, Indian Accounting Standard and other applicable laws, a **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 and a policy on materiality of related party transactions and also on dealing with Related Party Transactions including clear threshold limits duly approved by the board of directors.

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 and the board of Directors shall review the policy at least once in every three years.

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, NHB Act, Directions and Notification issued by NHB from

time to time, Indian Accounting Standards, on Related Party Disclosures (IND AS 24) 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” means**

(i) As per regulation 2(1) (zb) of SEBI (LODR), 2015 related party means a related party as defined under section 2(76) of the Companies Act, 2013 or under the applicable accounting standards.

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

Relative

In terms of Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 a person is said to be a relative of another, if -

- a. They are members of a Hindu undivided family;
- b. They are husband and wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son’s wife;
- g. Daughter;
- h. Daughter’s husband;
- i. Brother (including step-brother);
- or j. Sister (including step-sister).

3. “Related Party Transaction” (RPT) means –

3.1 Following types of the transactions considered as related party as per section 188 of Companies Act 2013:-

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party’s appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company.

3.2 Types of the transactions considered as related party as per Reg.2 (1) (zc) of SEBI (LODR) Regulations, 2015 and and IND AS-24, of the Companies (Indian Accounting Standards) Rules, 2015.:-

Transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged, whether single transaction or 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.

Transactions involving payments made to a related party with respect to brand usage or royalty, if individually or taken together with the previous transactions during a financial year exceeds 2% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Material RPT as per Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014

Nature of Transactions	Materiality Threshold for the Transactions
Sale, purchase, supply of any goods or materials, directly or through agent	Amounting to 10% or more of the Turnover of the Company
Selling or otherwise disposal of or buying property of any kind directly or through agent	Amounting to 10% or more of Net worth
Leasing of property of any kind	Amounting to 10% or more of turnover
Availing or rendering of services directly or through agent	Amounting to 10% or more of Turnover of the Company
The limits specified above shall apply for transaction/ transactions individually or taken together with previous transactions during a financial year.	
Appointment to any office or place of profit in the Company, its subsidiary company or associate company	Monthly remuneration exceeding ₹ 2,50,000/-
Remuneration for underwriting the subscription of any securities or derivatives thereof of the Company.	Exceeding 1% of the Net worth

Note- The Turnover or Net worth referred above shall be computed on the basis of the audited financial statements of the preceding financial year.

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 comparable, 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.

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.

Quarterly/periodical updates shall be provided to the Audit Committee members on the related party transactions entered by the Company.

This Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the Annual Report.

The particulars of all the Related Party Transaction entered into with the approval of the Audit Committee / Board of Directors / Shareholders shall be entered into the Register of Contracts or Arrangements in which Directors are interested, maintained by the Company as per the provisions of the Companies Act, 2013 and rules framed thereunder.

Material Transactions exceeding the threshold limits as prescribed under Rule 15 sub rule (3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 shall be disclosed under “Details of material contracts or arrangements or transactions at arms’ length” in Form no. AOC-2 as a part of the Directors Report, as prescribed under Companies Act, 2013.

The Company shall submit disclosure of Related Party Transactions on a consolidated basis in the format specified in the relevant accounting standards for annual results to the stock exchanges within 30 days from the date of its publication of its standalone and consolidated financial results for the half year.

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.

VIII. APPROVED/ REVIEWED

This policy shall be subject to review/amendment as may be deemed necessary by the Board of Directors primarily to comply with any regulatory amendment(s) or statutory modification(s) to the Listing Regulations or any other Act/Law/ Regulations from time to time.

Annexure - V-B

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, 2020.

Vinod K. Jain
Managing Director
DIN: 00248843

Date: 19.08.2020
Place: Udaipur

Annexure V-C

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.

Place: Udaipur
Date: 19.08.2020

Vinod K. Jain
Managing Director
DIN: 00248843

Ashok Kumar
Chief Financial Officer

Annexure - V-D

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, 2020.

Date: 19-08-2020

Place: Udaipur

Vinod K. Jain

Managing Director

DIN: 00248843

Annexure-V-E

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
 The Members,
 SRG HOUSING FINANCE LIMITED
 321, S.M. Lodha Complex,
 Near Shastri Circle,
 Udaipur - 313001.

Due to COVID -19 lockdown we have examined from remote location though documents provided us on Email, the relevant registers, records, forms, returns and disclosures received from the Directors of SRG Housing Finance Limited having CIN: L65922RJ1999PLC015440 and having registered office at 321, S.M. Lodha Complex, Near Shastri Circle, Udaipur - 313001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1	Ashok Kabra	00240618	07/05/2012
2	Seema Jain	00248706	10/03/1999
3	Vinod Kumar Jain	00248843	10/03/1999
4	Vikas Gupta	05280808	26/04/2012
5	Nishant Badala	06611795	14/05/2015
6	Garima Soni	08336081	23/02/2019

*the date of appointment is as per the MCA Portal

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
 Date: 19.08.2020
 UDIN: F005703B000594071

For **Shiv Hari Jalan & Co.**
 Company Secretaries
 FRN: S2016MH382700

(Shiv Hari Jalan)
 Proprietor
 FCS No: 5703
 C.P.NO: 4226

Annexure-VI

CERTIFICATION ON CORPORATE GOVERNANCE

To,
The Members of SRG Housing Finance Limited

We have examined the compliance of conditions of Corporate Governance by SRG Housing Finance Limited ('the Company') for the year ended March 31, 2020 as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the 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 of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Due to COVID -19 lockdown We have examined from remote location through documents provided on email based on said verification of the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

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 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.

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.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: Mumbai
19.08.2020
UDIN: F005703B000594049

For **Shiv Hari Jalan & Co.**
Company Secretaries
FRN: S2016MH382700

(Shiv Hari Jalan)
Proprietor
FCS No: 5703
C.P.NO: 4226

INDEPENDENT AUDITOR'S REPORT

To,
The Members
SRG Housing Finance Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Financial Statements of SRG Housing Finance Limited ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Cash Flow Statement and Statement of Change in Equity for the year then ended, and the notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 (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, 2020.
- 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.
- d) In the case of Statement of Change in Equity , change in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing

specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Emphasis of Matter

We draw your attention to Note no. 35 to the Financial Statement which describes to the extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain. Further, pursuant to the Reserve Bank of India ('RBI') Covid-19 Regulatory Package, the Company has offered a moratorium on the payment of instalments to eligible borrowers. As a result, ageing of the accounts which have opted for moratorium, has been determined with reference to days past due status as of February 29, 2020. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter mentioned below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's response
<p>Expected credit loss allowances:</p> <p>Ind-AS accounting framework was implemented on April 1st, 2018. Accordingly Ind-AS 109 is a new and complex standard that requires the Company to recognise Expected Credit Loss (ECL) on financial instruments. This is a significant departure from the earlier rule based provisioning. Expected credit loss allowances relating to loans and advances are determined on a portfolio basis, with the use of impairment models. These models are based on historical loss experience and use a number of key assumptions including probability of default, loss given default (including propensity for possession and forced sale discounts for mortgages) and valuation of recoveries. Our work therefore focused on the appropriateness of modeling methodologies adopted and the significant judgments required.</p>	<p>We understood and assessed the appropriateness of the impairment models developed and used by the management at the entity level. This included assessing and challenging the appropriateness of key modeling judgments (e.g. the transfer criteria used to determine significant increase in credit risk). We tested the formula applied within the calculation files, the completeness and accuracy of key data inputs, sourced from underlying systems that are applied in the calculation. We also tested the reconciliation of loans and advances between underlying source systems and the expected credit loss models. Our opinion is not modified in respect of this matter.</p>
<p>Amortisation of Processing Fee and Commission:</p> <p>In accordance with Ind-AS 109, interest income on loans is recognized in the statement of profit or loss using the effective interest method. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts, accordingly processing fees collected is an integral part of the effective interest rate calculation. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. Hence the processing fees income and commission exp, now is being recognized over the life of the loan.</p>	<p>We evaluated management's process and tested key controls around the determination of amortization of processing fees and commission, including controls relating to:</p> <ul style="list-style-type: none"> • Identification of agent sourced loans • Estimating the transaction cost relating to sourcing of loans. <p>We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We have verified the workings which contain the processing fees collected and commission paid against each loan sanctioned during the current year as well as previous year. We tested the formula applied within the Calculation files. We tested the completeness and accuracy of key data inputs, sourced from underlying systems that are applied in the calculation. We matched the processing fees and commission in the workings with the underlying source systems including General Ledger. We have also tested whether loans which have been pre-closed, the related balance processing fees received and commission paid have been recognized fully as income. Our opinion is not modified in respect of this matter.</p>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including the Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's management and Board of Directors are 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 Indian 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.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Indian Accounting Standards referred to in Section 133 of the Act;
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020, 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.
- h. With respect to the other matters to be included in the Auditor's Report in

accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid to the Managing Director of the Company is in accordance with the provisions of Section 197 along with Schedule V of Companies Act, 2013 and the remuneration limit is in accordance with the first proviso of Section 197(1) and Schedule V of Companies Act, 2013.

For **PKJ & Co.**
Chartered Accountants
FRN: 124115W

Rishabh Jain
Partner

Place: Udaipur
Date: 26.06.2020

Membership No. 176309
UDIN:- 20176309AAAABH4329

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. Immovable property of land whose title deed has been pledged as security for non-convertible debentures is held in the name of the Company.
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 or securities to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186.
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, Cess, Goods and Service Tax 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, Service Tax, Value Added Tax, Cess, GST and other material statutory dues in arrears as at March 31, 2020 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 March 31, 2020, 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 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 as required by the applicable Indian 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. Therefore, provision of clause (xv) of paragraph 3 of the Order is not applicable to the Company.
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

Rishabh Jain

Partner

Membership No. 176309

Place: Udaipur

Date: 26.06.2020

UDIN:- 20176309AAAABH4329

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in para 2(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, 2020 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, 2020, 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

Rishabh Jain

Partner

Place: Udaipur

Membership No. 176309

Date: 26.06.2020

UDIN:- 20176309AAAABH4329

BALANCE SHEET

as at March 31, 2020

All amount are in lakhs unless otherwise stated

Sr. No.	Particulars	Notes to Accounts	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Assets					
I	Financial Assets				
(a)	Cash and Cash Equivalents	3 (a)	899.52	1,689.92	102.89
(b)	Bank Balance other than Cash and Cash Equivalent	3 (b)	2,389.38	1,157.75	696.87
(c)	Loans	4	26,815.45	27,512.85	19,655.87
(d)	Investments	5	932.64	62.93	63.75
(e)	Other Financial Assets	6	174.65	159.48	57.62
	Total Financial Assets		31,211.65	30,582.92	20,577.00
II	Non-Financial Assets				
(a)	Deferred Tax Assets (net)	7	216.15	167.37	83.71
(b)	Property, Plant and Equipment	8	172.89	159.91	109.59
(c)	Right to use asset		254.49	-	-
(d)	Investment Property		4.34	4.34	4.34
(e)	Other Non-Financial Assets	9	1,205.44	1,245.50	732.23
	Total Non-Financial Assets		1,853.32	1,577.13	929.87
	Total Assets		33,064.97	32,160.05	21,506.87
Liabilities and Equity					
Liabilities					
I	Financial liabilities				
(a)	Payables	10			
	Trade Payable		36.47	67.17	56.03
(i)	Total outstanding dues of micro enterprises and small enterprises		0.00	-	-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises		36.47	67.17	56.03
	Other Payable		-	-	-
(i)	Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b)	Debt Securities	11(b)	1,259.53	1,775.44	2,288.78
(c)	Borrowings (other than debt securities)	11(a)	23,298.16	23,738.05	14,412.16
(d)	Other Financial Liabilities	12	469.99	337.92	198.20
	Total Financial Liabilities		25,064.16	25,918.58	16,955.17
II	Non-Financial Liabilities				
(a)	Provisions	13	515.22	571.90	312.74
(b)	Deferred Tax Liabilities (Net)		-	-	-
(c)	Other Non- Financial Liabilities		-	-	-
	Total Non-Financial Liabilities		515.22	571.90	312.74
	Total Liabilities		25,579.39	26,490.48	17,267.91
III	EQUITY				
(a)	Equity	14	1,300.00	1,300.00	1,300.00
(b)	Other Equity	15	6,185.59	4,369.57	2,938.97
	Total Equity		7,485.59	5,669.57	4,238.97
	Total Liabilities and Equity		33,064.97	32,160.05	21,506.87

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For **PKJ & CO.**

Chartered Accountants

FRN : 124115W

Rishabh Jain

Partner

Membership No. 176309

Place : Udaipur

Date : 26.06.2020

For & on Behalf of the Board

Vinod K. Jain

Managing Director

(DIN:00248843)

Sunaina Nagar

Company Secretary

(M.No. A40754)

Seema Jain

Director

(DIN:00248706)

Ashok Kumar

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

All amount are in lakhs unless otherwise stated

Sr. No.	Particulars	Notes to Accounts	As at March 31, 2020	As at March 31, 2019
	Revenue From Operations			
(i)	Interest Income	16	6,436.93	5,376.27
(ii)	Fees and Commission Income	17 (a)	51.30	77.65
(iii)	Interest on FDR	17 (b)	110.01	68.71
(iv)	Other Income from Operation	17 (c)	533.46	262.24
I	Total Revenue From Operations		7,131.70	5,784.86
II	Other Income	18	102.38	17.90
III	Gain on Derecognition of Financial Instruments	19	3.07	9.60
IV	Gain on Fair value changes	5	23.03	0.00
V	Total Income (I+II+III+IV)		7,260.17	5,812.36
	Expenses			
	Finance Costs	20	3,037.78	2,312.18
	Impairment of Financial Instruments (Expected Credit Loss)	21	96.28	237.07
	Employee Benefits Expenses	22	1,066.73	746.35
	Depreciation and Amortisation Expenses	23	212.62	55.33
	Others Expenses	24	597.65	514.89
VI	Total Expenses		5,011.06	3,865.82
VII	Profit Before Tax		2,249.11	1,946.54
VIII	Less : Tax Expense			
	Current Tax		498.75	564.79
	Deferred Tax (Net)		(46.67)	(82.68)
IX	Net Profit After Tax		1,797.03	1,464.43
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss			
	Remeasurement of Post Employment Benefit Obligations		(7.09)	(2.54)
	Net Gain on equity instrument designated at FVOCI for the year		3.08	(0.83)
	Income tax relating to items that will not be reclassified to profit or loss		1.01	0.98
	B. Items that will be reclassified to profit or loss		0.00	0.00
	Other Comprehensive Income (A + B)		(3.00)	(2.39)
XI	Total Comprehensive Income		1,794.03	1,462.04
XII	Earnings Per Equity Share (Face value of ₹ 10 per Share)	29		
	Basic (₹)		13.82	11.26
	Diluted (₹)		13.82	11.26

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For **PKJ & CO.**

Chartered Accountants

FRN : 124115W

Rishabh Jain

Partner

Membership No. 176309

Place : Udaipur

Date : 26.06.2020

For & on Behalf of the Board

Vinod K. Jain

Managing Director

(DIN:00248843)

Sunaina Nagar

Company Secretary

(M.No. A40754)

Seema Jain

Director

(DIN:00248706)

Ashok Kumar

Chief Financial Officer

CASH FLOW STATEMENT

as at March 31, 2020

All amount are in lakhs unless otherwise stated

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A)	Cash flow from Operating Activities		
	Net Profit Before Tax & Extraordinary Items	2,249.11	1,946.54
	Adjustments For :		
	Depreciation and Amortisation Expenses	212.62	55.33
	Impairment of Financial Instruments (Expected Credit Loss)	96.28	237.07
	INDAS Adjustments		
	Interest Income	(28.06)	(17.16)
	Fees and Commission Income	67.94	165.48
	Other Income	(12.93)	(1.92)
	Gain on Derecognition of Financial Instruments	(3.07)	(9.60)
	Gain on Fair value changes	(23.03)	0.00
	Finance Costs	49.09	11.24
	Employee Benefits Expenses	(7.09)	(2.54)
	Others Expenses	(146.02)	(95.46)
	Operating cash flow before working capital changes	2454.84	2288.99
	Decrease / (Increase) in other financial assets	(2.25)	(142.58)
	Decrease / (Increase) in other non-financials assets	(19.76)	(212.76)
	Increase/(Decrease) in Trade Payables	(30.70)	11.15
	Increase/(Decrease) in Other financial liabilities	(122.42)	139.72
	Increase/(Decrease) in Provisions	9.37	7.11
	Cash From/ (used) for Operations	2289.08	2091.62
	Loan Disbursed (net)	576.13	(8135.06)
	Direct Taxes Paid (net)	(520.71)	(604.30)
	Net Cash Generated From Operating Activity (a)	2344.50	(6647.74)
B)	Cash flow from investing activities		
	Purchase of Fixed Assets	(86.79)	(105.66)
	Investment in Mutal Funds	(0.10)	0.00
	Investment in Debt Instruments	(843.51)	0.00
	Net cash flow from investing activities (b)	(930.40)	(105.66)
C)	Cash flow from financing activities		
	Borrowings taken (net)	(938.90)	8891.21
	Net cash flow from financing activities (c)	(938.90)	8891.21
	Net increase in cash and cash equivalents (a+b+c)	475.20	2137.81
	Cash and cash equivalents as at beginning of the year	2813.71	675.89
	Cash and cash equivalents as at end of the year (refer note below)	3288.91	2813.70
	Components of cash and cash equivalents		
	Cash On Hand	51.03	20.84
	Balance With Bank	0.00	0.00
	- On Current Accounts	848.49	1669.08
	- On Unpaid Dividend Account	0.05	0.05
	- In Other Deposit Account (Original Maturity for more than 3 months)	2389.33	1157.70
	- Loan Repayable on Demand	0.00	(33.97)
	Total	3288.91	2813.70

- a) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard ("Ind AS 7") Statement of Cash Flows.
- b) Balance available in Unpaid Dividend Accounts is not available for use by the Company.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For & on Behalf of the Board

For **PKJ & CO.**

Chartered Accountants

FRN : 124115W

Rishabh Jain

Partner

Membership No. 176309

Place : Udaipur

Date : 26.06.2020

Vinod K. Jain

Managing Director

(DIN:00248843)

Sunaina Nagar

Company Secretary

(M.No. A40754)

Seema Jain

Director

(DIN:00248706)

Ashok Kumar

Chief Financial Officer

STATEMENT FOR CHANGE IN EQUITY

for the year ended March 31, 2020

All amount are in lakhs unless otherwise stated

Particulars	Equity Share Capital	Share application money pending allotment	Reserves and Surplus				Total
			Special Reserves	General Reserve	Securities Premium	Retained Earnings	
Balance as at April 01, 2019	1,300.00	0.00	706.88	0.00	1,377.02	2,285.67	4369.57
Equity shares issued during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity Shares forfeited	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year	0.00	0.00	0.00	0.00	0.00	1,797.03	1797.03
Changes in accounting policy/prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	-3.00	-3.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to special reserve in terms of Sec 29C of NHB Act, 1987	0.00	0.00	370.00	0.00	0.00	-370.00	0.00
Dividends (including tax thereon)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	21.99	21.99
Balance as at March 31, 2020	1,300.00	0.00	1,076.88	0.00	1,377.02	3,731.69	6,185.59

All amount are in lakhs unless otherwise stated

Particulars	Equity Share Capital	Share application money pending allotment	Reserves and Surplus				Total
			Special Reserves	General Reserve	Securities Premium	Retained Earnings	
Balance as at April 01, 2018	1300.00	0.00	386.88	0.00	1377.02	1175.07	2938.97
Equity shares issued during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity Shares forfeited	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year	0.00	0.00	0.00	0.00	0.00	1464.43	1464.43
Changes in accounting policy/prior period errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Comprehensive Income for the year	0.00	0.00	0.00	0.00	0.00	-2.39	-2.39
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to special reserve in terms of Sec 29C of NHB Act, 1987	0.00	0.00	320.00	0.00	0.00	-320.00	0.00
Dividends (including tax thereon)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	-31.44	-31.44
Balance as at March 31, 2019	1,300.00	0.00	706.88	0.00	1,377.02	2,285.67	4,369.57

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For **PKJ & CO.**

Chartered Accountants

FRN : 124115W

Rishabh Jain

Partner

Membership No. 176309

Place : Udaipur

Date : 26.06.2020

For & on Behalf of the Board

Vinod K. Jain

Managing Director

(DIN:00248843)

Sunaina Nagar

Company Secretary

(M.No. A40754)

Seema Jain

Director

(DIN:00248706)

Ashok Kumar

Chief Financial Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

1. CORPORATE INFORMATION

SRG Housing Finance Limited (“the Company”) is a Public Limited Company, incorporated under the provisions of the Companies Act, 1956 and has been carrying on, as its main business of providing loans to Retail customers for construction, repair, renovation or purchase of residential property and loans against property. The company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. The shares of the Company are listed on the Bombay Stock Exchange.

The Company’s Registered Office is at Udaipur and Corporate Office is at Mumbai with its branches in the states of Rajasthan, Gujarat, Maharashtra and Madhya Pradesh.

1.1. BASIS OF PREPARATION AND PRESENTATION

a. Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies act, 2013 (the “Act”) along with relevant provisions of the Act and Master Circulars The Housing Finance Companies (NHB) Directions, 2010 (Master Directions) issued by National Housing Bank.

For all periods up to and including the financial year ended March 31, 2020, the Company had prepared its Financial Statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”). The company has adopted IND AS from April 01, 2019 with effective transition date as April 01, 2018. Refer Note 2.13 below for the details of first-time adoption exemptions availed by the Company.

The Company is regulated by the National Housing Bank (‘NHB’). The NHB periodically issues/amends directions, regulations and/or guidance (collectively “Regulatory Framework”) covering various aspects of the operation of the company, including those relating to accounting for certain types of transactions. The regulatory

framework contains specific instructions that need to be followed by the company in preparing its financial statements.

b. Basis of Presentation

The Balance Sheet, the Statement of Profit and Loss and the Statement of Change in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. Amounts in the financial statements are presented in Indian Rupees which is also functional currency of the Company. Per share data are presented in Indian Rupee to two decimal places.

c. Basis of Measurement

The Financial Statements have been prepared on a historical cost basis and on accrual basis, except for the following:

- Certain Financial Assets and Liabilities are measured at fair value.
- Assets held for sale are measured at the lower of carrying value and fair value less costs to sell.
- Defined benefit plans where plan assets are measured at fair value.

d. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Accounting estimates could change from period to period. The estimates and judgments used are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Revisions to accounting estimates are recognized prospectively. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

in the periods in which the results are known / materialize. The management believes that the estimates used in the preparation of Financial Statements are prudent and reasonable. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are as below:-

1) Assessment of Business Model

An assessment of the applicable business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company considers all relevant information available when making the business model assessment.

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

Based on the assessment of the business models, the Company has identified the three following choices of classification of financial assets:

- a) Financial assets that are held within a business model whose objective is to collect the contractual cash flows ("Asset held to collect contractual cash-flows"), and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are measured at amortized cost;

- b) Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ("Contractual cash flows of Asset collected through hold and sell model") and that have contractual cash flows that are SPPI, are measured at FVTOCI.

- c) All other financial assets (e.g. managed on a fair value basis or held for sale) and equity investments are measured at FVTPL.

2) Development of ECL model and its stages

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk has been detailed in Note to accounts on impairment.

3) Fair Value Measurement of Investments

Company's investments are measured at fair value. Fair value is the price that would be received on sale of an investment at the measurement date, regardless of whether that price is directly observable or estimated using another technique.

In determining the fair value of such Investments, the company uses quoted prices (unadjusted) in active markets for identical assets or based on inputs which are observable either directly or indirectly. However in certain cases, the company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model. The company uses valuation techniques that are appropriate in the circumstances and for which

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For the year ended March 31, 2020

sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

4) Provision for Taxes

The company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

5) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All PPE are stated at cost of acquisition, less accumulated depreciation and impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of PPE are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of PPE are recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2018.

Depreciation is provided on a pro-rata basis on the Written Down Value method ('WDV') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of Property, Plant and Equipment are as below:

Office Equipment	5 Years
Building	60 Years
Furniture and fixtures	10 Years
Vehicle (Motor Car)	8 Years
Vehicle (Two Wheeler)	10 Years
Computer Hardware and software*	3 years

*For the above class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013

2.2 INTANGIBLE ASSETS

Intangible Assets comprising application software are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Intangible assets are amortized on Written Down Value basis over the estimated useful life of 3 years. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

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An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of Intangible Asset measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2018.

2.3 FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Financial Assets and Financial Liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial Assets and Financial Liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit or Loss Account.

1) Financial Assets

Financial Assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial

assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

a. Recognition and Initial measurement

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss. All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

b. Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are Solely Payments of principal and Interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost;
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset by-asset basis :

- The Company may irrevocably designate a debt instrument that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

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c. Subsequent Measurement

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortized Cost
- Fair Value through Other Comprehensive Income ("FVOCI")
- Fair Value through Profit and Loss ("FVTPL")

d. Debt instruments at Amortized Cost

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Company's business model for managing the asset. For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging

relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The expected credit loss (ECL) calculation for debt instruments at amortized cost is explained in subsequent notes in this section.

e. Debt instruments at FVTPL

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the balance sheet at fair value. Interest and dividend income is recorded in interest income and dividend income respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognized on net basis through profit or loss.

The Company's investments into mutual funds and bonds for trading.

f. Investment in Equity Instruments at FVTOCI

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company measures its equity investments at fair value through Other Comprehensive Income.

g. Derecognition of Financial Assets

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from the financial assets

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For the year ended March 31, 2020

or

- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in Statement of Profit and Loss.

h. Impairment of Financial Assets:

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's Expected Credit Loss ("ECL") model comprises of number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include:

- The classification of loan portfolio into various stages based on the number of days overdue.
- Value of collaterals considered for loan loss allowance.
- The criteria for assessing if there has been a significant increase in credit risk.

The Company measures the loss allowance for a financial instrument at an amount equal to

the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months. The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

The Company uses expected credit loss ("ECL") allowance for financial assets measured at amortized cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. The measurement of the loss allowance in respect of loans (other than those measured at FVTPL) is based on the present value of the asset's expected cash flows using the asset's original EIR.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1 - Performing assets with zero to sixty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3

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- Stage 2 - Under-performing assets having 61 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD.

Being a housing finance company, the company has to follow the guidelines given by the National Housing Bank (NHB) on Prudential norms on Asset Classification and provisioning requirement. The prudential norms prescribed by NHB do not consider the value of security for standard and substandard assets. The company provides for impairment of financial assets on the basis of the Expected Credit Loss Model or the prudential norms of NHB whichever is higher.

2) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings.

a) Recognition and Initial Measurement

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

b) Subsequent Measurement

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at FVTPL.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future

cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

c) Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

2.4 EMPLOYEE BENEFITS

a. Short Term Employee Benefits:

Short Term Employee Benefits are recognized during the period when the services are rendered. These short term benefits include Bonus, Incentive and other benefits which fall due within twelve months after the end of the period in which services are rendered.

b. Post-Employment Benefits

1) Defined Contribution Plan

Provident Fund:-

The Company contributes to a Government administered Provident Fund in accordance with the provisions of Employees Provident Fund Act. The Amount contributed is recognized as an expense in the period in which the services are rendered by the employees.

Employee state Insurance

The Company contributes certain amount to Employee state Insurance as per the provisions of the Employee state insurance act and is recognized as an expense in the period in which the services are rendered by the employees

2) Defined Benefit Plan

The Company's Gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

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The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. Measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

2.5 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.6 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

a) Interest Income

The main source of revenue for the Company is Income from Housing and Other property loans. Repayment of housing and property loan is generally by way of Equated Monthly Installments (EMIs) comprising of principal and interest. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated on monthly rest on the basis of agreed terms with the borrowers.

Interest income on housing and property loans and other financial instruments carried at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the

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financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at Fair Value through Profit or Loss (FVTPL), transaction costs are recognized in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets [i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)].

Delayed payment interest (penal interest) levied on customers for delay in repayments/nonpayment of contractual cash flows is recognized on realization.

b) Fee and other charges

Processing fees and other loan related charges are recognized when it is reasonable to expect ultimate collection which is generally at the time of Login/ disbursement of the loan. Fees on delayed EMI/Pre-EMI Interest are recognized on receipt basis, when the ultimate collection is made.

c) Investment Income

Income from interest on deposits and interest bearing securities is recognized on the time proportionate method taking into account the amount outstanding and the rate applicable. The gains/losses on sale of investments are recognized in the Statement of Profit and Loss on trade date.

d) Dividend Income

Dividend income from investments is recognized when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of dividend income can be measured reliably).

e) Finance Cost

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method (EIR).

f) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

The company does not have any items of income and expense which categorized as exceptional items during the year 2019-2020.

2.7 LEASES

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

a) Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payment discounted using the Company's incremental cost of borrowing rate and directly attributable cost. Subsequently, the lease liability is

- (i) increased by interest on lease liability;
- (ii) reduce by lease payment made; and
- (iii) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

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b) Measurement of Right-of-Use assets:

At the time of initial recognition, the Company measures 'Right-of-Use assets' as present value of all lease payment discounted using the Company's incremental cost of borrowing rate w.r.t said lease contract. Subsequently, 'Right-of-Use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on 'Right-of-Use assets' is provided on straight line basis over the lease period. The exception permitted in Ind AS 116 for low value assets and short term leases has been adopted by Company.'

2.8 TAXES

a) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

i. Current Tax

The tax currently payable is based on the estimated taxable profit for the year for the Company and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized

business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

b) Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilizing the credits.

2.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.10 SEGMENT REPORTING

The Company is engaged mainly in the business of Housing finance. This in the context of Ind AS 108 - operating segments reporting is considered to constitute one reportable segment.

2.11 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period

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attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.12 STATEMENT OF CASH FLOW

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet

2.13 FIRST TIME ADOPTION OF IND AS (IND AS 101)

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2020. The Company has prepared financial statements for the year ended March 31, 2020, in accordance with Ind AS for the first time. For the period's upto and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with the Companies (Accounting Standards) Rules, 2006, as amended (Previous GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2020, together with comparative information as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2018 i.e. the transition date to Ind AS for the Company. Previous GAAP financial statements as on April 1, 2018 being transition date and for previous year ended March 31, 2019 have been restated as per Ind AS.

This note explains the principal adjustment made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2018, and the financial statements as at and for the year ended March 31, 2019.

Exemptions availed:

1. Deemed Cost for Property, Plant and Equipment and Intangible Assets :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2. Classification and Measurement of Financial Assets :

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The company has determined the classification of Financial Assets in terms of whether they meet the amortized cost criteria, FVTPL criteria or FVOCI criteria based on the facts and circumstances that existed as of transition date.

3. Impairment of financial assets:

The company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

4. Fair Value of Financials Assets and Liabilities:

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

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Reconciliation of Total Comprehensive Income for the year ended March 31, 2019

All amount are in lakhs unless otherwise stated

Particulars	IGAAP As on 31 March 19	Ind AS Adjustments	As per INDAS As at 31 March 19
Revenue From Operations			
Interest Income	5359.11	17.16	5376.27
Fees and Commission Income	243.13	-165.48	77.65
Interest on FDR	68.71	0.00	68.71
Other Income from Operation	262.24	0.00	262.24
Total Revenue From Operations	5933.18	-148.32	5784.86
Other Income	15.98	1.92	17.90
Gain on Derecognition of Financial Instruments	0.00	9.60	9.60
Gain on Fair value changes	0.00	0.00	0.00
Total Income	5949.16	-136.80	5812.36
Expenses			
Finance Costs	2300.93	11.24	2312.18
Impairment of Financial Instruments (Expected Credit Loss)	237.07	0.00	237.07
Employee Benefits Expenses	748.89	-2.54	746.35
Depreciation and Amortisation Expenses	55.33	0.00	55.33
Others Expenses	610.35	-95.46	514.89
Total Expenses	3952.58	-86.76	3865.82
Profit Before Tax	1996.58	-50.04	1946.54
Less : Tax Expense			0.00
Current Tax	564.79	0.00	564.79
Deferred Tax (Net)	14.83	-97.51	-82.68
Net Profit After Tax	1416.96	47.47	1464.43
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Measurement of Post-Employment Benefit Obligations	0.00	-2.54	-2.54
Net Gain on equity instrument designated at FVOCI for the year	0.00	-0.83	-0.83
Income tax relating to items that will not be reclassified to profit or loss	0.00	0.98	0.98
B. Items that will be reclassified to profit or loss			
Other Comprehensive Income (A + B)	0.00	-2.39	-2.39
Total Comprehensive Income	1416.96	45.08	1462.04

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

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Reconciliation of Equity

All amount are in lakhs unless otherwise stated

Particulars	IGAAP as on 31 March 2019	Ind AS Adjustments	As at 31 Mar 2019	IGAAP as on 31 March 2018	Ind AS Adjustments	As at 31 March 2018
Assets						
Financial Assets						
Cash and Cash Equivalents	1,689.92	-	1,689.92	102.89	-	102.89
Bank Balance other than Cash and Cash Equivalent	1,157.75	-	1,157.75	696.87	-	696.87
Loans	27,650.51	-137.66	27,512.85	19,752.53	-96.66	19,655.87
Investments	41.95	20.98	62.93	41.95	21.8	63.75
Other Financial Assets	200.2	-40.72	159.48	57.62	-	57.62
Total Financial Assets	30,740.33	-157.40	30,582.93	20,651.86	-74.86	20,577.00
Non-Financial Assets						
Deferred Tax Assets (net)	-	167.38	167.38	-	83.72	83.72
Property, Plant and Equipment	161.06	-4.34	156.72	110.55	-4.34	106.21
Investment Property	-	4.34	4.34	-	4.34	4.34
Intangible Assets	3.20	-	3.20	3.38	-	3.38
Other Non-Financial Assets	1,205.12	40.38	1,245.50	732.23	-	732.23
Total Non-Financial Assets	1,369.38	207.76	1,577.14	846.16	83.72	929.88
Total Assets	32,109.71	50.36	32,160.07	21,498.02	8.86	21,506.88
Liabilities and Equity						
Liabilities						
Financial liabilities						
Payables						
Trade Payable	67.17	0	67.17	56.03	0	56.03
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	67.17	-	67.17	56.03	-	56.03
Other Payable						
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt Securities	1,767.24	8.20	1,775.44	2,284.48	4.30	2,288.78
Borrowings (other than debt securities)	23,729.65	8.41	23,738.06	14,411.10	1.06	14,412.16
Other Financial Liabilities	337.92	-	337.92	198.2	-	198.2
Total Financial Liabilities	25,901.98	16.61	25,918.59	16,949.81	5.36	16,955.17

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

All amount are in lakhs unless otherwise stated

Particulars	IGAAP as on 31 March 2019	Ind AS Adjustments	As at 31 Mar 2019	IGAAP as on 31 March 2018	Ind AS Adjustments	As at 31 March 2018
Non-Financial Liabilities						
Provisions	571.9	-	571.90	312.74	-	312.74
Deferred Tax Liabilities (Net)	47.19	-47.19	0.00	32.36	-32.36	-
Other Non- Financial Liabilities	-	-	-	-	-	-
Total Non-Financial Liabilities	619.09	-47.19	571.9	345.1	-32.36	312.74
Total Liabilities	26,521.07	-30.58	26,490.49	17,294.91	-27.00	17,267.91
Equity	1,300.00	-	1,300.00	1,300.00	-	1300.00
Other Equity	4,288.64	80.94	4,369.58	2,903.11	35.86	2938.97
Total Equity	5,588.64	80.94	5,669.58	4,203.11	35.86	4238.97
Total Liabilities and Equity	32,109.71	50.36	32,160.07	21,498.02	8.86	21,506.88

Notes:

- Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on company's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortized cost and interest income is recognized as per effective interest rate method.
- Impact on Effective interest rate (EIR) on processing fees: Under previous GAAP, processing fees collected and commission paid in connection with loans and advances are recognized as and when collected/paid. Under Ind AS, these transactions are included in initial recognised amount of financial assets and charged to profit and loss using effective interest rate.
- Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss on a systematic basis over the tenure of the borrowing. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.
- Provision for NPA under ECL and interest recognition: Under previous GAAP, the Company has provided for loans based on the income recognition and classification norms as prescribed by NHB. Under IND AS, the Company has provided for impairment of the financial instruments based on the expected credit loss model by the Company based on probability of default, loss given default and exposure at default. However The interest is not recognised on Stage 3 assets.
- Fair valuation of Rental deposit: Under previous GAAP, interest free deposits are recorded at transaction cost. Under IND AS, Interest - free security deposits have been discounted using market rates of interest and recorded at amortized cost.
- Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gain and losses, are charged to profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of assets ceiling, excluding amounts included in net interest on the net defined benefit liability and return on plan assets excluding amount included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income (OCI).

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

7. Under previous GAAP, provision for loans was made as per the prudential Norms prescribed by the National Housing Bank. Under Ind AS, the provision on financial assets and commitments needs to be calculated using the expected credit loss model.
8. Under previous GAAP, the investment in equity shares was carried at cost. However, under Ind AS, these are measured at fair value through Other Comprehensive Income (OCI).
9. The Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in the various transitional adjustments being temporary differences. Accordingly, the Company has accounted for such differences. These adjustments are recognised in co-relation to the underlying transaction either in retained earnings, OCI or profit and loss respectively.

Further, as required by the NHB, the Company had recognised deferred tax liability (DTL) in respect of the balance in the Special Reserve (created under section 36(1)(viii) of the Income-

tax Act, 1961). The Company believes that the Special Reserve will not be utilized for payment of dividend or any other purpose and accordingly it does not result in a difference in tax base. Hence, DTL on Special Reserve has been reversed to comply with Ind AS 12 on Income Taxes.

Mandatory Exceptions from retrospective application: The Company has applied the following exceptions to the retrospective application of Ind AS mandatorily required under Ind AS 101.

- i) **Estimates** - On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.
- ii) **Classification and measurement of financial assets** - The classification of financial assets to be measured at amortized cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

3.

(a) Cash & Cash Equivalents

All amount are in lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(i) Cash on hand	51.03	20.84	16.79
(ii) Balances with bank	0.00	0.00	0.00
- On Current Account	848.49	1669.08	86.10
- Remittances in transit	-	-	-
Total	899.52	1,689.92	102.89

(b) Bank Balance other than Cash & Cash Equivalents

All amount are in lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(i) In Other Deposit Accounts			
- Original Maturity for more than 3 months	2389.33	1157.70	696.82
(ii) Earmarked balances with banks	0.00	0.00	0.00
- Unclaimed Dividend Accounts	0.05	0.05	0.05
Total	2,389.38	1,157.75	696.87

4. LOANS

At Amortised Cost

All amount are in lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(A) Loans			
Loans repayable on Demand			
Housing Loans	19829.72	20548.94	15768.65
Property Loans	7594.26	7476.17	4162.40
Total Gross (A)	27423.99	28025.10	19931.05
Less: Impairment Loss Allowance (Expected Credit Loss)	608.54	512.25	275.18
Total Net (A)	26815.45	27512.85	19655.87
(B) (i) Secured by tangible assets	27423.99	28025.10	19931.05
(ii) Unsecured	0.00	0.00	0.00
Total Gross (B)	27423.99	28025.10	19931.05
Less: Impairment Loss Allowance (Expected Credit Loss)	608.54	512.25	275.18
Total Net (B)	26815.45	27512.85	19655.87
(C) (I) Loans in India			
(i) Public Sector			
(ii) Others	27423.99	28025.10	19931.05
Total Gross (C) (I)	27423.99	28025.10	19931.05
Less: Impairment Loss Allowance (Expected Credit Loss)	608.54	512.25	275.18
Total Net (C) (I)	26815.45	27512.85	19655.87
(II) Loans outside India	0.00	0.00	0.00
Less: Impairment Loss Allowance (Expected Credit Loss)	0.00	0.00	0.00
Total Net (C) (II)			
Total Net (C) (I) and (II)	26815.45	27512.85	19655.87

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

5. INVESTMENTS

All amount are in lakhs unless otherwise stated

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018					
	Amortised Cost	At Fair Value Through Other Comprehensive Income	At Fair Value Through Profit and Loss Account	Total	Amortised Cost	At Fair Value Through Other Comprehensive Income	At Fair Value Through Profit and Loss Account	Total	Amortised Cost	At Fair Value Through Other Comprehensive Income	At Fair Value Through Profit and Loss Account	Total
Equity instruments	41.95	24.05	0.00	66.00	41.95	20.98	0.00	62.93	41.95	21.80	0.00	63.75
Debt Instruments	843.51	0.00	23.03	866.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mutual Funds	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Gross (A)	885.56	24.05	23.03	932.64	41.95	20.98	0.00	62.93	41.95	21.80	0.00	63.75
(i) Investments outside India	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Investments in India	885.56	24.05	23.03	932.64	41.95	20.98	0.00	62.93	41.95	21.80	0.00	63.75
Total (B)	885.56	24.05	23.03	932.64	41.95	20.98	0.00	62.93	41.95	21.80	0.00	63.75
Less: Impairment Loss Allowance (Expected Credit Loss) (C)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total - Net (D)= (A)-(C)	885.56	24.05	23.03	932.64	41.95	20.98	0.00	62.93	41.95	21.80	0.00	63.75

6. OTHER FINANCIAL ASSETS

All amount are in lakhs unless otherwise stated

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019	As at April 01, 2018	As at March 31, 2018	As at April 01, 2018
Security Deposit - Unsecured; considered good	166.53	152.34	152.34	41.17	41.17	41.17
Advances recoverable in cash or in kind or for value to be received	8.13	7.13	7.13	1.45	1.45	1.45
Capital Advances	0.00	0.00	0.00	15.00	15.00	15.00
Total	174.65	159.48	159.48	57.62	57.62	57.62

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

7. DEFERRED TAX ASSET

Deferred tax assets/(liabilities) recorded in Balance Sheet

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance of Deferred Tax Asset	167.37	83.71
Changes in deferred tax assets/(liabilities) recorded in profit or Loss	46.67	82.68
Changes in deferred tax recorded in other comprehensive income	1.01	0.98
Changes in deferred tax recorded in Retained Earning	1.10	0.00
Closing Balance of Deferred Tax Asset	216.15	167.37

Changes in deferred tax assets/(liabilities) recorded in profit or Loss

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax relates to the following		
Disallowance u/s 43B of the Income Tax Act, 1961	-	-
Impairment on financial instruments	(24.23)	(61.64)
Depreciation and amortisation expenses	(44.40)	(4.83)
Financial instruments measured at EIR	(10.59)	(15.21)
Lease liability impact	25.72	-
Unrealised net gain/(loss) on fair value changes	5.80	-
Others	1.03	(1.00)
Deferred Tax Liabilities	(46.67)	(82.68)

Changes in deferred tax recorded in other comprehensive income

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax relates to the following		
Disallowance u/s 43B of the Income Tax Act, 1961	-	-
Remeasurement of Post Employment Benefit Obligations	1.79	0.74
Net Gain on equity instrument designated at FVOCI for the year	-0.77	0.24
Deferred Tax Liabilities	1.01	0.98

Changes in deferred tax recorded in Retained Earning

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax relates to the following		
Disallowance u/s 43B of the Income Tax Act, 1961	-	-
Lease liability impact	-1.10	-
Deferred Tax Liabilities	(1.10)	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

8. PROPERTY, PLANT AND EQUIPMENT (CURRENT YEAR)

All amount are in lakhs unless otherwise stated

Particulars	Gross Block			Depreciation/Amortisation		Net Block	
	As at April 01, 2019	Addition	Deduction/ Sale	As at April 01, 2019	For The Year	As at March 31, 2020	As at March 31, 2019
A) TANGIBLE ASSETS							
Computers	58.85	18.43	0.00	34.12	21.75	21.41	24.73
Office Equipments	39.87	37.51	0.00	25.64	17.78	33.96	14.23
Motor Cars**	139.59	0.00	0.33	84.03	16.84	38.39	55.56
Motor Cycles	1.03	0.00	0.00	0.65	0.10	0.28	0.39
Fracking Machine	1.80	0.00	0.00	1.71	0.00	0.09	0.09
Furniture & Fixture	83.76	7.39	0.00	30.02	14.93	46.20	53.74
Sub Total	324.90	63.33	0.33	176.17	71.40	247.56	148.73
Previous Year	231.02	93.87	0.00	124.82	51.35	176.17	106.21
B) CAPITAL WORK IN PROGRESS							
Furniture & Fixture WIP	7.98	6.68	0.00	0.00	0.00	14.67	7.98
Building WIP	0.00	16.38	0.00	0.00	0.00	16.38	0.00
Sub Total	7.98	23.06	0.00	0.00	0.00	31.04	7.98
Previous Year	0.00	7.98	0.00	0.00	0.00	7.98	0.00
C) INTANGIBLE ASSETS							
Software	10.68	0.73	0.00	7.48	2.41	1.51	3.20
Sub Total	10.68	0.73	0.00	7.48	2.41	1.51	3.20
Previous Year	6.88	3.80	0.00	3.50	3.98	7.48	3.38
Sub Total (A+B+C)	343.56	87.12	0.33	183.65	73.81	257.46	159.91
Previous Year	237.90	105.66	0.00	128.31	55.33	183.65	109.59
D) RIGHT TO USE ASSETS							
Right to use***	393.30	0.00	0.00	0.00	138.81	138.81	0.00
Sub Total	393.30	0.00	0.00	0.00	138.81	254.49	0.00
Previous Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (A+B+C+D)	736.86	87.12	0.33	183.65	212.62	396.27	159.91
Previous Year	237.90	105.66	0.00	128.31	55.33	183.65	109.59

*Land is mortgaged by pari passu charge under Redeemable Non -Convertible Debentures and treated as investment property

**Specific Motor Car hypothecated under Term Loan from Banks

*** Represents right to use assets recognised on application of Ind AS 116 (revised) w.e.f 1 April 2019.

Note: The Company has elected the previous GAAP carrying value as deemed cost on the date of transition for property, plant and equipment. Hence, net block as on March 31, 2018 is considered as gross block as on April 1, 2018.

8. (A) INVESTMENT PROPERTY (CURRENT YEAR)

All amount are in lakhs unless otherwise stated

Particulars	Gross Block			Depreciation/Amortisation		Net Block	
	As at April 01, 2019	Addition	Deduction/ Sale	As at April 01, 2019	For The Year	As at March 31, 2020	As at March 31, 2019
Land*	4.34	0.00	0.00	0.00	0.00	4.34	4.34
Total	4.34	0.00	0.00	0.00	0.00	4.34	4.34
Previous Year	4.34	0.00	0.00	0.00	0.00	4.34	4.34

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

8. PROPERTY, PLANT AND EQUIPMENT (PREVIOUS YEAR)

All amount are in lakhs unless otherwise stated

Particulars	Gross Block		Depreciation/Amortisation		Net Block		
	As at April 01, 2018	Addition	Deduction/ Sale	As at April 01, 2018	For The Year March 31, 2019	As at March 31, 2019	As at March 31, 2018
A) TANGIBLE ASSETS							
Computers	36.61	22.24	0.00	18.18	15.95	24.73	18.43
Office Equipments	29.55	10.31	0.00	17.99	7.65	14.23	11.57
Motor Cars**	100.74	38.84	0.00	70.77	13.26	55.56	29.97
Motor Cycles	1.03	0.00	0.00	0.52	0.13	0.39	0.52
Frinking Machine	1.80	0.00	0.00	1.71	0.00	0.09	0.09
Furniture & Fixture	61.28	22.47	0.00	15.66	14.36	53.74	45.63
Sub Total	231.02	93.87	0.00	124.82	51.35	148.73	106.21
Previous Year	155.01	76.01	0.00	84.30	40.51	106.21	70.71
B) CAPITAL WORK IN PROGRESS							
Furniture & Fixture WIP	0.00	7.98	0.00	0.00	0.00	7.98	0.00
Sub Total	0.00	7.98	0.00	0.00	0.00	7.98	0.00
Previous Year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C) INTANGIBLE ASSETS							
Software	6.88	3.80	0.00	3.50	3.98	3.20	3.38
Sub Total	6.88	3.80	0.00	3.50	3.98	3.20	3.38
Previous Year	0.00	6.88	0.00	0.00	3.50	3.38	0.00
Sub Total (A+B+C)	237.90	105.66	0.00	128.31	55.33	159.91	109.59
Previous Year	155.01	82.89	0.00	84.30	44.01	109.59	70.71
D) RIGHT TO USE ASSETS							
Total (A+B+C+D)	237.90	105.66	0.00	128.31	55.33	159.91	109.59
Previous Year	155.01	82.89	0.00	84.30	44.01	109.59	70.71

8. (A) INVESTMENT PROPERTY (PREVIOUS YEAR)

All amount are in lakhs unless otherwise stated

Particulars	Gross Block		Depreciation/Amortisation		Net Block		
	As at April 01, 2019	Addition	Deduction/ Sale	As at April 01, 2019	For The Year March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land*	4.34	0.00	0.00	0.00	0.00	4.34	4.34
Total	4.34	0.00	0.00	0.00	0.00	4.34	4.34
Previous Year	4.34	0.00	0.00	0.00	0.00	4.34	4.34

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

9. OTHER NON FINANCIAL ASSETS

All amount are in lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Prepaid Expenses - Unsecured ; Considered Good	391.24	362.42	287.34
Advance Tax and TDS	481.05	500.49	240.36
Interest Accrued but not due	301.46	280.43	198.99
Interest Accrued but not due - Others	10.25	9.92	0.00
Other Advance	21.43	38.61	4.19
GST Input Receivable	0.00	13.25	1.35
Prepaid Rent	0.00	40.38	0.00
Total	1,205.44	1,245.50	732.23

10. PAYABLES

All amount are in lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Trade Payables			
Total Outstanding dues of micro enterprises and small enterprises	-	-	-
Total Outstanding dues of creditors other than micro enterprise and small enterprises	36.47	67.17	56.03
Other Payables			
Total Outstanding dues of micro enterprises and small enterprises	-	-	-
Total Outstanding dues of creditors other than micro enterprise and small enterprises	-	-	-
Total	36.47	67.17	56.03

10.1 Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came In to force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management and confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is as follows:

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

All amount are in lakhs unless otherwise stated

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-	-
b) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	-	-	-
c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	-
d) The amount of interest accrued and remaining unpaid at the end of the year.	-	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-	-
Total	-	-	-

11. BORROWINGS

All amount are in lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
(a) Borrowings			
Secured			
At Amortized Cost			
Term Loans:			
- From Banks	12,984.97	14,551.82	11,397.56
- From NHB	589.54	392.30	533.10
- From FI	9,723.66	8,759.96	2,357.63
Others:			
- Loan Repayable on Demand	-	33.97	123.87
Unsecured			
Total	23,298.16	23,738.05	14,412.16
(b) Debentures:			
Secured			
At Amortized Cost			
Gross	1,259.53	1,775.44	2,288.78
Less: Discount	-	-	-
Net	1,259.53	1,775.44	2,288.78
Unsecured			
Total	1,259.53	1,775.44	2,288.78
Out of above			
In India	24,557.70	25,513.49	16,700.94
Outside India	-	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

11.1 NATURE OF SECURITY

- i) Refinance from National Housing Bank(NHB) and other Term Loans from banks and Financial Institutions are secured by first and exclusively charge on the specific book debts/receivables of the company and irrevocable power of attorney given by the company in favour of Banks/FI's/NHB for recovery of dues, Lien on specific FDR's and Personal Guarantee of specific Directors and Third party guarantee.
- 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 in favour of debenture trustee.
- iii) Term loan from banks includes Car loans secured against hypothecation of Specific Motor Cars of Company and personal guarantee of specified directors and third party guarantee

11.2 TERMS OF REPAYMENT OF TERM LOANS AND DEBENTURES AS AT 31ST MARCH 2020

All amount are in lakhs unless otherwise stated

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Year	Total
Secured					
Term Loans					
From Banks					
ROI 10.55 to 11.36%	33.01	59.45	31.51	5.89	129.86
From National Housing Bank					
ROI 8.25 to 8.85%	1.69	1.64	1.30	1.26	5.89
From Financial Institutions					
ROI 10.85-12.80%	21.09	42.96	27.49	5.46	97.00
Non- convertible Debentures					
ROI 10.90%	5.17	7.33	-		12.50
Total	27.95	51.93	28.79	6.72	245.25
EIR Impact					0.33
Total					245.58

11.3 TERMS OF REPAYMENT OF TERM LOANS AND DEBENTURES AS AT 31ST MARCH 2019

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Year	Total
Secured					
Term Loans					
From Banks					
ROI 10.55 to 11.36%	31.63	61.53	45.56	7.14	145.86
From National Housing Bank					
ROI 8.25 to 8.85%	1.06	2.78	0.08	-	3.92
From Financial Institutions					
ROI 10.85-12.80%	14.92	32.77	28.64	11.19	87.52
Non- convertible Debentures					
ROI 10.90%	5.17	10.34	2.16		17.67
Total	52.78	107.42	76.44	18.33	254.97
EIR Impact					0.16
Total					255.13

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

12. OTHER FINANCIAL LIABILITIES

All amount are in lakhs unless otherwise stated

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 01, 2018
Interest Accrued But Not Due on Deb.	3.72	5.81	6.82
Interest Accrued But Not Due on Borrowings	26.37	29.04	10.78
Unpaid Dividends	0.05	0.05	0.05
Others	0.00	0.00	0.00
- Trade Liabilities	134.49	230.15	147.90
- Statutory Dues	50.87	72.87	32.66
Lease Liability*	254.49	0.00	0.00
Total	469.99	337.92	198.20

*Disclosed as required by Ind AS 116 - Leases

13. PROVISIONS

All amount are in lakhs unless otherwise stated

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 01, 2018
Employee Benefits			
- Gratuity (Funded)	16.48	7.11	0.00
Provision for Tax	498.75	564.79	312.74
Total	515.22	571.90	312.74

14. EQUITY SHARE CAPITAL

All amount are in lakhs unless otherwise stated

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 01, 2018
AUTHORISED CAPITAL :			
Equity Shares	1,600.00	1,600.00	1,500.00
1,60,00,000 Equity shares of ₹ 10 each (PY: 1,50,00,000 Equity shares of ₹ 10 each)			
	1,600.00	1,600.00	1,500.00
ISSUED, SUBSCRIBED & PAID UP:			
1,30,00,000 Equity shares of ₹ 10 each (PY : 1,30,00,000 Equity Shares of ₹ 10 each)			
	1,300.00	1,300.00	1,300.00
Total	1,300.00	1,300.00	1,300.00

14.1 RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING

All amount are in lakhs unless otherwise stated

Particulars	As at		As at		As at	
	March 31, 2020		March 31, 2019		April 01, 2018	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	13,000,000	1,300.00	13,000,000	1,300.00	13,000,000	1,300.00
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	13,000,000	1,300.00	13,000,000	1,300.00	13,000,000	1,300.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

14.2

Terms/ Rights attached to equity shares

The company has only one class of Equity shares having par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

In the event of Liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution amounts of all preferential. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.3

Details of Shareholders holding more than 5% shares in Company

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vinod Jain	16,78,955	12.92	15,65,119	12.04	15,65,119	12.04
Ambitious Associates Pvt Ltd	7,56,060	5.82	7,56,060	5.82	7,56,060	5.82
Vinod Jain HUF	6,61,876	5.09	5,57,915	4.29	5,57,915	4.29

For the period of five years immediately preceding the FY 2019-20

- (A) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash is NIL
- (B) 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.
- (C) Aggregate number and class of shares bought back is NIL

15. OTHER EQUITY

All amount are in lakhs unless otherwise stated

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 01, 2018
Other Equity			
Special Reserves	1,076.88	706.88	386.88
Securities Premium	1,377.02	1,377.02	1,377.02
General Reserve	0.00	-	0.00
Retained Earnings	3,731.69	2,285.67	1,175.06
Total	6,185.59	4,369.57	2,938.97
Special Reserve			
In terms of Section 36(1)(viii) of the Income tax Act, 1961			

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

All amount are in lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Balance at the beginning of the year	706.88	386.88	191.88
Add : Transferred during the year	370.00	320.00	195.00
Balance at the end of the year	1,076.88	706.88	386.88
Securities Premium			
Balance at the beginning of the year	1,377.02	1,377.02	1,377.02
Add : Transferred during the year	0.00	-	0.00
Balance at the end of the year	1,377.02	1,377.02	1,377.02
Retained Earnings			
Surplus In Statement of Profit And Loss			
Balance at the beginning of the year	2,285.67	1,175.06	528.48
Profit for the Year	1,797.03	1,464.43	807.84
Item of other comprehensive income recognised directly in retained earnings	-3.00	-2.39	0.00
Amount available for Appropriations	4,079.70	2,637.10	1,336.31
Appropriations			
Transferred to General Reserve	0.00	-	0.00
Transferred to Special Reserve	370.00	320.00	195.00
Excess Prov for Tax	-24.64	31.43	2.11
Balance at the end of the year	3,734.35	2,285.67	1,139.21
Add/ (Less):- Adjustment to retained earnings due to adoption of Ind AS	-2.66	-	35.86
Balance at the end of the year	3,731.69	2,285.67	1,175.06
Total	6,185.59	4,369.57	2,938.97

15.1

Nature and purpose of reserve

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Special Reserve

As per Section 29C of the National Housing Bank 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 ₹ 3.70 Crores (Previous year ₹ 3.20 Crores) to Special Reserve in terms of Section 36(1) (viii) of the Income Tax Act, 1961.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

General reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

16. INTEREST INCOME

On Financial Assets measured at Amortised Cost

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Housing and Property Loans*	6,436.93	5,376.27
Total	6,436.93	5,376.27

As per Effective Interest Rate (EIR).

17. (A) FEES AND COMMISSION INCOME

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Fees and Other Charges	51.30	77.65
Total	51.30	77.65

17. (B) INTEREST ON FDR

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on FDR	110.01	68.71
Total	110.01	68.71

17. (C) OTHER INCOME FROM OPERATION

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Other Income from Operation	533.46	262.24
Total	533.46	262.24

18. OTHER INCOME

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income From Mutual Fund & Bonds	89.33	15.45
Others	0.13	0.53
Provision for Investment	0.00	0.00
Interest on Deposit	12.93	1.92
Total	102.38	17.90

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

19. GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS (NET)

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loans	3.07	9.60
Total	3.07	9.60

20. FINANCE COST

On Financial liabilities measured at Amortised Cost

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Loans from Banks and FI's	2,699.62	1,978.22
Interest on Refinance from NHB	60.42	40.93
Interest on Non-convertible Debentures	174.59	234.39
Bank Charges and other borrowing cost	71.14	58.63
Interest on Lease Liability	32.01	0.00
Total	3,037.78	2,312.18

21. IMPAIRMENT ON FINANCIAL INSTRUMENTS

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On Financial Instruments measured		On Financial Instruments measured	
	At Amortised Cost		At Amortised Cost	
Loans	96.28		237.07	
Investments	0.00		0.00	
Total	96.28		237.07	

22. EMPLOYEE BENEFIT EXPENSES

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries	1,026.17	716.04
Company's Contribution to Provident and Other Funds	34.62	30.31
Staff Welfare Expenses	5.95	0.00
Total	1,066.73	746.35

23. DEPRECIATION AND AMORTISATION EXPENSES

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment (Refer Note 8)	212.62	55.33
Total	212.62	55.33

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

24. OTHER EXPENSES

All amount are in lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Advertisement	13.65	6.30
Auditors Remuneration	1.75	1.75
Vehicle Running & Maintenance	23.76	16.77
CIBIL EXP.	9.28	10.10
Computer Maintenance	4.68	5.76
Electricity	9.12	6.52
Insurance	2.13	2.80
Legal & Professional Fees	147.35	164.58
Office Expenses	44.50	45.48
Postage and Telegramme	7.40	5.47
Printing and Stationery	7.41	13.15
Rent	98.52	86.02
Communication Expenses	11.60	10.83
Travelling and Conveyance	21.51	10.96
Commission	5.82	-31.79
Business Promotion Exp.	55.56	46.56
Recovery and Inspection	5.05	8.23
Branch Expenses	0.00	23.40
Miscellaneous Exp. Written Off	0.00	0.50
GST Reversal Expenses	0.00	7.72
CSR Expenses	16.42	0.21
Software License and Maintenance	24.85	0.00
Other Expenses	87.31	73.58
Total	597.65	514.89

25. AUDITOR'S REMUNERATION INCLUDES:

Particulars	Current Year	Previous Year
Audit Fees	1.25	1.25
Tax Audit Fees	0.25	0.25
Certification Fees	0.25	0.25
Total	1.75	1.75

26. SPECIAL RESERVE:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits 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 u/s 29C of the NHB Act, 1987 also.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

27. DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES U/S 135 OF THE COMPANIES ACT, 2013:-

Expenditure incurred for Corporate Social Responsibility is ₹ 16.42 lakhs (Previous Year ₹ 0.21 lakhs).

Disclosure on Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013 is as under:

- Gross amount required to be spent by the company during the year ₹ 36.53 lakhs (Previous Year ₹ 13.33 Lakhs)
- Amount spent, utilized and charged during the year on:

All amount are in lakhs unless otherwise stated

Particulars	Current Year	Previous Year
(i) Construction / acquisition of any Asset	-	-
(ii) On purposes other than (i) above :	16.42	0.21
Total	16.42	0.21

The unspent amount is carried forward as per provisions of Companies Act, 2013 with the aim to go in for appropriate projects in the coming financial years.

28. TAX EXPENSE:

a. Income Tax recognised in Profit or Loss

All amount are in lakhs unless otherwise stated

Particulars	Current Year	Previous Year
Current Tax		
In respect of the current year	498.75	564.79
Deferred Tax (Net)		
In respect of the current year	-46.67	-82.68
Total Tax Expense recognised in the current year relating to Continuing Operations	452.08	482.11

*The Company opted for income tax rate under section 115BAA of the Income Tax Act, 1961; the effective tax rate is at 25.17%.

Reconciliation of Income Tax Expense of the year can be reconciled to the accounting Profit as follows:

All amount are in lakhs unless otherwise stated

Particulars	Current Year	Previous Year
Profit Before Tax	2249.11	1946.54
Income Tax Expense	566.06	566.83
Effect of Expenses for which deduction under tax laws is allowed	-67.31	-2.04
Others	-46.67	-82.68
Income Tax Expense recognised in Statement of Profit and Loss	452.08	482.11

The effective tax rate used for the reconciliations above is 25.17% for the financial year 2019-20 and 29.12% for the financial year 2018-19, payable by the Company on its taxable profits as per Indian Income Tax jurisdiction.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

29. EARNING PER SHARE (EPS):

The following is the computation of earnings per share on basic and diluted earnings per equity share:

Particulars	Current Year	Previous year
Net profit after tax (in Cr)	17.97	14.64
Weighted Average Number of Equity Shares (No's)	1,30,00,000	1,30,00,000
Earnings Per Share- Basic and Diluted (₹)	13.82	11.26

30. EMPLOYEE BENEFIT EXPENSE:

The Company provides for gratuity, a defined benefit plan, to its employees. The Plan provides a lump sum payment to eligible employees, an amount based on the respective employee's last drawn salary and years of employment with the Company. The Company has employees' gratuity fund managed by the Life Insurance Corporation of India.

a. Defined Contribution Plan

The company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

The company's contribution to provident fund aggregating ₹ 31.88 lakhs (Previous year ₹ 16.41 lakhs) has been recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss.

b. Defined Obligation Benefit:

The company provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The details of post-retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the report as provided by Independent Actuary as mentioned above and relied upon by the Auditors.

Gratuity (Funded)

All amount are in lakhs unless otherwise stated

Table Showing Change in the Present Value of Projected Benefit Obligation	Current Year	Previous year
Present Value of Benefit Obligation	7.11	1.94
Interest Cost	0.54	0.15
Current Service Cost	2.57	2.83
Past Service Cost - Non-Vested Benefit Incurred During the Period	-	-
Past Service Cost - Vested Benefit Incurred During the Period	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

All amount are in lakhs unless otherwise stated

Table Showing Change in the Present Value of Projected Benefit Obligation	Current Year	Previous year
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	3.31	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	2.95	2.19
Present Value of Benefit Obligation at the End of the Period	16.48	7.11

All amount are in lakhs unless otherwise stated

Table Showing Change in the Fair Value of Plan Assets	Current Year	Previous Year
Fair Value of Plan Assets	3.73	1.98
Expected Return on Plan Assets	0.28	0.15
Contributions by the Employer	1.48	2.00
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect Of Changes In Foreign Exchange Rates	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.83)	-
Fair Value of Plan Assets at the End of the Period	4.66	3.73

All amount are in lakhs unless otherwise stated

Amount Recognized in the Balance Sheet	Current Year	Previous year
(Present Value of Benefit Obligation at the end of the Period)	(16.48)	(7.11)
Fair Value of Plan Assets at the end of the Period	4.66	3.73
Funded Status (Surplus/ (Deficit))	(11.82)	(3.37)
Net (Liability)/Asset Recognized in the Balance Sheet	(11.82)	(3.37)

All amount are in lakhs unless otherwise stated

Expenses Recognized in the Statement of Profit or Loss	Current Year	Previous Year
Current Service Cost	2.57	2.83
Net Interest Cost	0.26	0.00
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	2.83	2.83

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

All amount are in lakhs unless otherwise stated

Expenses Recognized in Other Comprehensive Income (OCI)	Current Year	Previous Year
Actuarial (Gains)/Losses on Obligation For the Period	6.25	2.19
Return on Plan Assets, Excluding Interest Income	0.83	0.35
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	7.09	2.54

All amount are in lakhs unless otherwise stated

Balance Sheet Reconciliation	Current Year	Previous Year
Opening Net Liability	3.37	0.00
Expense Recognized in Statement of Profit or Loss	2.83	2.83
Expenses Recognized in OCI	7.09	2.54
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(1.48)	(2.00)
Net Liability/(Asset) Recognized in the Balance Sheet	11.81	3.37

All amount are in lakhs unless otherwise stated

Assumptions	Current Year	Previous Year
Expected Return on Plan Assets	6.04%	7.59%
Rate of Discounting	6.04%	7.59%
Rate of Salary Increase	5.00%	5.00%
Mortality Rate During Employment	Indian Assured Lives mortality (2006-08) Ult	

31. CONTINGENT LIABILITIES AND COMMITMENTS:

All amount are in lakhs unless otherwise stated

Particulars	Current Year	Previous Year
(i) Contingent liabilities and commitments		
(ii) Claims against the Company not acknowledged as debts	-	-
(iii) Disputed Income tax Liability	-	-
(iv) Commitment towards sanction pending disbursement including part disbursement	536.01	591.95
(v) Pending Capital Commitment	-	-

32. RELATED PARTY DISCLOSURE:

As per IND AS 24 on "Related Party Disclosure" details of transactions with related parties as defined therein are given below:

A. List of Related Parties (in accordance with IND AS 24 "Related Party Disclosures")

Name of Related Party	Nature of Relationship
Vinod Kumar Jain	Managing Director (KMP)
Seema Jain	Non-Executive Director & Relative of KMP
Ashok Kabra	Non-Executive Independent Director
Vikas Gupta	Non-Executive Independent Director
Nishant Badala	Non-Executive Independent Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

Name of Related Party	Nature of Relationship
Garima Soni	Non-Executive Director
Vinod Jain HUF	HUF of Vinod Kumar Jain, Managing Director
Archis Jain	Relative of KMP
Rajesh Jain	Relative of KMP
Ashok Kumar	Chief Financial Officer
Sunaina Nagar	Company Secretary
S R G Securities Finance Limited	Related Party Entity

B. Transactions carried out with the Related Parties in the ordinary course of business during the year are as follows:

All amount are in lakhs unless otherwise stated

Short Term Employee Benefits	Current Year	Previous Year
Vinod Kumar Jain	301.57	225.12
Archis Jain	17.76	15.50
Ashok Kumar	19.80	12.55
Sunaina Nagar	14.18	9.45
Post-employment Benefits		
Ashok Kumar	0.21	0.21
Sunaina Nagar	0.21	0.21
Lease/ Rent Expenses		
Vinod Kumar Jain	144.42	31.29
Seema Jain	14.09	12.81
Vinod Jain HUF	10.29	7.79
Rajesh Jain	0.15	0.00
Rent Deposit		
Vinod Kumar Jain	0.00	150.00
Seema Jain	0.00	0.00
Vinod Jain HUF	0.00	2.50

C. Details of balances with Related Parties

All amount are in lakhs unless otherwise stated

Rent Deposit	As at March 31, 2020	As at March 31, 2019
Vinod Kumar Jain	160.00	160.00
Seema Jain	14.00	14.00
Vinod Jain HUF	10.00	10.00
Investment (Shares)		
SRG Securities Finance Limited	41.95	41.95

Notes-

- All the Related party transactions are in ordinary course of business and on arm's length basis.
- Expenses towards gratuity are determined actuarially on overall Company basis at the end of the year and, accordingly have not been considered in the above information.
- During the Financial Year 2019-20, no payment is made to Non-Executive Directors and Independent Directors except Rent Amount to Mrs. Seema Jain, Non-Executive Director.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

33. SEGMENT REPORTING:

The Company's main business is to provide loans for purchase, construction, repairs and renovation etc. of residential house. All other activities of the company revolve around the main business. As such, there are no separate reportable segments, as per IND AS 108 "Operating Segment" specified under section 133 of the Companies Act, 2013.

34. FAIR VALUE MEASUREMENT:

Financial Instruments by Category

All amount are in lakhs unless otherwise stated

Particulars	As At March 31, 2020			As At March 31, 2019			As At April 1, 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets									
Investments	866.64	66.00	0.00	0.00	62.92	0.00	0.00	63.75	0.00
Loans (Net of ECL)	0.00	0.00	26815.45	0.00	0.00	27512.85	0.00	0.00	19655.87
Cash and Cash Equivalents	0.00	0.00	899.52	0.00	0.00	1689.92	0.00	0.00	102.89
Bank Balance other than above	0.00	0.00	2389.38	0.00	0.00	1157.75	0.00	0.00	696.87
Other Financial Assets	0.00	0.00	174.66	0.00	0.00	159.48	0.00	0.00	57.62
Total Financial Assets	866.64	66.00	30279.01	0.00	62.92	30520.00	0.00	63.75	20513.25
Financial Liabilities									
Trade Payables	0.00	0.00	36.47	0.00	0.00	67.17	0.00	0.00	56.03
Debt Securities	0.00	0.00	1259.54	0.00	0.00	1775.44	0.00	0.00	2288.78
Borrowings (Other than Debt Securities)	0.00	0.00	23298.16	0.00	0.00	23738.05	0.00	0.00	14412.16
Other Financial Liabilities	0.00	0.00	469.99	0.00	0.00	337.92	0.00	0.00	198.20
Total Financial Liabilities	0.00	0.00	25064.16	0.00	0.00	25918.58	0.00	0.00	16955.17

a. Fair Value Hierarchy:

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2020	Carrying Amount	Routed through P/L	Routed through OCI				Carried at Amortised cost			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets										
Cash and Cash Equivalents	899.52	-	-	-	-	-	-	-	899.52	899.52
Bank Balance other than Cash and Cash Equivalent	2,389.38	-	-	-	-	-	-	-	2,389.38	2,389.38
Loans	26,815.45	-	-	-	-	-	-	-	26,815.45	26,815.45
Investments	932.64	866.64	66.00	-	-	66.00	-	-	-	-
Other Financial Assets	174.66	-	-	-	-	-	-	-	174.66	174.66
Total Financial Assets	31,211.65	866.64	66.00	-	-	66.00	-	-	30,279.01	30,279.01

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

As at March 31, 2020	Carrying Amount	Routed through P/L	Routed through OCI				Carried at Amortised cost				
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Financial Liabilities											-
Trade Payable	36.47	-	-	-	-	-	-	-	36.47		36.47
Debt securities	1,259.54	-	-	-	-	-	-	-	1,259.54		1,259.54
Borrowings (other than debt securities)	23,298.16	-	-	-	-	-	-	-	23,298.16		23,298.16
Other Financial Liabilities	469.99	-	-	-	-	-	-	-	469.99		469.99
Total Financial Liabilities	25,064.16	-	-	-	-	-	-	-	25,064.16		25,064.16

All amount are in lakhs unless otherwise stated

As at March 31, 2019	Carrying Amount	Routed through P/L	Routed through OCI				Carried at Amortised cost				
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Financial Assets											
Cash and Cash Equivalents	1,689.92	-	-	-	-	-	-	-	1,689.92		1,689.92
Bank Balance other than Cash and Cash Equivalent	1,157.75	-	-	-	-	-	-	-	1,157.75		1,157.75
Loans	27,512.85	-	-	-	-	-	-	-	27,512.85		27,512.85
Investments	62.92	-	62.92	-	-	62.92	-	-	-		-
Other Financial Assets	159.48	-	-	-	-	-	-	-	159.48		159.48
Total Financial Assets	30,582.92	-	62.92	-	-	62.92	-	-	30,520.00		30,520.00
Financial Liabilities											-
-Trade Payable	67.17	-	-	-	-	-	-	-	67.17		67.17
Debt securities	1,775.44	-	-	-	-	-	-	-	1,775.44		1,775.44
Borrowings (other than debt securities)	23,738.05	-	-	-	-	-	-	-	23,738.05		23,738.05
Other financial liabilities	337.92	-	-	-	-	-	-	-	337.92		337.92
Total Financial Liabilities	25,918.58	-	-	-	-	-	-	-	25,918.58		25,918.58

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between levels 1, 2 and 3 during the year.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

b. Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted prices and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Company and other valuation models. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

35. FINANCIAL RISK MANAGEMENT:

a. Liquidity Risk

The Company's Asset Liability Committee (ALCO) monitors asset liability mismatches to ensure there are no imbalances or excessive concentrations on either side of the balance sheet.

The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy, it maintains a liquidity buffer managed by an active treasury desk to reduce this risk.

The Company maintains a judicious mix of borrowings from banks and other Financial Institutions, including NHB. The Company continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings, which generally matches with the different types of Loan Facilities offered by the company. This strategy of balancing varied sources of funds and long tenor borrowings has helped the Company maintain a healthy asset liability position.

Financial Arrangements:

The Company does not have any undrawn facilities at the end of reporting period.

Maturities of Financial Liabilities:

The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for essential for an understanding of the timing of the cash flows.

The amounts disclosed in note 38 are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

b. Market Risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company does not have any exposure to foreign exchange rate and equity price risk

c. Interest Rate Risk Exposure

The exposure of the Company's borrowing (including debt securities and term loans) face value to interest rate changes at the end of the reporting period are as follows:

All amount are in lakhs unless otherwise stated			
Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Borrowings			
Variable rate Instruments	16747.51	17417.61	11521.44
Fixed rate Instruments	7810.19	8095.88	5179.5
Total borrowings	24557.70	25513.49	16700.94
Loans (Gross)			
Variable rate Instruments	0.00	0.00	0.00
Fixed rate Instruments	27423.98	28025.10	19931.05
Total Loans (Gross)	27423.98	28025.10	19931.05

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

Sensitivity

100% of the Company's Loan Assets are at fixed rate of interest, and 32% of the borrowings are at fixed rate interest. Company is not in a position to pass on increase in cost of borrowings/benefit on reduction of cost of borrowings to its customers. Thus an impact on profit is as under:

All amount are in lakhs unless otherwise stated

Particulars	Impact on Profit Before Tax	
	Current Year	Previous Year
Interest rates - increase by 25 basis points (25 bps)*	(63.76)	(34.36)
Interest rates - decrease by 25 basis points (25 bps)*	63.76	34.36

d. Price Risk Exposure

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss. The Company's exposure to Mutual Funds is not significant and hence the Company's exposure to price risk is insignificant.

e. Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to company. In lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for other borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and Mortgage Loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Methodology

Housing and Other Property Loans:

Company's customers for retail loans are primarily low and middle income segment, salaried and self-employed individuals.

The Company's credit officers evaluate credit proposals on the basis of active credit policies as on the date of approval. The criteria typically include factors such as the borrower's income & obligations, the loan-to-value ratio, fixed obligation to income ratio and demographic parameters subject to regulatory guidelines. Any deviations need to be approved at the designated levels.

The various process controls such as KYC check, Credit Bureau Report analysis are undertaken. In addition to due diligence process including visits to offices and homes in the case of loans made to retail borrowers done by External agencies such as field investigation agencies, company's staff also performs comprehensive due diligence process including visits to customer's business and residence premises.

Company analyses the portfolio performance of each product segment regularly, and use these as inputs in revising the product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The loans are secured by the mortgage of the borrowers' property and third party guarantee.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

Risk Management and Portfolio Review

The Company ensures effective monitoring of credit facilities through a risk-based asset review framework under which the frequency of asset review is determined depending on the risk associated with the product.

For both Housing and other borrowers, the company staff verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities.

It also reviews the completeness of documentation, creation of security and compliance with regulatory guidelines.

The Company regularly reviews the credit quality of the portfolio. A summary of the reviews carried out is submitted to the concern teams.

Expected Credit Loss (ECL)

Expected Credit loss is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

Probability of Default (PD) represents the likelihood of default over a defined time horizon, Exposure at Default (EAD) represents how much the counterparty is likely to be borrowing at the time of default, and Loss Given Default (LGD) represents the proportion of EAD that is likely to be lost post - default. The definition of default is taken as 90 days or above past due for all retail and other loans. The ECL is computed as a product of PD, LGD and EAD.

Delinquency buckets have been considered as the basis for the staging of all loans with 0-60 days past due loans classified as Stage 1, 61- 89 days past due loans classified as Stage 2 and 90 days or above past due loans classified as Stage 3.

For individual and other loans vintage analysis has been used to create PD terms structure which incorporates both 12 months PD for Stage 1 loans and life time PD for stage 2 and 3 loans. The vintage analysis captures a vintage default experience across a particular portfolio by tracking the yearly slippages from advances originating in a particular year. The vintage slippage experience/default rate is then used to build the PD term structure. This methodology has been used to create the LGD vintage which takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the interest rate.

Reconciliation of Loss Allowance

All amount are in lakhs unless otherwise stated

Particulars	Loss Allowance measured at life-time expected losses		
	Loss Allowance measured at 12 month expected losses (Stage 1)	Financial Assets for which credit risk has increased significantly and not credit-impaired (Stage 2)	Financial Assets for which credit risk has increased significantly and credit impaired (Stage 3)
Loss allowance on April 1, 2018	67.25	10.97	196.95
Add (Less) : Changes in loss allowances	17.14	1.92	218.02
Loss allowance on March 31, 2019	84.39	12.89	414.97
Add (Less) : Changes in loss allowances	41.34	1.43	53.52
Loss allowance on March 31, 2020	125.73	14.32	468.49

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

Disclosure as required in terms of circular issued by RBI on COVID-19 Regulatory Package - Asset Classification and Provisioning, RBI/201920/220/DOR.No. BP.BC.63/21.04.048/020-21, 17 April, 2019

SMA/overdue categories, where the moratorium/deferment was extended

All amount are in lakhs unless otherwise stated

Particulars	Total Exposure	ECL Provision
SMA	0.00	0.00
Overdue - Standard	852.83	42.64
Overdue - Others	0.00	0.00
Total	852.83	42.64

Asset Classification Benefit Expense:

Asset classification benefit has not been extended to any customer till March 2020.

Risk Management amidst Covid - 19

The unprecedented health scare caused by Covid-19 which led to a countrywide lockdown is going to have a varying impact on different sectors of the economy. Salaried individuals may have to contend with a scenario of reduced income and/or job losses. Corporate, SMEs and MSMEs will struggle on account of reduced economic activities. All these will lead to major cash flow constraints and erosion in the asset value. These developments in turn will severely test risk management frameworks across the financial sector.

The RBI vide its notification dated 27 March 2020 and 23 May, 2020, has provided relief on debt servicing obligations, permitted financial institutions to offer moratorium to their borrowers on instalments falling due between 1 March, 2020 to 31 August, 2020. With uncertainties caused by Covid-19 pandemic including the pace of easing of the lockdown restrictions, the time needed to restart the economy and attaining some level of normalcy; the credit performance and repayment behaviour of the customers need to be Monitored closely.

An analysis of the customer segments seeking moratorium and their past repayment behaviour reflects heightened anxiety from customer. Expectations of elevated default on timely payment of instalments and collection related constraints are likely to result in higher credit costs than witnessed hitherto. The Company has committed for making requisite investment to deepen its collections infrastructure to control its credit costs.

f. Regulatory Risk

The Company requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Company may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

36. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behavior as used for estimating the EIR. Issued debt reflects the contractual coupon amortizations.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

All amount are in lakhs unless otherwise stated

ASSETS	As At March 31, 2020			As At March 31, 2019			As At April 1, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	899.52	0.00	899.52	1689.92	0.00	1689.92	102.89	0.00	102.89
Bank Balances other than above	931.58	1457.80	2389.38	702.00	455.75	1157.75	480.00	216.87	696.87
Loans	3887.78	22927.67	26815.45	3833.01	23679.85	27512.86	2985.00	16670.87	19655.87
Investments	932.64	0.00	932.64	62.92	0.00	62.92	63.75	0.00	63.75
Other Financial Assets	0.00	174.65	174.65	0.00	159.48	159.48	0.00	57.62	57.62
Deferred Tax Assets (Net)	0.00	216.15	216.15	0.00	167.37	167.37	0.00	83.71	83.71
Property, Plant and Equipment	0.00	425.87	425.87	0.00	156.71	156.71	0.00	106.21	106.21
Investments Property	0.00	4.34	4.34	0.00	4.34	4.34	0.00	4.34	4.34
Other Intangible Assets	0.00	1.51	1.51	0.00	3.20	3.20	0.00	3.38	3.38
Other Non-Financial Assets	0.00	1205.45	1205.45	0.00	1245.50	1245.50	0.00	732.23	732.23
Total Assets	6651.52	26413.44	33064.96	6287.85	25872.20	32160.05	3631.64	17875.23	21506.87

LIABILITIES	As At March 31, 2020			As At March 31, 2019			As At April 1, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Liabilities									
Trade Payables									
(i) total outstanding dues of creditors other than micro enterprises and small enterprise	36.47	0.00	36.47	67.17	0.00	67.17	56.03	0.00	56.03
Debt Securities	517.24	742.30	1259.54	517.24	1258.20	1775.44	517.24	1771.54	2288.78
Borrowings (Other than Debt Securities)	5983.49	17314.67	23298.26	4760.98	18977.07	23738.05	2809.02	11603.14	14412.16
Other Financial Liabilities	0.00	469.99	469.99	0.00	337.92	337.92	0.00	198.20	198.20
Non-Financial Liabilities									
Provisions	498.74	16.48	515.22	564.79	7.11	571.90	312.74	0.00	312.74
Other Non Financial Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities	7035.94	18543.44	25579.38	5910.18	20580.30	26490.48	3695.03	13572.88	17267.91

37. CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by NHB.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

The Company has complied with the applicable capital requirements over the reported period.

a. Risk management

The Company's objectives when managing capital are to :

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The Company's strategy is to maintain a gearing ratio within stipulated by National Housing Bank. The gearing ratios were as follows:

All amount are in lakhs unless otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Gross Debt	24,557.70	25,513.49	16,700.94
Less:			
Cash and cash equivalent	899.52	1,689.92	102.89
Other Bank deposits	2,389.38	1,157.75	696.87
Adjusted Net Debt (A)	21,268.80	22,665.82	15,901.18
Total Equity (B)	7,485.58	5,669.58	4,238.97
Adjusted Net Debt to Equity Ratio (in times) (A/B)	2.84	4.00	3.75

38. There are no indications which reflects that any of the assets of the company had got impaired from its potential use and therefore no impairment loss was required to be accounted in the current year as per Indian Accounting Standard on 'Impairment of Assets' (Ind AS 36).

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

40. DISCLOSURE AS REQUIRED BY NATIONAL HOUSING BANK (NHB):

The following disclosures have been given in terms of 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. Further, the disclosures which are for regulatory and supervisory purpose, have been made so as to comply with NHB's Policy Circular No. NHB(ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 which requires Housing Finance Companies to continue to follow the extent provisions of National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions 2010 including framework on prudential norms and other related circulars issued in this regards by NHB from time to time and the same have been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act, read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

a. CAPITAL TO RISK ASSETS RATIO (CRAR):

Items	Current Year	Previous Year
i) CRAR (%)	40.04	30.27
ii) CRAR - Tier I Capital (%)	39.32	29.78
iii) CRAR - Tier II Capital (%)	0.72	0.49
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

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

All amount are in lakhs unless otherwise stated		
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;	52.00	48.15
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	654.88	338.73
c) Total	706.88	386.88
Addition/Appropriation/Withdrawal during the year		
Add:	54.99	3.85
a) Amount transferred u/s 29C of the NHB Act,1987;		
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;	315.01	316.15
Less:	0.00	0.00
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act,1987;		
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	106.99	52.00
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	969.89	654.88
c) Total	1076.88	706.88

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits 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 u/s 29C of the NHB Act, 1987 also.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

c. INVESTMENTS

All amount are in lakhs unless otherwise stated

Particulars	Current Year	Previous Year
(A) Value of Investments		
(i) Gross Value of Investments		
(a) In India	41.95	41.95
(b) Outside India	0.00	0.00
(ii) Provision for Depreciation		
(a) In India	0.00	0.00
(b) Outside India	0.00	0.00
(iii) Net Value of Investments		
(a) In India	41.95	41.95
(b) Outside India	0.00	0.00
(B) Movement of Provisions held towards depreciation on investments		
(i) Opening Balance	0.00	0.00
(ii) Add: Provisions made during the year	0.00	0.00
(iii) Less: Write-off/Written-back of excess provisions during the year	0.00	0.00
(iv) Closing Balance	0.00	0.00

d. During the year, Company has not entered into any (a) derivative transaction (b) Securitization 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 (e) Capital market transaction and exposure.

e. ASSET LIABILITY MANAGEMENT:

(Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2020):

(₹ In Crore)

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	0	0	0	0	0	0	0	0	0	0
Borrowing from Banks	4.05	4.4	5.09	15.84	31.58	111.38	60.3	12.13	0.47	0	245.24
Market Borrowings	0	0	0	0	0	0	0	0	0	0	0
Foreign Currency Liab.	0	0	0	0	0	0	0	0	0	0	0
Assets:											
Advances	2.3	2.33	2.38	10	21.88	97.64	76.51	40.48	22.34	0	275.85
Investments	2.61	3	3.18	6.47	8.85	13.53	1.81	0.79	1.57	0	41.81
Foreign Currency Assets	0	0	0	0	0	0	0	0	0	0	0

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

(Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2019)

Particulars	(₹ In Crore)										
	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	0	0	0	0	0	0	0	0	0	0
Borrowings	3.97	3.61	4.12	13.13	27.95	107.43	76.43	17.28	1.05	0	254.97
Market Borrowings	0	0	0	0	0	0	0	0	0	0	0
Foreign Currency Liab.	0	0	0	0	0	0	0	0	0	0	0
Assets:											
Advances	2.25	3.12	3.13	9.55	20.28	86.63	79.98	48.34	28.15	0.2	281.63
Investments	16.9	0	0.1	0	7.34	0.5	0.94	3.11	0	0	28.89
Foreign Currency Assets	0	0	0	0	0	0	0	0	0	0	0

*Investments includes cash and cash equivalents, investment and fixed deposit.

f. EXPOSURE TO REAL ESTATE SECTOR:

All amount are in lakhs unless otherwise stated

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;	26718.89	27089.28
(i) Out of the above Individual Housing Loans up to ₹ 15.00 lakh	17670.23	17956.36
(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;	867.74	1073.48
(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

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

h. The Company has not obtained any unsecured loans during the year.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

- i. The Company has obtained following registrations from any other financial sector regulator:
- Renewal of registration of the Company as LEI (Legal Entity Identifier) as required by RBI.
 - Registration of Company as convergence partner with NCH (National Consumer Helpline) through software “INGRAM” as directed by NHB.
 - The Company has registered itself with the Information Utility [NeSL (National E Governance Services Ltd.)] as required under Insolvency & Bankruptcy Code, 201

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

k. **ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATING DURING THE YEAR:**

Sr. No.	Instrument	Rating Agency	Rating	Rating Action	Date of Rating
1	Bank Loan	Brickwork Ratings	BWR BBB; Stable	Reaffirmed BWR BBB; Stable	12.12.2019
2	NCD	Brickwork Ratings	BWR BBB; Stable	Reaffirmed BWR BBB; Stable	12.12.2019

l. **During the year:**

- i. no prior period items occurred which has impact on profit and loss account;
 - ii. no change in any accounting policy except implementation of Ind AS required by Ministry of Company Affairs.
 - iii. there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties ;
 - iv. there was no withdrawal from Reserve fund;
 - v. Company has not accepted public deposits,
 - vi. Company does not consists of any Overseas Assets; and
 - vii. Company does not consist Off-balance Sheet SPVs sponsored (which are required to be consolidated as per Accounting Norms).
 - viii. The company do not have an exposure to teaser rate loans.
 - ix. The company does not granted loans against collateral of gold jewellery.
- m. Company has no subsidiary company. Hence, requirement of consolidated financial statements is not applicable to the company.

n. **PROVISIONS:**

All amount are in lakhs unless otherwise stated

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	0.00
2. Provisions made towards income tax	498.74	5.65
3. Provision towards NPA	56.06	223.44
4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	40.22	13.63
5. Other Provision and Contingencies (with details)	0.00	0.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

Break up Loan & Advances and Provisions thereon	Housing		Non-Housing	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount*	19698.99	20385.4	7584.07	7505.05
b) Provisions Made	86.36	55.61	40.39	30.92
c) Provisions Required	86.36	55.02	40.39	30.92
Sub-Standard Assets				
a) Total Outstanding Amount	26.78	271.47	50.97	77.58
b) Provisions Made	7.24	154.16	7.64	67.88
c) Provisions Required	4.02	40.72	7.64	11.64
Doubtful Assets-Category-I				
a) Total Outstanding Amount	258.83	87.46	77.54	0.00
b) Provisions Made	204.42	87.46	71.58	0.00
c) Provisions Required	64.71	21.86	19.39	0.00
Doubtful Assets-Category-II				
a) Total Outstanding Amount	161.9	98.52	4.82	4.82
b) Provisions Made	161.9	98.52	4.82	4.82
c) Provisions Required	64.76	39.4	1.93	1.93
Doubtful Assets-Category-III				
a) Total Outstanding Amount	24.19	12.88	0.00	0.00
b) Provisions Made	24.19	12.88	0.00	0.00
c) Provisions Required	24.19	12.88	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	20170.7	20855.7	7717.4	7587.45
b) Provisions Made	484.11	408.63	124.43	103.62

*Standard Assets and Total Outstanding amount in Current Year figures include interest accrued but not due and provision thereon.

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.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

DETAILS OF MOVEMENT IN PROVISIONS:

Particulars	Opening as on 01.04.2019	Provisions made during the year	Provisions reversed/adjusted	Closing as on 31.03.2020
Bad & Doubtful Debts	425.72	481.79	425.72	481.79
Taxation	564.79	498.75	564.79	498.75
Standard Assets	86.53	126.75	86.53	126.75
Investment	0.00	0.00	0.00	0.00

o. CONCENTRATION OF LOANS AND ADVANCES:

All amount are in lakhs unless otherwise stated

Particulars	Current Year	Previous Year
Total Loans & Advances to Twenty largest borrowers	1755.46	1711.20
Percentage of Loans & Advances to Twenty largest borrowers to Total Advances of the HFC	6.36%	6.08%

• CONCENTRATION OF ALL EXPOSURE (INCLUDING OFF-BALANCE SHEET EXPOSURE):

All amount are in lakhs unless otherwise stated

Particulars	Current Year	Previous Year
Total Loans & Advances to Twenty largest Borrowers/Customers	1755.46	1711.20
Percentage of Exposures to Twenty largest Borrowers/Customers to Total Exposure of the HFC on Borrowers/Customers	6.36%	6.08%

• CONCENTRATION OF NPAs:

Particulars	Current Year	Previous Year
Total Exposure to Top Ten NPA Accounts	239.70	240.39

• SECTOR-WISE NPAs:

Sr. No.	Sector	Percentage of NPAs to Total Advances in that Sector	
		Current Year	Previous Year
A.	Housing Loans:		
1.	Individuals	2.45%	2.38%
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	1.78%	1.11%
2.	Builders/Project Loans	0.00	0.00
3.	Corporates	0.00	0.00
4.	Others (Specify)	0.00	0.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

p. MOVEMENT OF NPAs

All amount are in lakhs unless otherwise stated

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	0.45%	0.46%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	552.74	300.92
(b) Additions during the year	77.75	349.06
(c) Reductions during the year	25.45	97.24
(d) Closing Balance	605.04	552.74
(iii) Movement of Net NPAs		
(a) Opening Balance	127.01	98.63
(b) Additions during the year	62.87	127.01
(c) Reductions during the year	66.63	98.63
(d) Closing balance	123.25	127.01
(iv) Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a) Opening Balance	425.72	202.98
(b) Provisions made during the year	481.79	425.72
(c) Write-off/reversed/write-back of excess provisions	425.72	202.98
(d) Closing Balance	481.79	425.72

q. DISCLOSURE OF COMPLAINTS CUSTOMERS COMPLAINTS:

Particulars	Current Year	Previous Year
(a) No. of Complaints pending at the beginning of the year	0.00	0.00
(b) No. of Complaints received during the year	11.00	4.00
(c) No. of Complaints redressed during the year	11.00	4.00
(d) No. of Complaints pending at the end of the year	0.00	0.00

41. Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

All amount are in lakhs unless otherwise stated

	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 and provisions and IRACP norms
Asset Classification as per RBI Norms	-1	-2	-3	-4	(5)=(3)-(-4)	(7) = (4)-(-6)
Performing Assets						
Standard	Stage 1	26,221.55	125.73	26,095.82	124.31	1.42
	Stage 2	597.22	14.32	582.90	2.41	11.91
Subtotal		26,818.77	140.05	26,678.72	126.72	13.33
Non-Performing Assets (NPA)						
Substandard	Stage 3	77.49	11.86	65.63	11.66	0.20
Doubtful - up to 1 year	Stage 3	334.84	263.73	71.11	84.09	179.64

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

All amount are in lakhs unless otherwise stated

	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 and provisions and IRACP norms
1 to 3 years	Stage 3	168.67	168.67	0.00	66.66	102.01
More than 3 years	Stage 3	24.22	24.22	0.00	24.22	0.00
Subtotal for doubtful		527.73	456.62	71.11	174.97	281.65
Loss	Stage 3	0.00	0.00	0.00	0.00	0.00
Subtotal for NPA		605.22	468.48	136.74	186.63	281.85
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	0.00	0.00	0.00	0.00	0.00
	Stage 2	0.00	0.00	0.00	0.00	0.00
	Stage 3	0.00	0.00	0.00	0.00	0.00
Subtotal		0.00	0.00	0.00	0.00	0.00
	Stage 1	26,221.55	125.73	26,095.82	124.31	1.42
	Stage 2	597.22	14.32	582.90	2.41	11.91
	Stage 3	605.22	468.48	136.74	186.63	281.85
Total		27,423.99	608.53	26,815.46	313.35	295.18

42. There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.
43. There are no amounts to be reflected under payable to Investor Protection Fund.
44. In the opinion of management the Financial Assets 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.
45. During the year, there was one employee, Mr. Vinod K. Jain, Managing Director employed throughout the year who was in receipt of remuneration of ₹ 3.01 Crores per annum.
46. Previous year figures under IGAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable.
47. There have been no events after the reporting date that requires disclosure in these financial statements.
48. The Company has complied with 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2020

- 49.** The Company has repossessed certain assets under SARFAESI Act which are required for the purpose of sale under the rules and regulation of SAEFAESI Act involving ₹ 55.90 lakhs (₹ 14.10 lakhs Previous Year) which are part of NPA portfolio for which necessary provisions have already been made. These assets are accounted as and when they are realized as per the related accounting policy.
- 50.** Notes on Financial statements 1 to 49 are annexed and forming part of the Balance Sheet and Statement of Profit & Loss.

As per our Report of even date

For **PKJ & CO.**
Chartered Accountants
FRN : 124115W

Rishabh Jain
Partner
Membership No. 176309

Place : Udaipur
Date : 26.06.2020

For & on Behalf of the Board

Vinod K. Jain
Managing Director
(DIN:00248843)

Sunaina Nagar
Company Secretary
(M.No. A40754)

Seema Jain
Director
(DIN:00248706)

Ashok Kumar
Chief Financial Officer



SRG Housing Finance Limited
321, S. M. Lodha Complex, Near Shastri Circle,
Udaipur, Rajasthan - 313 001
CIN: L65922RJ1999PLC015440