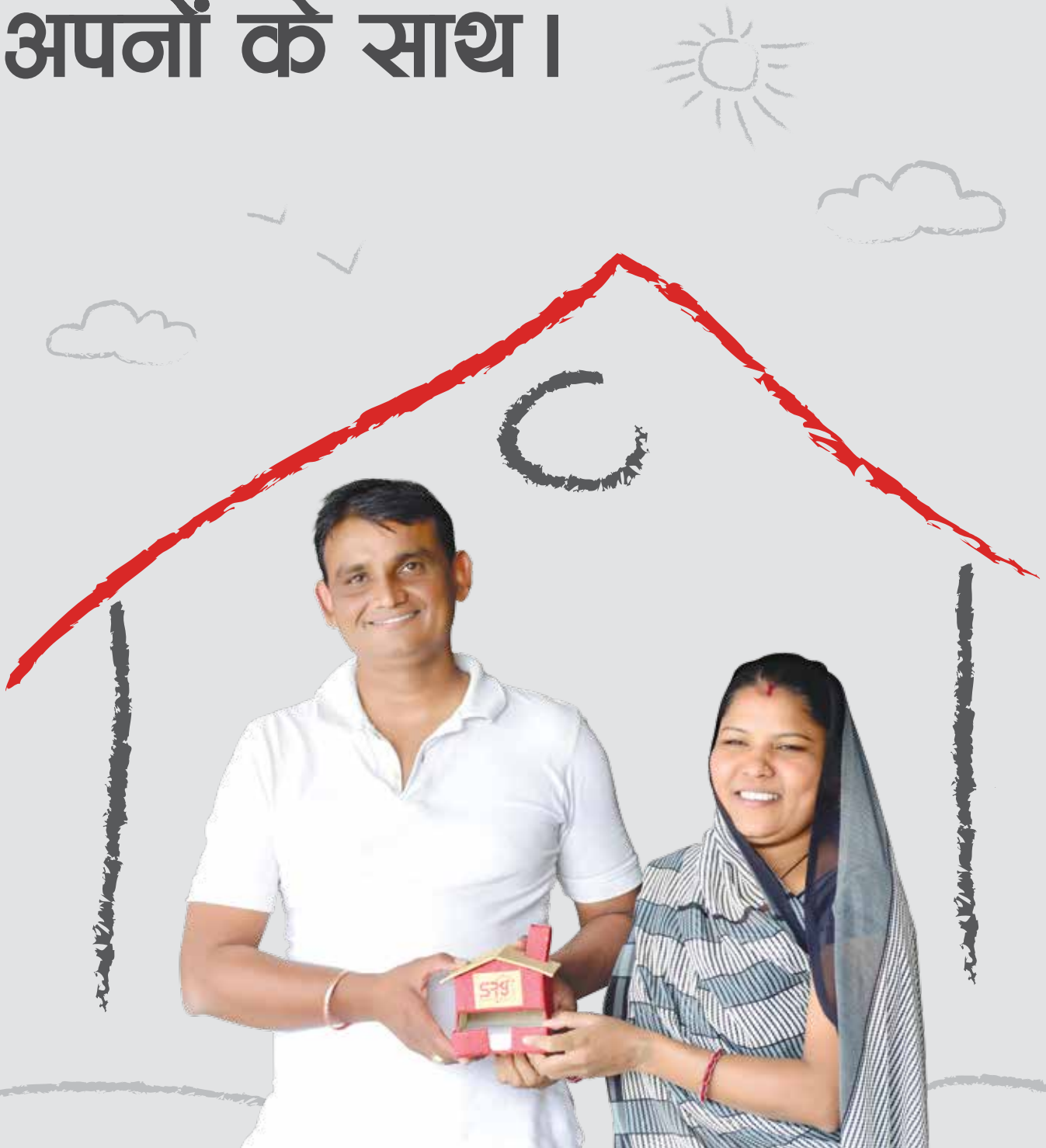


अपने घर में, अपनों के साथ।



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.

₹ 281.63 Crores

Assets Under Management (AUM) as on March 31, 2019

₹ 124.90 Crores*

Disbursements

12.98%*

Net Interest Margin

₹ 5.92 Lacs*

Average Ticket Size

37.65%*

Average Loan-to-Value (LTV)

38.82%*

Cost-to-Income ratio

*Pertains to FY19

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To view the online version of this report
or for other information, log on to
www.srghousing.com



**A HOUSE IS THE SINGLE-MOST POWERFUL
DESIRE A PERSON CAN CRAVE FOR.**

**EVERY INDIVIDUAL DREAMS OF LIVING IN A
PLACE WHERE THEY CAN COME BACK AFTER
A DAY'S TOIL. WHERE THEY CAN RELAX, HAVE
PEACE OF MIND AND SPEND QUALITY TIME
WITH THEIR LOVED ONES. A PLACE THEY CAN
PROUDLY CALL THEIR OWN HOME AND LIVE
TOGETHER AS A FAMILY.**

While the rich have the money and urbanites access to loans for buying a home, it is often those living in rural and semi-urban locations that get left out. A majority of these individuals are often first-time loan takers with no formal credit history, rendering them unserviceable by mainstream financial institutions. As a result, their dreams remain unfulfilled.

It is with the vision of providing these aspirants with a chance to own a home, that we have been building our expertise in understanding their credit needs and striving forward for the last two decades. With an entrenched presence in rural locations, with our people and technologies, our simple, safe and transparent methodologies and with keeping customers' needs paramount, we have successfully helped 7,000+ families to own their own homes.

At SRG Housing, we want every individual to own a home and live a happy life with their loved ones.

APNE GHAR MEIN...
APNO KE SAATH
(Living in own home with family)

20 YEARS OF FULFILLING HOME OWNERSHIP DREAMS

As National Housing Bank (NHB) registered Housing Finance Company, we have been operating for over twenty years in the niche area of providing housing loans to individuals with often no formal credit history. With our strong business model and technology-enabled operations, we are consistently catering to the needs of this segment that accounts for over 96% of India's population and are usually unserved or underserved. Being amongst the very few players possessing the experience, expertise and competency to operate in this segment which has a huge addressable opportunity, we are well-positioned for long-term, sustainable growth.

WHAT WE OFFER



Individual Housing Loan

(Loan for home construction, home revision, plot and NRI housing)



Loan Against Property



Project Loans



OUR REPUTATION

1st Company

in Rajasthan to get registered with the National Housing Bank

in Rajasthan to get listed on the BSE SME Platform

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

Awards won



Awarded **“Best Housing Finance Company”** at the ET Now BFSI Awards, 2019



Awarded **“Housing Finance Company of the Year - Medium and Small (private)”** by Times Network in 2018



Vinod Kumar Jain, Managing Director awarded as **“100 Top Most Influential BFSI Leader”** by World BFSI Congress



Adjudged amongst the **“Top-100 SMEs in India”** by Skoch Group and Awarded with Skoch Order of Merit at the 5^{1st} (2018) and 47th (2017) Skoch Summit

Excellence Award at 3rd Mine India Microfinance & NBFC Conference, 2018

“Fastest Growing Housing Finance Company of the Year” by ET NOW BFSI Award, 2018

Awarded One of the Top Three Performers on SME Platform for the Year 2012-13 by Bombay Stock Exchange (BSE)

CREDITWORTHINESS



BWR BBB

Brickwork rating for NCD and Bank Loan facilities

Note: As per our voluntary request, Credit Rating of CARE BBB- on bank facilities has been withdrawn with effect from December 10, 2018.

HOW WE DIFFERENTIATE OURSELVES



Core geography expertise

- Operating in rural and semi-urban markets for over 20 years
- Few formal players with in-depth understanding of markets and strong brand name



Expertise in underwriting target market borrowers

- Unique credit profiling methodology supported by technologies and people expertise to determine credit worthiness of target population having little to no credit history, operate informally and are usually first-time borrowers



Diversified borrowing mix

- Borrowing from Banks, Non-convertible debentures (NCDs), NHB and Financial institutions (FIs)



Top-notch asset quality

- Strong checks and balances along with strict credit monitoring structure
- Gross Non-Performing Assets of ₹ 5.53 Crores at 1.96% and net NPA of ₹ 1.27 Crores at 0.46%
- Provision for non-performing assets of ₹ 4.26 Crores as against ₹ 1.28 Crores required under NHB regulation
- Strong Asset Liability Management (ALM) process with asset coverage of 124%
- No significant ALM mismatch since inception



Cost efficiencies

- Diversified and flexible borrowing sources
- Lower borrowing costs with improved credit rating
- Lower average manpower and infrastructure costs in these markets



High yield

- Yield at 24% as target audience, whose only alternative is high interest small amount loans from local money lenders, are less sensitive to interest rates

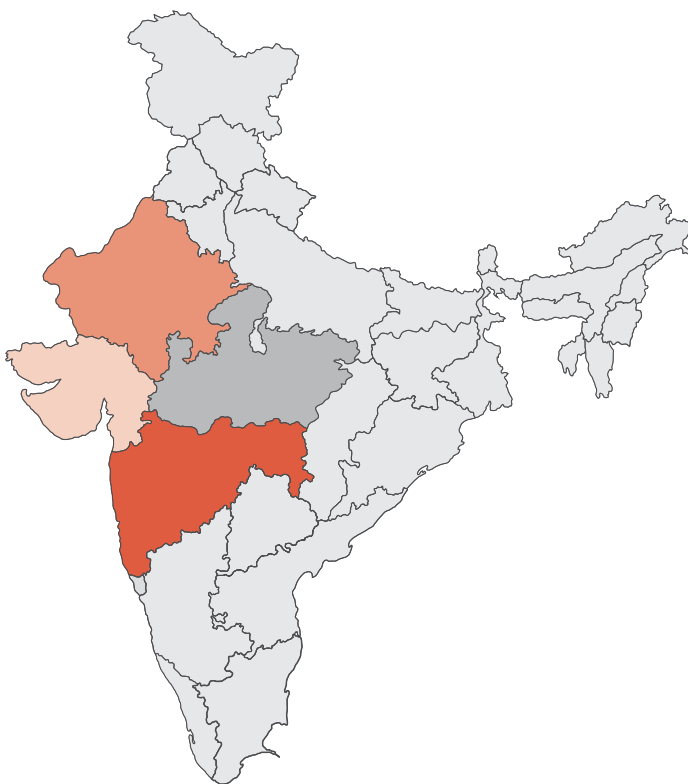


Technology

- Customized mobile app with automation capabilities
- ERP and central credit and disbursement system
- Real-time data processing through ERP system

OUR DIVERSIFIED PRESENCE

Starting our operations in Rajasthan, we have grown from strength to strength to establish ourselves as a leading financial services player in the region. Over the years, we have expanded our presence and replicated our success in the neighboring states of Madhya Pradesh, Gujarat and Maharashtra. We now have a deep entrenched presence in central and western India with a total of 32 branches.



Rajasthan

Banswara, Bhilwara, Jaipur, Sagwara, Aspur, Chittorgarh, Salumbar, Kota, Sumerpur, Rajsamand, Sirohi, Bijainagar, Udaipur, Jodhpur, Phalodi, Udaipur (Head Office)



Madhya Pradesh

Mandsaur, Ratlam, Manasa, Neemuch, Shamgarh, Ujjain, Dhar, Ashta, Indore



Gujarat

Ahmedabad, Surat, Vadodara, Palanpur, Mehsana, Nadiad



Maharashtra

Mumbai

Map not to scale. For illustrative purposes only.

OUR GROWING NETWORK



32

Branches



226

Employees



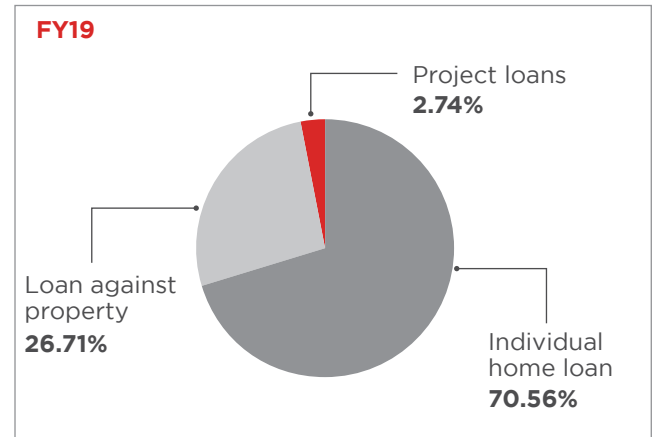
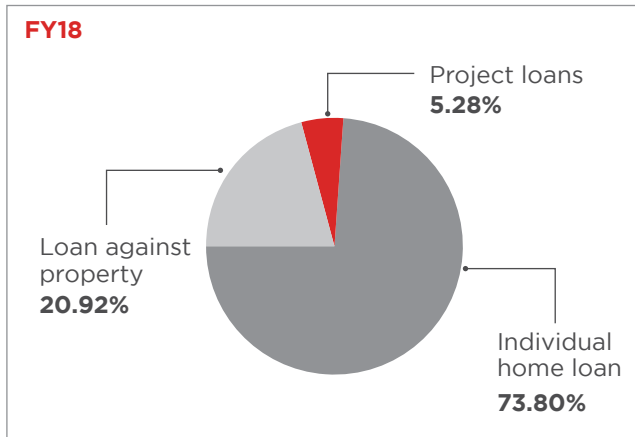
7,000+

Households served

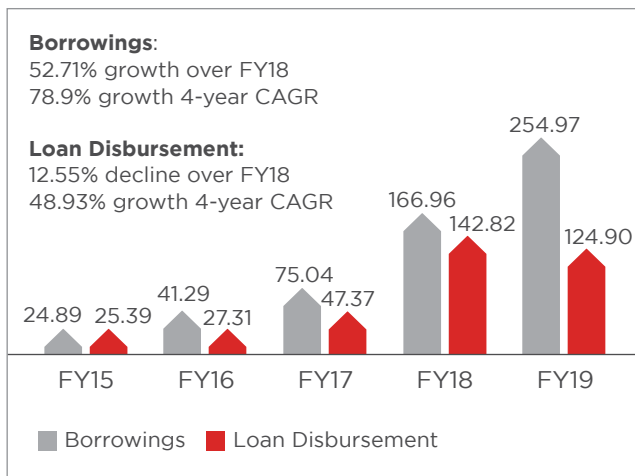
As on March 31, 2019

KEY PERFORMANCE INDICATORS

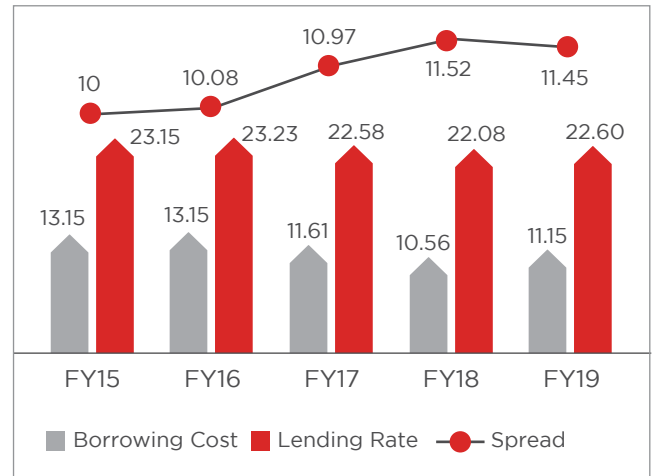
Loan Book Break-Up



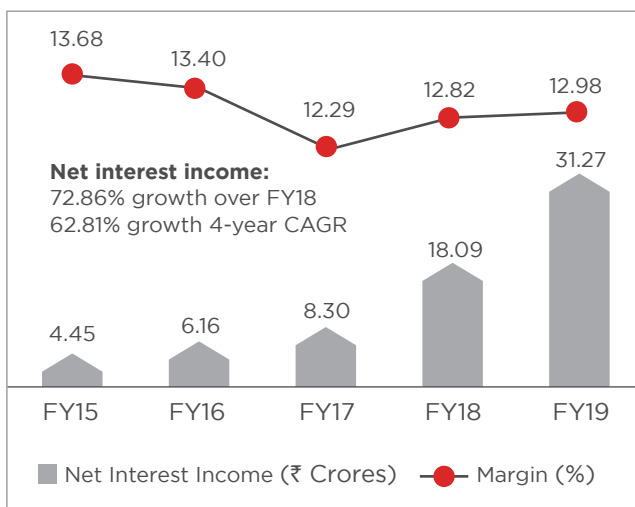
Borrowings and Loan Disbursement (₹ Crores)



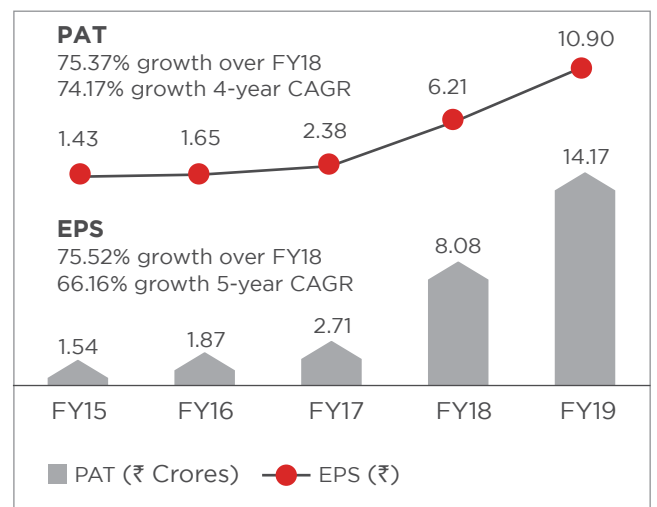
Loan Spread (%)

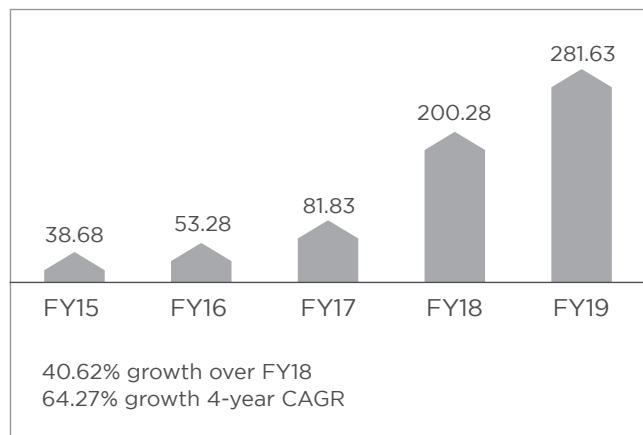
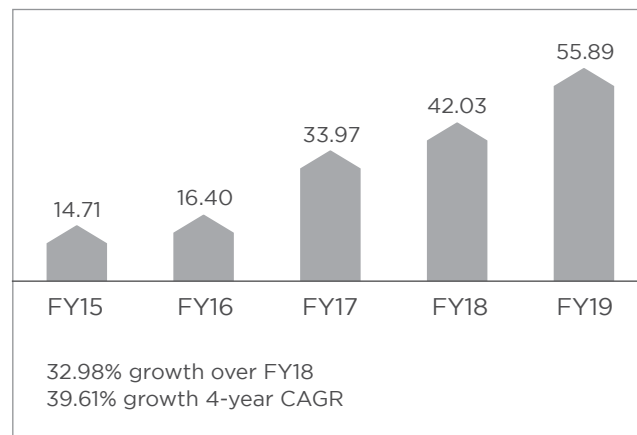
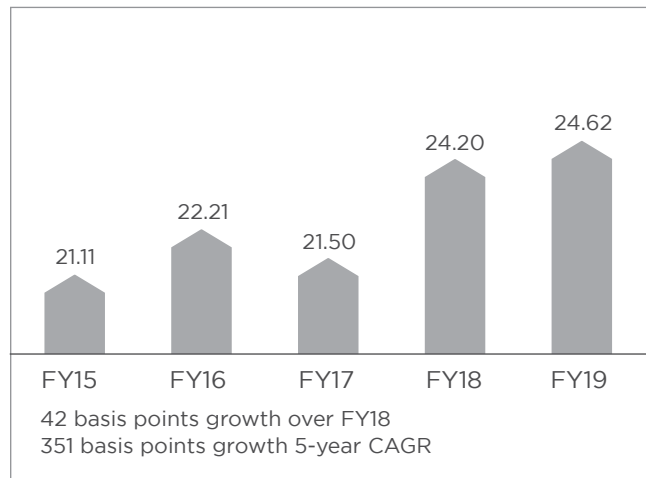
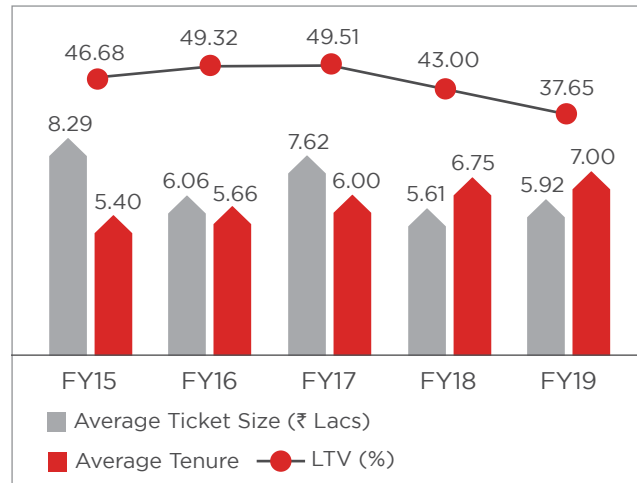


Net Interest Income & Margin



PAT & EPS



Assets Under Management (₹ Crores)**Shareholders' Fund (₹ Crores)****Yield on Portfolio (%)****Average Ticket Size, LTV & Tenure****Key Performance Indicators**

	FY19	FY18
Cost to Income ratio (%)	38.82	42.33
Gross NPA (% AUM)	1.96	1.50
Net NPA (% AUM)	0.46	0.50
Return on Average Assets (%)	5.21	4.89
Return on Average Equity (%)	28.94	21.25
Capital Adequacy Ratio (%)	30.27	33.38

MESSAGE FROM THE CHAIRMAN



We diversified our borrowing sources with nearly 43% of the borrowings in FY19 coming from non-bank sources as compared to 31% in FY18.

Dear Stakeholders,

It is my pleasure to report the performance of the Company and the progress that we are making. At the outset, I would like to inform the stakeholders that FY19 has been one of the most challenging years in our existence. The industry we operate in passed through an immense financial and trust crisis triggered by issues in few AAA rated NBFCs and HFCs. Following this, funding from the banks declined and that from other sources were available for lower tenure and higher interest rates. This led to severe liquidity crunch. Players started focusing on improving ALM and liquidity position, and thus there was a marked slowdown in new financing.

Your Company was no exception to this. We faced issues in sourcing funds. Further, state elections in our operational states followed by central elections brought a temporary slowdown, especially in the second half of the year.

In the wake of this tough scenario, we took a conscious call to adopt a conservative approach in borrowing and lending. Though this impacted growth, the move was taken in the interest of shareholders. Consequently, our disbursements for FY19 were lower by 12.55% to ₹ 124.90 Crores as we considered it safer to not fund longer duration asset with shorter term liability. This is in line with our long-term strategy of pursuing sustainable growth, rather than being

myopic and targeting aggressive growth. With this, we maintained our long-standing track-record of no significant mismatch across all buckets since inception, thus remaining in a healthy position to repay debts in the longer-term. We continued to maintain higher spread at 11.45% which ensures higher earnings. This resulted in SRG Housing being amongst the most profitable housing finance companies with a Profit after Tax (PAT) to Average Loan Book of 5.88%. Our Net Interest Income for FY19 increased by 72.86% to ₹ 31.27 Crores and Profit after Tax increased by 75.37% to ₹ 14.17 Crores. The health of our portfolio remains strong with net NPAs at a low of 0.46% and average LTV at 37.65%.

The year was also important in terms of execution of our strategy. We maintained smaller ticket size and tenure of loans by focusing on individual retail loans and not making any new loan disbursement to developers. We diversified our borrowing sources with nearly 43% of the borrowings in FY19 coming from non-bank sources as compared to 31% in FY18. The Government's relaxation to allow NBFCs to raise finance from TReDS will provide us an additional source of funding.

Demand remains intact

Amidst all the crisis, the good thing is that the demand for housing credit was in no way impacted and continues to be strong. The stagnancy in property prices, rise in wages and lower effective interest rates led by tax incentives and subsidies available due to Pradhan Mantri Awas Yojana has enhanced the overall affordability of homes. This is further boosted from the Government's recent move of reducing GST to 5% for under construction flats and 1% for affordable housing without input tax credit.

Adding to it, the mortgage penetration is low in India with our key operational markets of Rajasthan and Madhya Pradesh at 6%, Gujarat at 8% and Maharashtra at 14%; the housing credit demand is immense; and the demographic and economic position of the country is favorable. Overall, I feel, that the markets are panning out well and we are headed for a stronger future. The recent regulation of exempting NBFCs/HFCs from linking retail loan to external benchmarks in a bid to protect home loan borrowers from future interest rate volatility is also a positive move.

Fulfilling home dreams, carving out niche

Over the years, we have greatly evolved as an organization, never losing sight of our motto and the objective that we wanted to achieve. We started this organization, to make possible the dream of home

ownership for individuals in the rural areas for whom financing from mainstream financial sector was next to impossible. In the last two decades, we helped over 7,000+ families get their homes, while accomplishing several milestones.

Having said, what started as a means to fulfill dreams is today one of the key growth areas in the industry. Rural housing and credit shortage are a massive opportunity. Our niche and competency in this segment provide us an edge. Today, we have 32 branches across rural and semi-urban areas of our markets. Our network is well supported by a dynamic team who have strong relations with customers as well as locals.

Moving towards a better future

Many of you may be aware that your Company has framed its vision for FY22 whereby we intend to grow our loan book to ₹ 1,000 Crores and branch network to 70 by FY22. I am happy to say that we are progressing well on it. With the addition of 8-12 branches each year and maintaining the current average branch business run rate, we will be able to comfortably reach there without stressing business health. To support the expansion, we plan to raise funds for which an enabling resolution to raise equity shares has been passed. We are also undertaking a major overhaul in technology. While several new applications have been launched, we are now underway with SRAJAN Program, a series of standardization measures to help us streamline all our operations.

Message to the shareholders

The successful pass-through of your Company in such difficult times exemplifies the solid foundation that it has built. This includes the strength of our processes and systems enabling us to maintain asset quality, technology infrastructure for efficient business operations and superior customer experience. And most importantly, two decades of rich experience, expertise and competitive edge in the rural segment which very few in the industry have. With immense opportunities coming underway, we are focused on capitalizing our competencies to accelerate growth.

I thank all our stakeholders for their support and belief in us and continue to seek the same for the future. We are at an important juncture and the coming times are going to be exciting. Together, we can scale greater peaks.

Vinod K. Jain

Managing Director
DIN: 00248843

OUR DIVERSIFIED BOARD



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 immense experience in the financial services space. With his deep financial prowess and effective team management capabilities, he has pioneered the growth of Company with utmost honesty and integrity. He envisions to make the Company the next big participant in the Housing Finance industry in India.



Mrs. Seema Jain
*Non-Executive,
 Non-Independent Director*
 DIN No. 00248706

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



Mr. Ashok Kabra
*Non-Executive,
 Independent Director*
 DIN No. 00240618

Mr. Ashok Kabra is a Non-Executive, Independent Director of the Company. He holds a Master's degree in Commerce. He has a diverse exposure of more than 18 years in corporate finance, stock broking, investments and financial services.



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 of Commerce from Mohan Lal Sukhadia University, Udaipur and a Law (LLB) graduate. He is registered with the Commissioner of Income tax, Udaipur as Income Tax Practitioner. He has diverse exposure in tax consultancy and all related financial services.



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 Company Secretary by profession. He brings to the Company an expertise in accounting, legal and taxation.



Mrs. Garima Soni
*Non-Executive,
 Non-Independent Director*
 DIN No. 08336081

Mrs. 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 four years of experience in finance sector compliance.

SENIOR MANAGEMENT PERSONNEL



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.



Mr. Lavang Murdia
Chief Marketing Officer

Mr. Lavang Murdia has 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.



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 handles compliance, equity and debt financing matters. Her deep insights and research mindset have helped the Company to find innovative ways to expand and flourish. She has been with the Company since 2015.



Mr. Archis Jain
Business Development Manager

Mr. Archis Jain is a graduate of Global Business Management and has completed a Post Graduate program in Family Managed Business from SPJIMR Mumbai. He has completed various professional courses from the FLAME Investment Lab and the BSE Institution. He is responsible for business development and leads the due diligence team which forms strategies for market identification before entering a new market.



MAKING HOME LOANS ACCESSIBLE TO THE UNDERPRIVILEGED

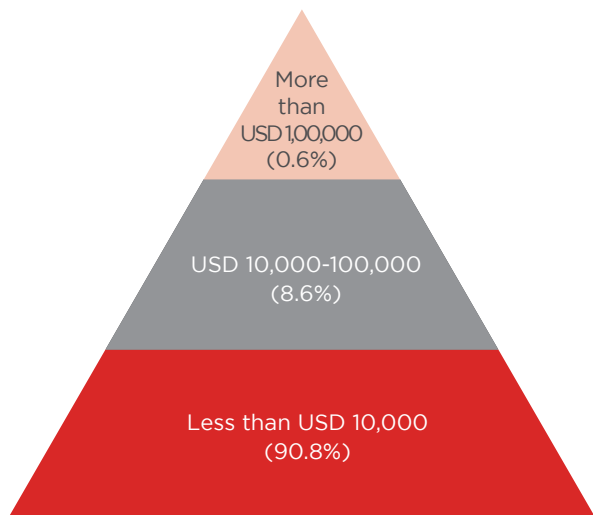
Seeking credit in India can be challenging, especially for the first-time borrowers operating in the informal sector. They often have little or no credit history, few financial documents and low asset backing. Though this segment requires financing the most and accounts for a large part of credit applicants, very few are serviced. This has resulted in a huge financing gap in this segment.

ACCESSING THE BOTTOM OF THE PYRAMID

At SRG Housing, we have built our business model around serving the needs of first-time borrowers in the informal segment. Having been working with this segment for over 20 years, we have the necessary tools and expertise to understand their credit needs and also determine their creditworthiness. With this expertise, we are providing people at the bottom of the pyramid access to funds and helping them enhance their quality of life.

THE BOTTOM OF THE PYRAMID OPPORTUNITY

As per the Credit Suisse Wealth Report 2018, of the 850 million adults in India, 0.6% have wealth of over USD 100,000; 8.6% have wealth of over USD 10,000 and below USD 1,00,000; and a huge 90.8% or 771.8 million people have wealth of less than USD 10,000. A large section of this bottom of the pyramid operates in the informal segment and are our potential target audience.



(Source: Credit Suisse Wealth Report 2018)

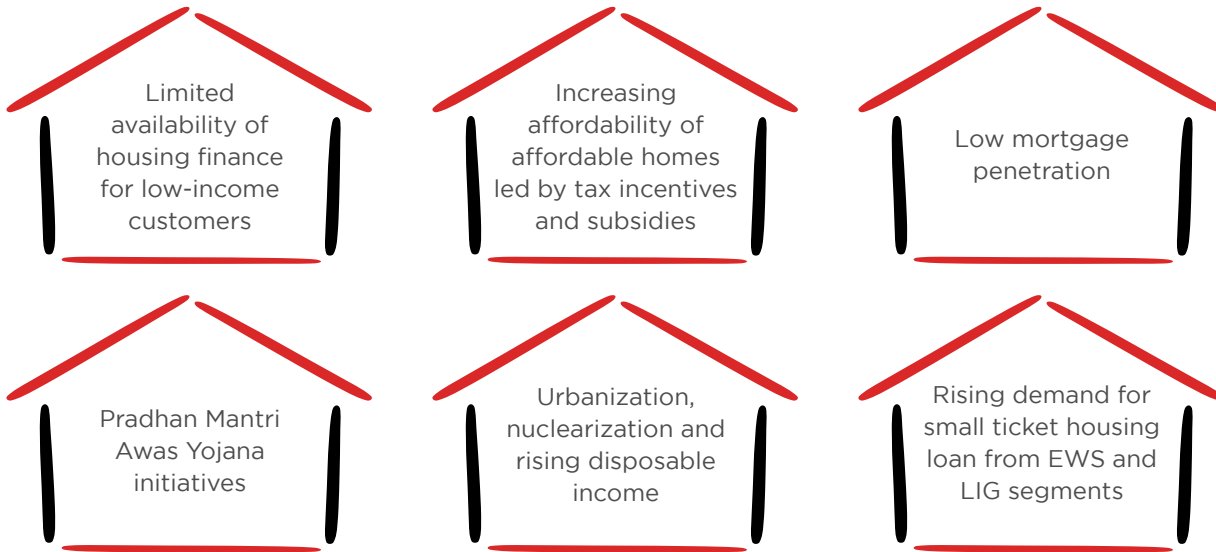
OUR BUSINESS MODEL

- Focusing on rural and semi-urban underserved and unbanked India
- Catering to low and middle-income people having cash salaries or are self-employed
- Lending towards priority sector (less than ₹ 20 Lacs) with average ticket size of around ₹ 6 Lacs.
- Funding independent single units where plot is already purchased by the customer
- Funding towards purchase, construction, renovation and repair
- Unique credit underwriting model where all loans are backed by a third-party guarantor and insured
- Leveraging technology to keep lowest turnaround time of disbursement and collection

SRG Focus

Rural Housing Shortage: 4.37 Crore Houses
Rural Credit Opportunity: ₹ 30,57,000 Crores

INDUSTRY GROWTH DRIVERS



CAPITALIZING ON RISING OPPORTUNITIES

While housing finance demand continues to be strong, there was a temporary blip led by liquidity crisis in the industry. Further, state election in our markets of presence followed by central elections led to a temporary slowdown. However, the demand continues to remain strong on the back of Government focus, rising income levels and growing nuclearization. In fact, this slowdown has led to pent-up demand. We are capitalizing on the opportunity by intensifying our marketing, enhancing branch presence as well as boosting our liquidity position.

MAINTAINING STRONG RELATIONSHIPS

We operate in markets where individuals have traditionally relied on local money lenders who offer no benefit, charge higher interest and mostly exploit borrowers. Contrary to this, we are offering our customers unmatched services such as technology-enabled faster turnaround, timely disbursement and professional approach. We have also provided mourning families time to recover in case of passing away of principal borrower. This way we have retained relationships and, in several cases recovered interest and principal in due course.



TECHNOLOGY – OUR KEY ENABLER FOR GROWTH

Right from customer sourcing to credit evaluation, disbursement and collection, we are bringing technology into each and every process and system. This is enabling us to achieve unmatched operational efficiency and cost-effectiveness leading to competitive edge in the industry.

ADVANCEMENTS IN TECHNOLOGY

Achieving core efficiency and productivity based on technology continues to be an important focus area for SRG Housing. During FY19, we allocated ₹ 1 Crore towards deploying best-in-class technology to drive process efficiencies. Our turnaround time (TAT) has improved considerably as reflected in the loan origination to disbursement time period reducing from 35 days in FY18 to 16 days in FY19. We also reduced our cost to income ratio from 55.23% in FY16 to 38.82% in FY19 through technology solutions.

We have launched several customized mobile apps which is empowering employees and assisting them to serve customers better and faster.



SRG HOUSING MOVING TO MOBILES

Technology powering every process

Technology implemented	Benefit
Lead Management Android App (Pre-Sales) Manage and nurture leads	Empowering on-field sales team to manage leads, schedule follow-ups and qualify them to become potential customers. Key features <ul style="list-style-type: none"> - Auto follow-up reminders and history - Intuitive dashboard for sales team
Login File Android App (Sales) Go Paperless	Real-time loan application form generation along with simple and gamified form filling experience using the on-field sales team mobile app Key features <ul style="list-style-type: none"> - Verify PAN and mobile number - Generate CIBIL report - Capture required documents - Collect Login Fee via multiple payment options - Intuitive App Dashboard to measure performance
DocUCheck Android App (QC)	Expedite processes and save time of Credit Officers Key features <ul style="list-style-type: none"> - Verify captured documents and Loan Application Form - Retake or send back improper documents / information - Send clean Loan Application File to the Credit Department
FI/Legal/Technical Verifications Web App Manage Vendor Activity Assignment	Web application to assign and manage vendors for FI, Risk Control Unit (RCU), Legal, Technical verification activities Key features <ul style="list-style-type: none"> - Assign one file ONLY once for verification activities - Vendor Masters mapped with charges and TAT - Reconciliation of vendor invoices - Fraud prevention
Credit PD App Credit Simplified	First-of-its-kind Mobile App assisting on-field Credit Officer to determine eligibility in real-time and recommend for sanction Key features <ul style="list-style-type: none"> - Ask profile-based questions - Analyze income and obligations - Video recordings of personal discussions - Generate CAM sheet in real-time - Intuitive App Dashboard to measure performance
Credit Approval Android App Sanction on the go	Mobility Solution for Underwriter / Credit Head for reviewing recommended files and taking appropriate sanction decision Key features <ul style="list-style-type: none"> - View complete loan file with case history on Mobile App - Recommend / Reject / Send Back file - Detailed dashboard and reports - Update loan limit / additional disbursement requests
GoCollect App	Facilitates in superior collection management and control the increasing number of non-performing assets. Key features Empowers on-field recovery agents to: <ul style="list-style-type: none"> - Manage overdue cases assigned - Set payment follow-ups with auto reminder - Collect payment via cash / online / cheque modes - Work efficiently with App's online / offline capabilities

CHANGING THE GAME WITH SRG SRAJAN PROGRAM

During the year, we initiated 'SRG SRAJAN', a System Change Management Program for standardizing our Standard Operating Procedures (SOPs) and streamlining our key activities and core functions. The Program is aimed at eliminating redundancies and enhancing the efficiency and productivity of our resources. Under SRG SRAJAN, processes and SOPs are being re-engineered through the use of technology. We have appointed a consultant firm having hands-on experience in System Change Management to help us implement these actions seamlessly.

SRG Srajan enables us to undertake changes in a planned manner and encourages improvement and growth. It makes us future-ready and proactive to changes, as opposed to reactive.

This is key project for the organization and will provide the management with the best practices of system implementation, change management and system control. It includes:

- ⦿ 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

Progress of SRG SRAJAN

In FY19, we successfully completed the first phase of the program, which included the HR Mantra, SRG sales, SRG DocUCheck and SRG Collection functions.

HR Mantra: It covers the entire Human Resources function viz. Recruitment, HRIS, Payroll, Asset Management. It facilitates the management to track employees on the field on real-time basis by using Global Positioning System (GPS).

SRG Sales: It covers Lead Management System (LMS) and Sales Login File. LMS includes the lead generated or assigned and the basic customer details with the follow-up part. Sales login is activated when the lead gets converted post which every necessary customer detail is captured, login fees received, and pre-application form generated.

SRG DocUCheck: In this application, KYC proof and other customer details from Sales app are received for employee verification, and approval/rejection of proof.

SRG Collection: This covers the collections done by employee in cash or cheque and is reflected on real-time basis in the portal.



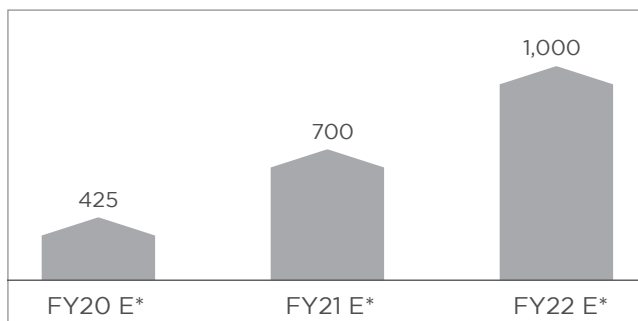
MOVING TOWARDS A STRONGER FUTURE

In the last 20 years, we have established a strong foundation with our processes, products and infrastructure, cost efficiencies and market presence. We are now focused on scaling our business to the next level to build a bigger and better organization. The target is to expand loan book size to ₹ 1,000 Crores and branch network to 70 by FY22 along with maintaining asset quality for a sustainable and sensible growth.

OUR VISION 2022

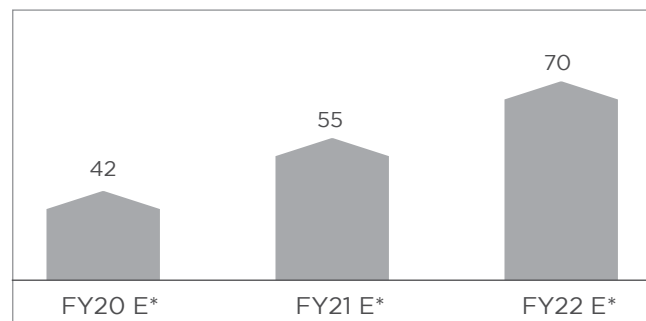
We target to grow our loan book by 3.5x from ₹ 281.63 Crores in FY19 to ₹ 1,000 Crores by FY22 and our branch network by 2x from 32 in FY19 to 70 by FY22.

Projected Loan Book (₹ Crores)



*Estimate

Branch Network (In No.)



*Estimate

Targeting 3.5x AUM growth and 2x branch network growth

STRONG GROWTH LEVERS IN PLACE TO DELIVER VISION 2022

Rural competency

- Few players in the industry have the capabilities to cater to the financial needs of the rural population
- Housing demand in rural areas exceeds supply, resulting in widening shortage

Business fundamentals

- Robust and prudent liquidity strategies – received refinance from NHB and loan sanctions from bank. Plan to raise funds by way of various capital market instruments, which will also provide headroom for leverage
- Business strategies on track for strong and sustainable growth
- Proven track record of maintaining a positive ALM on yearly and quarterly basis, and making monthly repayment

Technology upgrade

- New application for leads, sales and collection to improve processes and real-time data availability deployed in Q1 FY20
- Completed the first phase of SRG SRAJAN program involving re-engineering of processes and standardizing of internal functions through automations and technology. Accordingly, process flows for every function has been documented and deployed

Restructuring program

- Implemented the concept of OKR (Objectives and Key Results) for the CXO and head levels to enhance the workings and overall function through target setting and planning. To accelerate performance, the program will necessitate evaluation of co-workers such that everybody is focused on improvement and timely achievement of organizational goals

MAINTAINING EFFICIENCIES FOR SUSTAINABLE GROWTH

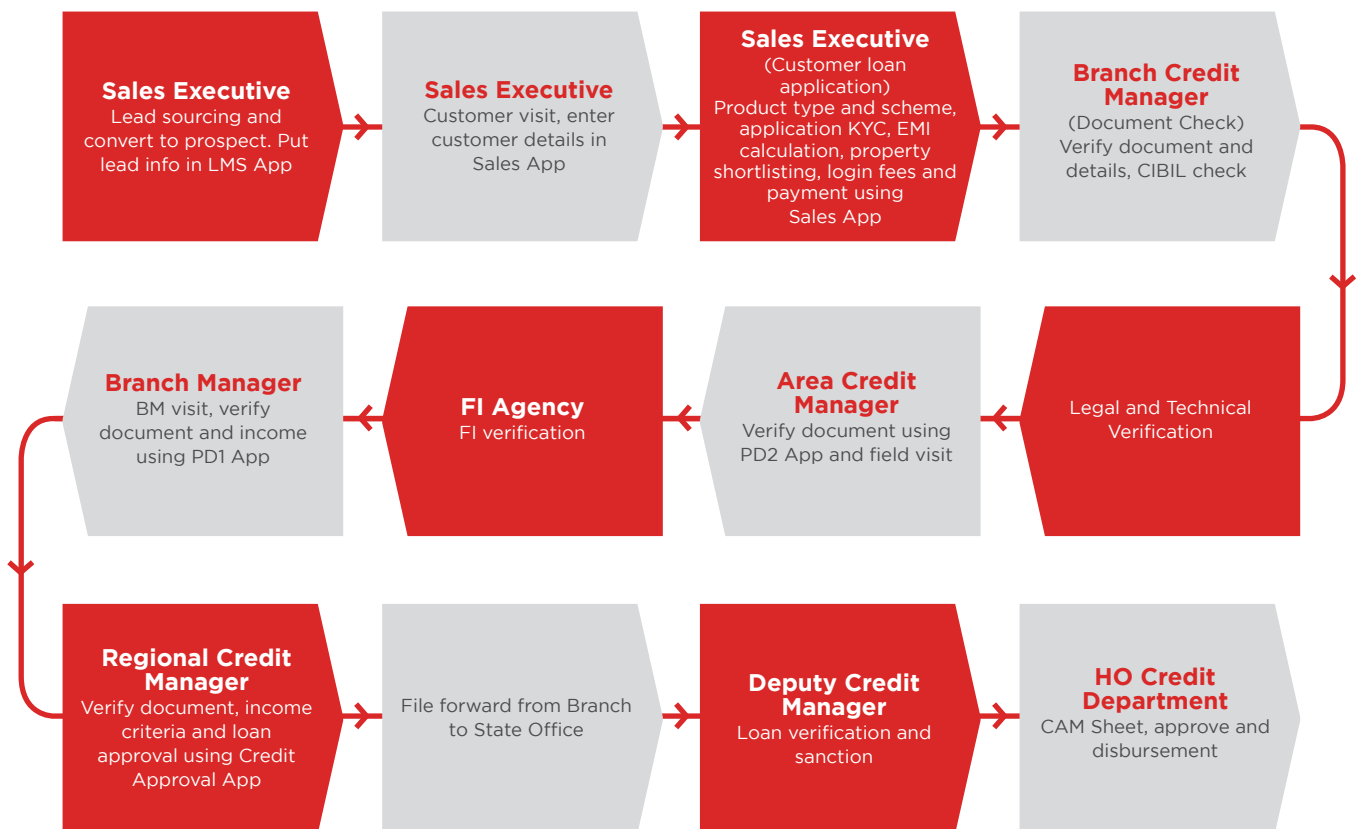
We are in the business of giving credit and deal primarily with the informal sector. We are ensuring sustainable growth through our efficient practices across all processes and right judgment in underwriting the accounts.

ROBUST PROCESSES AND SYSTEMS

We have in place robust credit appraisal, collection monitoring and recovery mechanism that ensures high efficiency at all levels along with business quality. Our ALM position is maintained across all buckets and there is no cash flow mismatch. With our right underwriting and strong collection

process, we have maintained net NPA at 0.46% and gross NPA at 1.96%, the lowest amongst our peer companies. To protect our business health, we follow a practice of maintaining loan-to-value (LTV) below the 50% mark. Our average LTV in FY19 was at a healthy 37.65%.

Lead to disbursement process



Collection process

Our entire collection process is supported by digital technology and a robust in-house collection app.



REDUCING COST OF FUNDS AND DIVERSIFYING SOURCES

We borrow funds from multiple sources like Banks (57.20%), NCDs (6.90%), NHBs (1.50%) and FIs (34.40%), thus giving us the flexibility to source cheaper funds. We intend to further diversify our source mix by increasing the funding from NHBs and PSUs. We are also focused on enhancing our business quality, loan book and fundamentals to further improve our credit rating, which in turn will reduce our borrowing costs.

MAINTAINING COST TO INCOME RATIO

We intend to improve cost efficiency by focusing more on individual retail loans which has higher yield. We also have several technology programs underway that will enable us to improve operational efficiency and reduce operational costs.

ROBUST LIQUIDITY PRACTICES

We have a sound lending and asset liability management practice which ensures no significant mismatch under any bucket as well as very low asset generating and liability maturing duration gap. This enables us to maintain a healthy liquidity position. We further plan to raise additional equity capital that will not only enhance our liquidity position but also will provide more cushion to raise debt.



INVESTOR FAQs

Q. What has been the impact of the liquidity crisis for the industry in general and SRG Housing in particular?

The industry is undergoing a financial and trust deficit crisis. Two factors are causing a general slowdown, the first being drying up of bank funding to HFCs/NBFCs due to issues in several AAA rated companies. Secondly, the shifting focus of HFCs from disbursements to matching their ALM positions and improving liquidity for worse case scenarios is leading to a slump in the industry.

As with many companies in the industry, we are also facing issues in sourcing funds from banks as easily as we could in H1'19. However, on the positive side, we do not have any significant ALM mismatch under any of our time bucket. This is commendable and exemplifies our disciplined approach towards matching tenures of assets and liabilities even before the crisis.

Q. Has the crisis impacted the demand for housing loans? How do we see the industry growing in the next few years?

Demand has never been an issue for the housing finance industry; it continues to remain healthy even today. The problem is that of the banks getting more cautious to safeguard themselves and thus refusing to lend. This paucity of funds rendered many players unable to do business as they began reserving cashflows for future repayments.

For us, the state elections in our target markets followed by central elections led to slowdown. We expect the demand return to normalcy during FY20 and are confident of achieving our revised targets for FY20. In the longer-run, we remain optimistic of a robust demand, especially in our operational areas, due to strong levers like Government's focus on affordable housing and housing for all, the rising disposable income, nuclearization of families and good monsoons.

Q. Has getting funds become a challenge for SRG Housing? What is the current funding mix and how do you see it changing?

Yes, fund raising was a challenge amidst the ongoing crisis. Despite this, we managed to source ₹ 40 Crores and ₹ 24 Crores funding in Q3 and Q4 of FY19 respectively. However, to ensure profitable business, we adopted a conservative approach in borrowing funds. This, though, affected our growth rate in short-term, will be positive for our debt repayments in the longer-term. In FY19, 57.2% of our borrowing was from banks as against 69% in FY18. Borrowings from NCDs, NHB and FIs accounted for 6.9%, 1.5% and 34.4% respectively as against 13.7%, 3.2% and 14.1% respectively in FY18.

Going forward, our focus will be on increasing funding from NHB and PSUs. In Q1 FY20, we raised ₹ 30 Crores funding from NHB, Oriental Bank of Commerce and MAS Financials. We are also planning to raise Tier-II capital and raise Tier-I equity capital in FY20.

As far as liquidity is concerned, the Finance Minister in Budget 2019 has acknowledged NBFC's importance and the funding crisis facing the industry. It has allowed a one-time six months' partial credit guarantee of ₹ 1 Lac Crore to public sector banks on their purchase of high-rated pool assets of financially sound NBFCs. For this, the Reserve Bank of India (RBI) allowed banks to avail additional liquidity against their excess G-sec holdings. Further, the Ministry has also announced infusion of ₹ 10,000 Crores by National Housing Bank into eligible housing finance companies in its financial year through June 2020. This will enhance liquidity and enhance flow of funds to individuals for affordable housing loans.

The Government has also removed the regulation of maintaining a debenture redemption reserve (DRR) to prevent arbitrage. This is in response to the issue of exempting DRR of NBFCs raising private debt funding as against those raising from public and having to maintain a DRR out of its profits. NBFCs have also been allowed to raise finance from the TReDS platform, which shall open a new avenue of financing.



What have been the changes to our lending practices in wake of the crisis? Do we foresee any change in loan book mix?

Being in the business for several years and benchmarking with industry best practices, we have gained tremendous expertise and experience in operating matrix and lending standards. Today, we operate with safe LTV ratio and finance only secured assets, in geographies with a well-intentioned and growing borrower base.

We believe our lending practices are sound and need no revisiting as the liquidity shortage is temporary. This is evident in our strong performance despite the industry concerns. In FY19, our average ticket size increased from ₹ 5.61 Lacs in FY18 to ₹ 5.92 Lacs, average loan tenure increased to 7 years from 6.95 years in FY18 and LTV was strong at 37.65%.

Overall, our core focus remains funding the retail home loan customers. We have not disbursed any developer loan during FY19 following our practice of smaller ticket loans to retail individual units. As a result, our loan book comprised 70.56% individual home loans, 26.71% loan against property (LAP) and 2.74% project loans. The average ticket size of individual home loans and LAP was at ₹ 4.85 Lacs and ₹ 9.84 Lacs respectively in FY19 as against ₹ 5.03 Lacs and ₹ 9.85 Lacs respectively in FY18.



Despite the crisis, how are we able to maintain such high yield rates?

Contrary to common perception, the market is not entirely commoditized. Although, there are players in the financial system offering loans at lower rates to borrowers, there is a need to service the unbanked and unreached customers. The penetration of housing loans is very low even in metros and Tier-I cities. Across our operational geographies of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra, the mortgage penetration stands at 6%, 8%, 6% and 10% respectively. Considering that we operate in rural

and semi-urban areas, where housing shortage is as large as 4.37 Crore units and that the markets have little to no access to formal lending, there is significant business opportunity. The total housing credit opportunity in rural India is estimated at ₹ 30.57 Lac Crores and we are presently serving credit to the tune of ₹ 247.96 Crores. This only means there is a massive addressable market for us.

Our customers are more sensitive to disbursement timeliness and relationships, rather than interest rates. They are simple businessmen or salaried professionals whose only alternative is high interest, small amount and tenor loans from money lenders.



What factors do HFCs need to focus on to be successful in the current market environment?

As the present NBFC crisis was more of an ALM and liquidity crisis, a well-governed HFC with strong business model, following strict credit policy and standard operating processes will continue to be well-placed for growth. Such companies which have a strong management and employee base, diversified borrowing mix, strong lending base, good brand, and great focus on collection and managing ALM are able to sell their large portfolios to banks, which shows that they have a complementary credit system with the banks. SRG Housing has built itself to last across cycles and emerge stronger by focusing on these factors.

Q. How do we differentiate ourselves in a commoditized market? What will drive SRG Housing's growth in the future?

At SRG Housing, we have built our business on a robust foundation. We have strong internal control measures and stringently follow a set of 'Dos & Don'ts' that drive our core philosophy of lending and collections, enabling us to maintain asset quality and business health. Our investments in technology infrastructure and custom applications are facilitating better decision-making and efficiency right from ideation to verification, loan disbursement and various stages of collection. We have developed a strong collection monitoring and recovery mechanism. Over the years, we have established a strong brand equity in our market of operations which we continue to enhance with our superior customer experience.

We are capitalizing on this strong foundation to be a step ahead and ensure that we are prepared to capture future opportunities. We have used the current slowdown to consolidate operations and put in better systems and processes. We expect these initiatives to strengthen the quality and velocity of our growth going forward.

Q. Our NPAs are rising on a growing book, isn't this a concern? How are we improving our collection mechanism?

The recent state elections in our major area of operation followed by central election has led to lower Government spending in these areas and thus tightening liquidity for many businesses. This delayed payments from our customers, despite them having good intent.

Also, few years back, we did not insure the borrower. This led to instances where few accounts went bad after the borrower passed away. In such situations, we stood by the mourning families and gave them time to recover and eventually, we could collect back the interest and principal in many cases.

As seen with majority of the businesses operating in informal segments, NPAs tend to be higher as a percentage. But the important thing is how good are the recoveries. In our case, our lending standards remain strong and collection efforts relentless. Practically, we have not been required to write off any significant loans. We have a robust track record of always being able to collect money outstanding from borrowers.

Q. In today's market environment, we are seeing a lot of loans being repaid or prepaid. How do you view this?

In principle, loan repayment and prepayment definitively indicate tougher competition but also displays that everyone is chasing efficient Rate of Interest. While it continues to be a challenge, we are effectively countering the same. Our ability to cover costs by maintaining sound borrowing-lending differential interest rates and tenure and charging processing fees and prepayment penalties allows us to maintain high yield. Further, use of better technologies are allowing us to reduce operational costs. Besides, we have a strong brand reputation, market presence and sales force which ensures us to get new loans with relative ease.

Q. We have plans to raise some equity capital. When and why are we planning to do this?

We have taken an enabling resolution to raise up to 20 Lac equity shares. Although, our current equity capital is sufficient for our FY20 growth targets, our DNA has been to plan ahead of time to be future-ready. It will ensure that we have enough capital to support future growth and realize our Vision 2022.

Q.

What are the revised targets for our loan book growth, staff and branch expansion?

We target to expand our loan book to ₹ 425 Crores in FY20 and then to ₹ 1,000 Crores by FY22. While this is ambitious, we have developed a Vision 2022 plan to get there. Our focus will be to expand conservatively to maintain business fundamentals in terms of customer segment and credit underwriting process. For this, we will continue to retain our current average business per branch and add 8-12 new branches every year which will not require any significant capital expenditure or systematic transformation.

Q.

Despite not being able to meet our FY19 targets, why are we targeting a higher loan book?

Yes, we fell short of our ₹ 325 Crores loan book target but it is important to understand that 'Money' is the raw material in our industry. And so, when due to the industry crisis institutions started offering shorter tenure funds, rather than availing them to grow business, we instead chose to maintain our ALM position and not compromise business health. We did not want to fund a longer-term asset (6-10 years) with a shorter-term liability (3-5 years).

Thus, our growth for FY19, and specially Q4 FY19 was impacted. However, this is in the long-term interest of shareholders. Moving on FY20, we are back to normalcy and are again getting longer tenor funds and hope to recover growth in the coming 2-3 quarters.

Q.

The expansion plan will necessitate significant enhancement in manpower and people productivity? What will be your people strategy to achieve this vision?

While the productivity of our people remains one of the highest in the industry, we undertake various measures on an ongoing basis to further enhance it and ensure we have the best people.

We have a comprehensive training program to achieve this. New employees are provided induction training to help them integrate, understand system and processes and settle down. It ensures they have a sense of belongingness and work as per the planned action, while eliminating all queries relating to policies. People at the head office are provided department training to enhance job skills, which in turn drives their performance and ensures higher retention. Employee training is provided to enable them to learn all processes for smooth functioning.

For CXOs and heads, we have initiated OKR (Objectives and Key Results) program which aims at maximizing results by setting targets, planning and undertaking review on a continuous basis. Additionally, a professional meet is conducted whereby experts are appointed across all departments to discuss various aspects, present KRA and take a path for expansion. This meet is critical in determining new trends and plan accordingly.

We ensure high level of employee engagement and motivation through a fair and transparent reward and recognition policy as well as arranging various informal meets.

SUCCESS STORIES



हमारा साथ—बेहतर मुकाम

कहते हैं आपके ईरादों में दम हो और लक्ष्य के साथ मेहनत की जाये तो सफलता नामुमकिन नहीं है। हो सकता है शुरू में थोड़ी समस्याएं आएँ लेकिन एक रास्ता मिलने के बाद कड़ी से कड़ी जुड़ती जाती है ऐसा ही कुछ हुआ गुजरात के वडगांव में रहने वाले हीराभाई पटेल के साथ। व्यापार को बढ़ाने के लिए कुछ स्थानों पर लोन के लिए आवेदन किया लेकिन कागजी कार्रवाई की झंझट से आवेदन अस्वीकार हो गया, पटेल बताते हैं कि कहीं से एसआरजी के बारे में पता चला और कंपनी के दफ्तर में सम्पर्क किया, यहाँ सरल और केवल जरूरी दस्तावेजों में मेरा लोन अगेन्स्ट प्रोपर्टी स्वीकृत हो गया, आज लोन से मेरा बिजनेस आगे बढ़ रहा है और दूसरों को भी रोजगार देने का माध्यम बन गया हूँ।



सुन्दर को मिला अतिसुन्दर घर

प्रतियोगिता के इस दौर में सरकारी नौकरी, पूरा नहीं होने वाले ख्वाब जैसी है। मध्यप्रदेश के नीमच तहसील में देवली खवासा के रहने वाले सुंदर लाल ने पारिवारिक स्थिति खराब होने पर भी जी तोड़ मेहनत कर सरकारी नौकरी हासिल कर ली। माता-पिता ने शादी भी करवा दी लेकिन परिवार बढ़ने के साथ पुराना घर छोटा पड़ने लगा। सुन्दर लाल गुर्जर ने घर बनाने के लिए लोन लेने का विचार बनाया लेकिन छोटी जगह पर लोन मिलना आसान कहाँ ? ऋण प्रदाता कंपनियों के कई चक्कर काटने के बाद भी हाथ निराशा ही लगी। कहीं से एसआरजी के बारे में पता चलने पर नीमच ब्रांच में सम्पर्क किया। गुर्जर बताते हैं कि जिस गति से एसआरजी में लोन प्रक्रिया होती है उन्होंने कहीं नहीं देखी। जरूरी दस्तावेज देने के बाद फटाफट लोन स्वीकृत हो गया और खाते में ऋण की राशि भी गयी। आज खुद का घर बन गया और पूरा परिवार खुशहाल जीवन जी रहा है।



मुश्किल घड़ी में एसआरजी का सहारा

कोई व्यक्ति जो छोटी सी नौकरी से परिवार को पेट पाल रहा हो, एक मेडिकल इमरजेंसी आ जाये और बहुत सारे रूपयों की जरूरत हो, तो उसके पास जीवन भर की बचत को इस्तेमाल करने के अलावा कोई उपाय नहीं होता है। ऐसा ही कुछ हुआ मेहसाना के पास छोटे से गांव गोठवा में रहने वाले मुकेश भाई के साथ। मुकेश भाई रावल का कहना है वे एक कम्पनी में छोटी सी नौकरी करते थे, एक दिन पत्नी के साथ कहीं जा रहे थे कि

सामने से आ रही जीप ने उन्हें चपेट में ले लिया। एक्सीडेंट में मुझे तो कोई चोट नहीं आयी लेकिन मेरी पत्नी का एक पैर काटना पड़ गया। उस समय मानो मुझ पर पहाड़ टूट पड़ा हो। एक तरफ जब खाली और दूसरी ओर ऑपरेशन और दवाइयों के खर्चे के बाद परिवार के भरण-पोषण की जिम्मेदारी। अभी तक जितना भी पैसा बचाया था सब दवाइयों की भेंट चढ़ गया। कई दिनों तक नौकरी पर नहीं जाने के कारण वहाँ से भी हाथ धोना पड़ा। मैं उम्मीद हार गया था, मेरे पड़ोसी ने बोला उसने व्यापार शुरू करने के लिए अपनी सम्पत्ति के बदले लोन लिया था, फिर क्या था डूबते को तिनके का सहारा मिल गया। मैंने कुछ कम्पनियों में कोशिश की लेकिन कागजी रूप से कमजोर था और स्थायी आय भी नहीं थी ऐसे में किसी ने भी मेरी काबिलियत पर भरोसा नहीं दिखाया। बाद में मैंने एसआरजी ऑफिस में सम्पर्क किया और अपनी समस्या बतायी साथ ही आय के बारे में विवरण दिया, उन्होंने जरूरी कागजों में मेरा लोन स्वीकृत कर दिया, जिससे मैंने दो दुकानें खोली एक पर मैं बैठता हूँ और दूसरी पर मेरी पत्नी। दोनों कमा रहे हैं जिससे घर के खर्चे भी निकल रहे हैं और लोन की किश्त भी। एसआरजी ने मेरी पत्नी को आत्मनिर्भर बनाया जिससे वो सम्मान और स्वाभीमान के साथ सिर उठा कर जी रही है।



जैसी जरूरत वैसा लोन

छोटे से गांव में पुराने कच्चे मकान में रहने वाले दम्पती के लिए नया घर बनाना मुश्किल होता है आय के संसाधनों की कमी, एक साथ धन नहीं होना और साथ परिवार का खर्च चलाने की जिम्मेदारी उनके सपनों को सीमित कर देती है। जागरूकता के अभाव में उन्हें पता भी नहीं होता कि उन्हें घर बनाने के लिए रूपये मिल सकते हैं जिसका भुगतान किश्तों में करना होता है। छोटी सी किराणा की दुकान से परिवार चला

रहे रमेश भाई के लिए घर बनाना चुनौती से कम नहीं था। बच्चे भी बड़े हो रहे थे ऐसे में परिवार को छोटे घर में रख पाना मुश्किल हो गया था। काफी दौड़भाग के बाद भी जब कहीं से रूपयों की व्यवस्था नहीं हो पायी तो वे हार मान कर बैठ गये तभी गांव के एक व्यक्ति ने बताया उन्होंने लोन लेकर घर बनाया है... रमेश भाई बताते हैं उन्होंने अपनी समस्या बतायी और कुछ ही दिनों में ऋण स्वीकृत हो गया जिससे उनका सपनों सा सुन्दर घर बन गया।

CORPORATE INFORMATION

STATUTORY AUDITOR

M/s PKJ & Co.
Chartered Accountants

MANAGEMENT AUDITOR

M/s Deloitte Haskins & Sells LLP

INTERNAL AUDITOR

M/s Ketan & Co.
Chartered Accountants

SECRETARIAL AUDITOR

M/s Deepak Vijaywargey & Associates
Practicing Company Secretary

LISTED ON

BSE (Bombay Stock Exchange) Code: 534680

BANKERS & FINANCIAL INSTITUTIONS

National Housing Bank
State Bank of India
Oriental Bank of Commerce
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
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Web: www.srghousing.com
CIN: L65922RJ1999PLC015440
NHB Registration No: 02.0056.04, Dated: 15.04.2004
LEI No.: 3358001A8CU8SNHBIU98

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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

ASSET LIABILITY MANAGEMENT COMMITTEE

Mr. Vinod K. Jain
Chairman

Mrs. Seema Jain
Member

Mr. Ashok Kumar
Member

AUCTION COMMITTEE

Mr. Vinod K. Jain
Chairman

Mr. Ashok Kumar
Member

Mrs. Seema Jain
Member

Mr. Lavang Murdia
Member

CUSTOMER SERVICE COMMITTEE

Mr. Ashok Kumar
Chairman

Mr. Lavang Murdia
Member

Mr. Dal Chand Nagda
Member

IDENTIFICATION COMMITTEE

Mr. Vinod K. Jain
Chairman

Mr. Lavang Murdia
Member

Mr. Ashok Kumar
Member

REVIEW COMMITTEE

Mr. Vinod K. Jain
Chairman

Mr. Ashok Kabra
Member

Mr. Nishant Badala
Member

INTERNAL COMPLAINT COMMITTEE

Ms. Garima Soni
Presiding Officer / Chairman

Ms. Meenakshi Meghwal
Member

Mr. Dal Chand Nagda
Member

Mr. Bharat Joshi
External Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Nishant Badala
Chairman

Mr. Vinod K. Jain
Member

Mrs. Seema Jain
Member

IT STRATEGY COMMITTEE AND STEERING COMMITTEE

Mr. Nishant Badala
Chairman

Mr. Vinod K. Jain
CIO-Member

Mr. Devendra Singh Rathore
CTO-Member



**STATUTORY
REPORTS**

BOARD'S REPORT

To,
The Members

The Board of Directors of your Company take pleasure in presenting before you the 20th Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2019.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS & STATE OF AFFAIRS:

(₹ In Crores)		
Particulars	2018-19	2017-18
Gross Income	59.49	34.26
Less: Finance Cost	23.01	11.27
Overheads	13.59	9.35
Depreciation	0.55	0.44
Provisions for Contingencies*	2.37	2.08
Profit Before Tax & Exceptional Items	19.97	11.12
Add : Exceptional Items	0.00	0.00
Profit Before Tax	19.97	11.12
Less : Tax Expenses (Including Deferred tax)	5.80	3.04
Profit After Tax	14.17	8.08
Add : Balance b/d from the previous year	11.39	5.29
Surplus available for Appropriations	25.56	13.36
Appropriations:		
Transferred to Special Reserve under Section 36(1)(viii) of The Income Tax Act, 1961 & Section 29C of the NHB Act, 1987	3.20	1.95
Excess provision	0.31	0.02
Balance carried over to Balance Sheet	22.05	11.39

* The Provisions for Contingencies against Standard Assets and NPA has been routed through Profit & Loss Statement from financial year 2019, earlier it was appropriated through Reserves. Consequently, the related figures of financial year 2018 have been restated accordingly.

Note: Figures have been regrouped / reclassified / rearranged wherever necessary while preparing the above statement.

BUSINESS PERFORMANCE:-

A. Lending operations & disbursement of loans:

The Loan Book as at March 31, 2019 stood at ₹ 281.63 Crores as against ₹ 200.28 Crores as at March 31, 2018 registered a growth of 40.62%. As at March 31, 2019 the Loan Portfolio contributing Housing loans as 73.29%, (previous year 79.08%) and Loan against properties as 26.71% (previous year 20.92%). During the year ended March 31, 2019, Company recorded Loan sanctions of ₹ 124.83 Crore as compared to ₹ 145.96 Crore in previous year and loan disbursement was ₹ 124.90 Crore as against ₹ 142.82 Crore in previous year.

B. Profits:

During the year under review, your Company recorded an Operating Profit (i.e. Profit before tax

and provisions for contingencies) of ₹ 22.34 Crore (previous year ₹ 13.20 Crore), registering an Year-on-Year increase of 69.24%, Profit Before Tax (PBT) of ₹ 19.96 Crore (previous year ₹ 11.12 Crore) registering an Year-on-Year increase of 79.50%, Profit After Tax (PAT) of ₹ 14.17 Crore (previous year ₹ 8.08 Crore) registering an Year-on-Year increase of 75.37%.

DIVIDEND:

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

CHANGES IN SHARE CAPITAL:

During the year under review the Authorized Share Capital of the Company increased from ₹ 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lacs only) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 16,00,00,000/- (Rupees Sixteen Crore Only) divided into 1,60,00,000 (One Crore Sixty Lacs) Equity Shares of ₹ 10/- (Rupees Ten) each. Except this there were no other changes in the Share Capital of the Company.

BORROWINGS:

A. NHB Refinance:

The Company did not avail any refinance during the year from National Housing Bank (NHB). The refinance outstanding as at March 31, 2019 amounts to ₹ 3.92 Crores.

B. Banks and Financial Institutions:

The Company availed fresh credit facilities of ₹ 89 Crores from multiple Banks and Financial Institutions during the year 2018-19. The outstanding credit facilities from Banks and Financial Institutions as at March 31, 2019 amounts to ₹ 233.38 Crores.

C. Non-Convertible Debentures (“NCDs”):

During the year 2018-19 the Company did not issue any NCDs. As on March 31, 2019 the outstanding NCDs stood at ₹ 17.67 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.

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

In accordance with the Housing Finance Companies Issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014, during the year under review, the Non-Convertible Debentures 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, 2019, 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, 2019 there is no unpaid/ unclaimed Dividend and the shares to be transferred to the Investor Education & Protection Fund.

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

UNCLAIMED NON-CONVERTIBLE DEBENTURES AND INTEREST THEREON:

Under the provisions of Section 125 of The Companies Act, 2013, Matured NCDs and/or Interest thereon, remaining unclaimed and unpaid for a period of seven

years from the date they became due for payment are required to be credited to Investor Education and Protection Fund (IEPF) established by the Government of India.

As at March 31, 2019 there were no NCDs amount or interest thereon, which remained unclaimed and unpaid.

MANAGEMENT DISCUSSION AND ANALYSIS:

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

SUBSIDIARY COMPANY:

The Company does not have any subsidiary 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, 2019, 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, 2019 and of the profit of the Company for the year ended on that date;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d. The annual accounts of the Company have been prepared on a going concern basis;
- e. Internal 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:

SRG Housing has complied with the guidelines issued by National Housing Bank (NHB) regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) standards, fair practices code and capital market exposures etc.

The company also complied with other statutory Guidelines/Directions as applicable to the Company from time to time.

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

Compliance under the Companies Act, 2013

SRG Housing has complied with the requirements of the applicable provisions of the Companies Act, 2013 and related Rules thereunder during the year.

Central registry

The Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) has been set up by the Government of India under Section 21 of the SARFAESI Act, 2002 in order to maintain a central database of all mortgages created by lending institutions. CERSAI compiles and maintains data pertaining to all transactions secured by mortgages. All banks and HFCs falling under the purview of the SARFAESI Act are required to register with CERSAI and submit the data in respect of all properties mortgaged in its favour. A fee is required to be paid by the lending Institutions for uploading the data of mortgage. SRG Housing is registered with CERSAI and has been submitting all relevant data in respect of the loan book. We have uploaded records in respect of loans disbursed during the year and has paid the applicable fee.

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 dated, 9th February, 2017 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 2018-19 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. 32.11 to the Financial Statements which sets out related party disclosures and all the related party transactions are within the limit as approved by the Shareholders in the Special Resolution passed in the 17th Annual general Meeting held on 22.08.2016.

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.

Pursuant to Corporate Governance (National Housing Bank) Directions, 2016, dated February 9, 2017, a policy on transactions with related parties is given as **"Annexure III"** to this report.

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

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link:-

(<https://www.srghousing.com/DataImages/download/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf>)

RISK MANAGEMENT POLICY:

Pursuant to Section 134 (3) (n) of The Companies Act, 2013, The SEBI (LODR) Regulations, 2015 and NHB circular on Corporate Governance, the Company has in place a risk management framework approved by the Board of Directors.

SRG Housing's Risk Management framework provides the mechanism for risk assessment and mitigation. Company has in place Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

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

ASSET LIABILITY MANAGEMENT POLICY:

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

CORPORATE SOCIAL RESPONSIBILITY POLICY 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 of directors comprising, Mr. Nishant Badala, Independent Director- Chairman, Mr. Vinod K. Jain, Managing Director- Member and Mrs. Seema Jain, Director- Member and has inter alia also formulated a CSR Policy. 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.

The Annual Report on CSR activities including brief contents are provided as **"Annexure IX"** 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, the terms of appointment of Mr. Vinod K. Jain, Managing Director of the Company was revised by the Shareholders vide Postal Ballot results declared dated 24th December, 2018, in terms of the provisions of Section 197 and Section II of Part II of Schedule V of The Companies Act, 2013 as amended by The Companies Amendment Act, 2017, for the payment of Managerial Remuneration in excess of the limits prescribed under Section 197 and Section II of Part II of Schedule V of The Companies Act, 2013.

During the year, Ms. Garima Soni was appointed as a non-executive director of the company with effect from 23.02.2019 and is liable to retire by rotation. The appointment was made by the Shareholders vide Postal ballot results declared dated 23rd February 2019.

In accordance with the provisions of The Companies Act, 2013 and the Articles of Association of the Company Mrs. Seema Jain, 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 20th Annual General Meeting.

The tenure of Mr. Vinod K. Jain, Managing Director has been ended on 6th May, 2019. 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 Managing Director of the Company and the board of Directors in their meeting held on 6th May 2019

approved his reappointment as the Managing Director of the Company for a further period of 3 years subject to approval of the Members in the ensuing 20th Annual General Meeting on such terms and conditions as approved by members.

The tenure of Mr. Ashok Kabra and Mr. Vikas Gupta, Independent Directors of the Company will come to end on the conclusion of ensuing 20th Annual General Meeting of the Company. Considering their knowledge and expertise and fit and proper criteria for reappointment as per Corporate Governance (National Housing Bank) Directions, 2016, the Nomination and Remuneration Committee proposed their reappointment for further period of 5 years i.e. upto the conclusion of 25th Annual General Meeting of the Company to be held in the financial year 2024, 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 20th 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 VIII" 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 requirement of placing the matter relating to such appointment for ratification by members at every annual general meeting has been dispensed with due to omission of the first proviso to Section 139(1) by the Companies (Amendment) Act, 2017 effective from May 07, 2018 as per the Notification issued by Ministry of Corporate Affairs, Govt. of India [File No.1/1/2018-CL.I dated May 07, 2018] and consequently in the 19th AGM of the Company, approval of the Shareholders have been obtained for his term of five year till the conclusion of 23rd Annual General Meeting of the Company without ratification at every Annual General Meeting.

Accordingly, the notice convening the ensuing Annual General Meeting does not carry any resolution on ratification of the appointment of the Statutory Auditors.

The Statutory Auditors have audited the books of accounts of the Company for the financial year ended March 31, 2019 and have issued the Auditors' Report thereon.

Secretarial Auditors:

M/s Deepak Vijaywarghey & Associates, Practicing Company Secretary, Udaipur was re-appointed as the Secretarial Auditor of the Company for the financial year 2018-19 by the Board of Directors pursuant to provisions of The Companies Act, 2013 and Rules framed there under. Secretarial Audit Report as provided by M/s Deepak Vijaywarghey & Associates, Practicing Company Secretary is annexed to this Report as "Annexure I".

QUALIFICATIONS IN AUDIT REPORTS:

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

- (a) By the Statutory Auditor in his report; and
- (b) By the Company Secretary in Practice in his Secretarial Audit Report.

DISCLOSURES:

BOARD MEETINGS:

The Board of Directors met 18 times during the financial year 2018-19. The details of which are mentioned in the Report of Directors on Corporate Governance forming part of this Annual Report.

COMPOSITION OF AUDIT COMMITTEE:

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

COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE:

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

COMPOSITION OF STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Stakeholder's Relationship Committee consists of adequate composition of Non- Executive Directors and Non-Executive Independent Directors. The details of which are mentioned in the 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. 13 forming part of Financial Statements of the Company for the year ended March 31, 2019.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy:

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

(B) Technology absorption:

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

(C) Expenditure incurred on research and development:

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

(D) Foreign exchange earnings and Outgo:

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

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 II” 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, 2019, 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, 2019 and the date of Board's Report.

CHANGE IN NATURE OF BUSINESS:

There are no changes in the nature of business.

DETAILS RELATING TO DEPOSITS:

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

The Company has been following directions, guidelines, circulars issued by Securities Exchange Board of India, Bombay Stock Exchange, Ministry of Corporate Affairs, National Housing Bank etc. from time to time relating to Companies and that there are no significant & material orders passed by these regulators so far.

DISCLOSURES ON MANAGERIAL REMUNERATION:

Details of Managerial remuneration as required under Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is given as “Annexure VIII” to this report.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2018-2019 to BSE where the Company's securities are listed.

INVESTOR COMPLAINTS AND COMPLIANCE:

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

EARNINGS PER SHARE (EPS):

The Earnings per Share (EPS) is ₹ 10.90 as at March 31, 2019 as against ₹ 6.21 as at March 31, 2018.

CAPITAL ADEQUACY:

Particulars as on March 31 st	2019	2018
Capital Adequacy Ratio	30.27%	33.38%

SRG Housing's capital adequacy in the form of CRAR stood at 30.27 % as of March 31, 2019, which is well above the NHB's minimum stipulated requirement of 12%, in the form of Tier I and Tier II Capital. High Tier I Capital shall provide the Company adequate headroom to raise Tier II Capital for future business expansion. This position enables the Company to expand the loan book significantly by debt route.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY:

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

As per the prudential norms prescribed by the NHB, the Company has made provision for contingencies on standard as well as non-performing housing loans and property loans. The Company's policy is to provide provisions towards NPA 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, 2019 has maintained cumulative NPA provision of ₹ 4.26 Crores (Previous year ₹ 2.02 Crores). Further for standard assets Company carries provision of ₹ 0.87 Crores (Previous year ₹ 0.73 Crores).

A NOTE OF APPRECIATION:

The Directors of the Company place on record their appreciation for the advice, guidance and support given by various regulatory authorities including the 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 also

like to acknowledge the role of all its stakeholders – shareholders, borrowers, key partners and lenders for their continuing support to the Company. Directors also record their appreciation for the dedicated services of the employees and their contribution to the growth of the Company. The Board would also like to express its sincere appreciation to all the Company's valued Shareholders, Registrar & Share Transfer Agent, Rating agencies, local/ statutory authorities, Service Providers and Counselors for their continued support and patronage.

Best Wishes

Vinod K. Jain
Managing Director
DIN: 00248843

Seema Jain
Director
DIN: 00248706

Date: - 29.05.2019
Place: - Udaipur

Annexure - I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2019

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SRG Housing Finance Limited (CIN: L65922RJ1999PLC015440) ("the Company") having its Registered Office at 321, S.M. Lodha Complex, Near Shastri Circle, Udaipur-313001, Rajasthan, India for the financial year ended on 31st March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended till date;
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended till date;
 - c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended till date;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period) and

h. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date.

VI. The Company has complied with the following specifically other applicable laws to the Company:

- 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 following:-

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

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

We further report that:-

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on

agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

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

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

- 1) The Members by the Postal Ballot Results declared dated 24th December, 2018 approved the alteration in Article of Association of the Company for omission of Common Seal.
- 2) The Members by the Postal Ballot Results declared dated 23rd February, 2019 approved increase in the Authorised Share Capital of the company from ₹ 15 Crores to ₹ 16 Crores.
- 3) The Members by the Postal Ballot Results declared dated 23rd February, 2019 approved the Appointment of Ms. Garima Soni. As a Non-Executive Director of the Company with effect from 23.02.2019.

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

Deepak Vijaywargey
Proprietor
ACS No: 18221
C P No: 6321

Udaipur
May 29, 2019

Annexure - II

EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9as on the financial year ended on March 31st, 2019

[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	99.73%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIESThe Company does not have any holding, subsidiary and associate companies as on 31st March, 2019.**IV. SHAREHOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

(I) Category-Wise Shareholding

Category code	Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
1	Indian									
A	Individual/HUF	5828233	-	5828233	44.83	5384083	-	5384083	41.42	(3.41)
B	Central Govt./ State Govt.(s)	-	-	-	-	-	-	-	-	-
C	Fins / Banks	-	-	-	-	-	-	-	-	-
D	Any Other specify	-	-	-	-	-	-	-	-	-
	Bodies Corporate	2176279	-	2176279	16.74	2226279	-	2226279	17.13	0.39
	Sub Total (A)(1)	8004512	-	8004512	61.57	7610362	-	7610362	58.54	(3.03)
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)	8004512	-	8004512	61.57	7610362	-	7610362	58.54	(3.03)
(B)	Public shareholding									
1	Institutions									
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Venture Capital Funds	-	-	-	-	-	-	-	-	-
c	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e	Foreign Portfolio Investors	-	-	-	-	53950	-	53950	0.41	0.41
f	Fin Inst/ Banks	-	-	-	-	-	-	-	-	-
g	Insurance Companies	-	-	-	-	-	-	-	-	-
h	Provident Fund/ Pension Fund	-	-	-	-	-	-	-	-	-
i	Any Other Specify	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	53950	-	53950	0.41	0.41
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 ₹-1 Lacs	784828	-	784828	6.04	769930	-	769930	5.92	(0.12)
	ii) Individual shareholders holding nominal share capital in excess of ₹-1 Lacs	3537376	-	3537376	27.21	3964856	-	3964856	30.50	3.29
b	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c	Employee Trusts	-	-	-	-	-	-	-	-	-

Category code	Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d	Overseas Depositories (holdings DRs)(balancing figure)	-	-	-	-	-	-	-	-	
e	Any Other (Specify)									
i.	Bodies Corporate	424290	-	424290	3.26	413222	-	413222	3.17	(0.09)
ii.	Clearing Member	11494	-	11494	0.09	16635	-	16635	0.13	0.04
iii.	HUF	208127	-	208127	1.60	82995	-	82995	0.64	(0.96)
iv.	NRI	29373	-	29373	0.23	88050	-	88050	0.68	0.45
	Sub-Total (B)(3)	4995488	-	4995488	38.43	5335688	-	5335688	41.04	2.61
(B)	Total (B)= (B)(1)+(B)(2)+(B)(3)	4995488	-	4995488	38.43	5389638	-	5389638	41.46	3.03
(C)	Non- Promoter Non- Public									
1	Custodian/ DR Holders	-	-	-	-	-	-	-	-	
2	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014	-	-	-	-	-	-	-	-	
(C)	Total (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	
	GRAND TOTAL (A)+(B)+(C)	13000000	-	13000000	100.00	13000000	-	13000000	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% 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	-	1565119	12.04	-	0.00
2	Pushpa Jain	601671	4.63	-	612381	4.71	-	0.08
3	Rajesh Jain	560721	4.31	-	560721	4.31	-	0.00
4	SRG Global Solutions Pvt. Ltd.	525000	4.04	-	525000	4.04	-	0.00
5	Sulochana Devi Jain	444150	3.42	-	0	0.00	-	-3.42
6	Seema Jain	543751	4.18	-	543751	4.18	-	0.00
7	Genda Lal Jain HUF	399000	3.07	-	399000	3.07	-	0.00
8	Vinod Kumar Jain HUF	557915	4.29	-	557915	4.29	-	0.00
9	SRG Global Builders Pvt. Ltd.	226799	1.74	-	226799	1.74	-	0.00
10	Meenakshi Jain	223965	1.72	-	223965	1.72	-	0.00
11	Rajesh Jain HUF	204960	1.58	-	204960	1.58	-	0.00
12	Aarti Prakash Jain	202650	1.56	-	202650	1.56	-	0.00
13	Genda Lal Jain	168021	1.29	-	168021	1.29	-	0.00
14	Jikisha Jain	165600	1.27	-	165600	1.27	-	0.00
15	Hriday Insurance Consultant Pvt. Ltd.	52500	0.40	-	52500	0.40	-	0.00
16	Manorma Jain	10710	0.08	-	0	0.00	-	-0.08
17	S R G Securities Finance Limited	200000	1.54	-	200000	1.54	-	0.00
18	Ambitious Associates Pvt. Ltd.	756060	5.82	-	756060	5.82	-	0.00
19	Rhythm Consultants Private Limited	415920	3.20	-	465920	3.58	-	0.38
20	Archis Jain	180000	1.38	-	180000	1.38	-	0.00
	Total	8004512	61.57	-	7610362	58.54	-	-3.03

(iii) Change in Promoters' Shareholding

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018		Shareholding at the end of the Year 31/03/2019			% of total Shares of the company	
		No. of Shares at the beginning of the year 01/04/2018	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason		No. of Shares
1	Hriday Insurance Consultant 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	-	-	-	557915	4.29
4	SRG Global Solutions Private Limited	525000	4.04	-	-	-	525000	4.04
5	SRG Global Builders Private Limited	226799	1.75	-	-	-	226799	1.75
6	Rajesh Jain HUF	204960	1.58	-	-	-	204960	1.58
7	Genda Lal Jain	168021	1.29	-	-	-	168021	1.29
8	Sulochana Devi Jain	444150	3.42	19-04-2018	(444150)	Disposal	0	0.00
9	Vinod Kumar Jain	1565119	12.04	-	-	-	1565119	12.04
10	Seema Jain	543751	4.18	-	-	-	543751	4.18
11	Rajesh Jain	560721	4.31	-	-	-	560721	4.31
12	Pushpa Jain	601671	4.63	28-12-2018	10710	Acquisition	612381	4.71
13	Meenakshi Jain	223965	1.72	-	-	-	223965	1.72
14	Manorma Jain	10710	0.08	28-12-2018	(10710)	Disposal	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	-	-	-	200000	1.54
18	Ambitious Associates Pvt. Ltd.	756060	5.82	-	-	-	756060	5.82
19	Rhythm Consultants Private Limited	415920	3.20	19.10.2018	50000	Acquisition	465920	3.58
20	Archis Jain	180000	1.38	-	-	-	180000	1.38
	Total	8004512	61.57				7610362	58.53

(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 (01-04-2018)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	Cumulative No. of Shares at the end of the year (31.03.2019)	% of total Shares of the company
1	MEENAXI NARENDRA MEHTA ¹	425000	3.27	-	-	-	425000	3.27
2	JAGRUTI RAJIV DUTIA ¹	200000	1.54	-	-	-	200000	1.54
3	KALA TIWARI ¹	189000	1.45	-	-	-	189000	1.45
4	ASHISH DIWAKAR RAOTE ¹	154000	1.18	29-06-2018	15954	Acquisition	169954	1.31
				06-07-2018	2558	Acquisition	172512	1.33
				13-07-2018	250	Acquisition	172762	1.33
				20-07-2018	2238	Acquisition	175000	1.35
				03-08-2018	1118	Acquisition	176118	1.36
				10-08-2018	3018	Acquisition	179136	1.38
				24-08-2018	864	Acquisition	180000	1.39
				04-01-2019	-5658	Disposal	174342	1.34
				11-01-2019	-2	Disposal	174340	1.34
				08-03-2019	-750	Disposal	173590	1.34

Sr. No	Name	No. of Shares at the beginning (01-04-2018)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	Cumulative No. of Shares at the end of the year (31.03.2019)	% of total Shares of the company
				15-03-2019	-3590	Disposal	170000	1.31
5	NAMRATA PRAKASH LODHA ¹	145000	1.12	-	-	-	145000	1.12
6	AVNISH TIWARI ¹	140700	1.08	-	-	-	140700	1.08
7	VARDEE BAI SHARMA ¹	134400	1.03	-	-	-	134400	1.03
8	BONSY VISHAL MEHTA ¹	125000	0.96	-	-	-	125000	0.96
9	HENAL NIKUNJ MEHTA ¹	125000	0.96	-	-	-	125000	0.96
10	NARENDRA ANOPCHAND MEHTA ¹	125000	0.96	-	-	-	125000	0.96
11	NIKUNJ NARENDRA MEHTA ¹	125000	0.96	-	-	-	125000	0.96
12	VISHAL NARENDRA MEHTA ¹	125000	0.96	-	-	-	125000	0.96
13	ISJ SECURITIES PVT. LTD ²	125000	0.96	13-04-2018	-1000	Disposal	124000	0.95
				27-04-2018	-1000	Disposal	123000	0.95
				11-05-2018	-2000	Disposal	121000	0.93
				24-08-2018	-500	Disposal	120500	0.93
				31-08-2018	-1200	Disposal	119300	0.92
				07-09-2018	-1600	Disposal	117700	0.91
				14-09-2018	-100	Disposal	117600	0.91
				22-03-2019	-1747	Disposal	115853	0.89
14	BHANWAR LAL JAIN ³	0	0.00	20-04-2018	444150	Acquisition	444150	3.41

1. Common top ten shareholders as on April 1, 2018 and March 31, 2019.

2. Top ten shareholders as on April 1, 2018

3. Top ten shareholders as on March 31, 2019

(v) Shareholding of Directors and Key Managerial Personnel

A	VINOD KUMAR JAIN (MANAGING DIRECTOR)	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year 31/03/2019	
		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
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				No Change
3 (1+2)	At the End of the year	1565119	12.04	1565119	12.04
B	SEEMA JAIN (DIRECTOR)	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year 31/03/2019	
		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 01/04/2018		Cumulative Shareholding during the year 31/03/2019	
		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	4622	0.03	4622	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	4622	0.03	4622	0.03

* Ms. Garima Soni has been appointed as Non-Executive Director with effect from 23rd February 2019.

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	166.34	0.00	0.00	166.34
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.62	0.00	0.00	0.62
Total (i+ii+iii)	166.96	0.00	0.00	166.96
Change in Indebtedness during the financial year				
• Addition	124.00	0.00	0.00	124.00
• Reduction	35.99	0.00	0.00	35.99
Net Change	88.01	0.00	0.00	88.01
Indebtedness at the end of the financial year				
i) Principal Amount	254.83	0.00	0.00	254.83
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.14	0.00	0.00	0.14
Total (i+ii+iii)	254.97	0.00	0.00	254.97

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no	Particulars of Remuneration	Name of MD/WTD/ Manager (₹ 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	225.12	225.12
	(b) Value of perquisites u/s17(2)Income-tax Act,1961	-----	-----
	(c) Profits in lieu of salary under section17(3)Income-tax Act,1961	-----	-----
2.	Stock Option	-----	-----
3.	Sweat Equity	-----	-----
4.	Commission		
	- as% of profit	-----	-----
	- Others, specify..		
5.	Others, please specify	-----	-----
	Total(A)	225.12	225.12

* 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	9.45	12.55	22.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s17(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	9.45	12.55	22.00

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Annexure-III

POLICY ON RELATED PARTY TRANSACTIONS

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

I. INTRODUCTION

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under, Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, NHB Act, Directions and Notification issued by NHB from time to time, Accounting Standard, Indian Accounting Standard and other applicable laws, a SRG Housing Finance Limited (“SRG Housing” 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, SRG Housing 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, Accounting Standards, Indian Accounting Standard 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:-

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 or ₹ 100 Crores, whichever is lower
Selling or otherwise disposal of or buying property of any kind directly or through agent	Amounting to 10% or more of Net worth or ₹ 100 crores, whichever is lower
Leasing of property of any kind	Amounting to 10% or more of Net worth or 10% or more of the Turnover of the Company or ₹ 100 Crores, whichever is lower
Availing or rendering of services directly or through agent	Amounting to 10% or more of Turnover of the Company or ₹ 50 Crores, whichever is lower
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

SRG Housing 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

SRG Housing has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act

and Regulation 23 of the Regulations. SRG Housing 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

SRG Housing 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.

SRG Housing 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. This policy last updated and approved in the Board Meeting held on 25th March, 2019.

Annexure - IV

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

The world economy registered 3.6% growth in 2018 versus 3.8% in 2017 mainly due to elevated trade tensions, weak manufacturing, poor financial market sentiments, new fuel emission standards in Germany, natural disasters in Japan, negative outlook on China, and slow industrial production growth outside the United States (US). In 2019, world economic growth is projected to grow by 3.2% impacted by slowing external demand, rising borrowing costs, and persistent policy uncertainties. In 2020, growth is projected at 3.5%.

India's GDP growth is pegged at 6.8% in FY19 as per Provisional Estimates of CSO. Post demonetization and the Goods & Services Tax (GST), implementation trade recovered. Robust rural growth led by Government's strong push in the sector, boosted consumer demand. Agricultural growth in terms of GVA at basic prices is expected to be 2.7%. Five consecutive years of over 7% growth starting FY15 has led to India cementing its spot as the fastest-growing economy in the world despite the global economic slowdown. India may face some short-term challenges but is likely to weather the turbulence in the global market better than other economies in Asia.

As per the RBI, India's real GDP growth rate is projected at 7% in FY20 and 7.3% in FY21. Expectations are that capital investments will pick up in the coming years with industrial capacities running at above average utilization. Consumer demand is expected to remain at a heightened level with good support from industrial and services sectors in FY20.

Source: <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=18965>, CSO

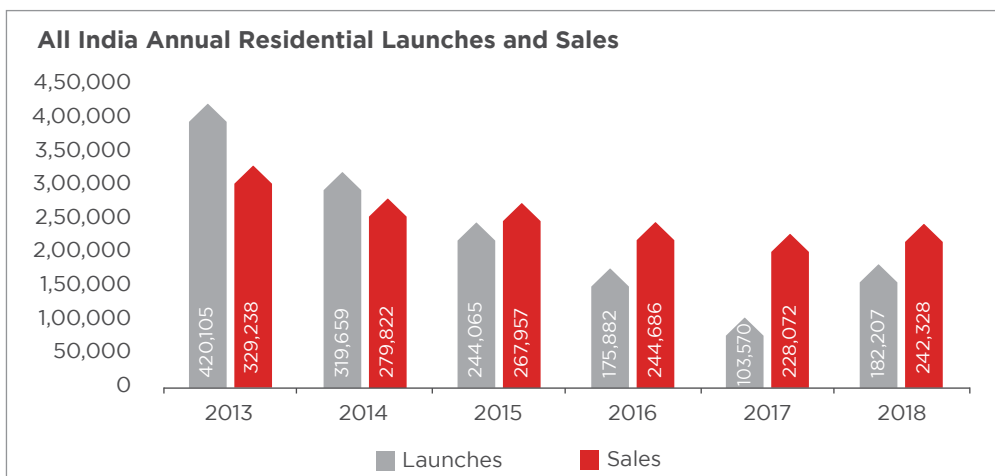
INDUSTRY OVERVIEW - HOUSING FINANCE

GLOBAL OVERVIEW

Real estate is an integral part of both the emerging markets' and developed countries' growth phenomenon. By 2030, the number of people living in cities with more than 1 million residents is expected to jump from 3.1 billion in 2018 to 3.8 billion, a rise of 22.6% as per a BCG report. With family sizes shrinking, and the world's population aging, there is increasing interest in living spaces that are either smaller or larger than are typical today. By 2030, 43% of households worldwide will consist of just one or two people, increasing demand for smaller living quarters. At the same time, an aging population will encourage the development of larger housing to accommodate multiple generations living under one roof, especially in eastern countries such as China and India.

INDIA OVERVIEW

Real Estate stock in India is expected to reach 3.7 million square feet in 2019, with addition of 200 million square feet during the year. Real estate sector in India is expected to reach USD 1 trillion by 2030 from USD 120 billion in 2017. By 2025, it will contribute 13% of the country's GDP. Emergence of nuclear families, rapid urbanization and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial and retail. Rapid urbanization in the country is pushing the growth of real estate. Over 70% of the GDP is expected to be contributed by the urban areas by 2020. Structured reforms, implementation of Real Estate (Regulation and Development), Act 2016 (RERA), a push to affordable housing, the Benami Transactions Act have helped in the development of the housing industry.



Source: Knight Frank Research

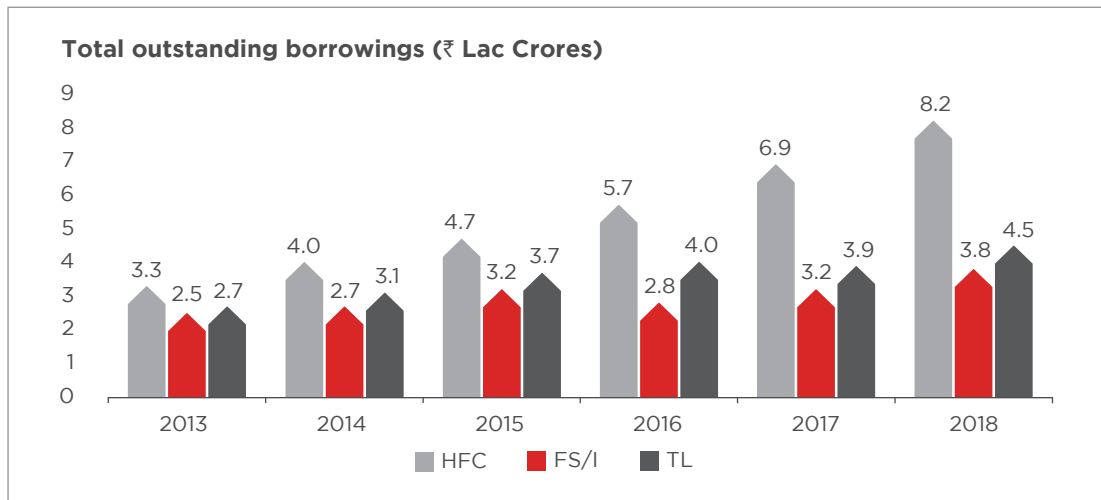
The residential markets are slowly witnessing a revival post the slowdown observed last year. This has been on account of the uncertainty regarding implications of RERA and GST gradually settling. The Government's policy push to affordable housing is helping this segment gain traction and developers across the country are showing a keen interest in participating in this sector's growth story. With most projects being RERA registered, the residential segment is being driven by self-use purchase decisions. Residential sales were up with over 64,000 units sold in the first half of 2018 itself, compared to approximately 96,000 units sold in 2017. Affordable housing as a sector is witnessing increasing traction. Launches within the price range of ₹ 40 Lacs were the highest during 2017 and in the first half of 2018 across India.

Housing Finance Companies (HFCs) and Non-Banking Finance Companies (NBFCs) play a major role in aiding the growth of the housing industry. NBFCs and HFCs have been the biggest drivers of housing finance growth in the country over the past decade on the back of their multi-pronged distribution model and their last-mile connectivity in tier II and tier III cities. They have developed efficient loan processing capabilities through the use of analytics-based

technology platform and big data-driven processes and have faster loan turnaround time.

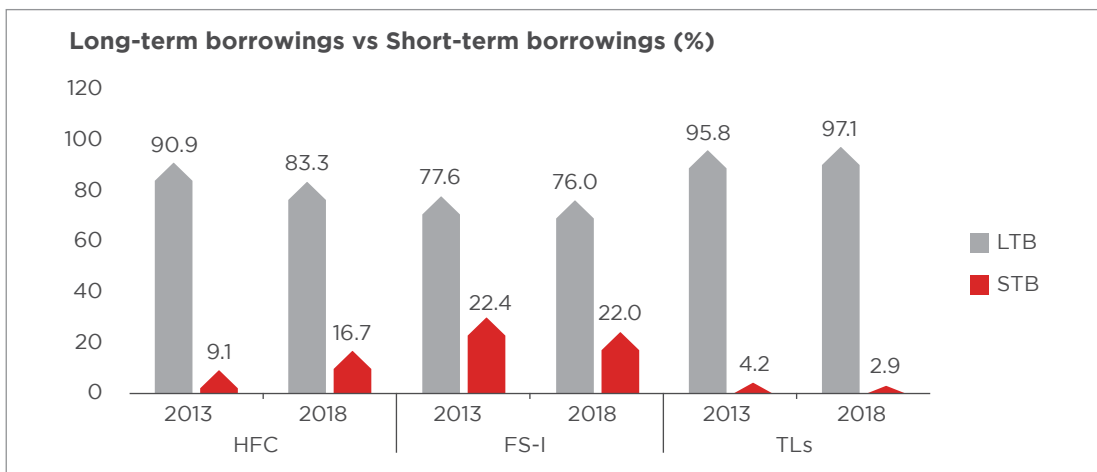
As per an ICRA estimate, India's housing finance market has more than 80 players, but the top five players have 78% of the market share. The average loan size for HFCs is at approximately ₹ 30 Lacs (USD 35,000 as per ICRA at year-end 2018) in India. This coupled with a total housing demand ranging from 12 to 20 million units translates to a market size of more than ₹ 28 Lac Crores (USD 400 billion). Housing finance thereby provides an idea of tremendous market potential.

Amongst the financing sources to lenders in overall NBFC sector borrowing, HFCs are preferred over Financial Services / Investment companies (FS) and Term Lending Companies (TLCs). The total outstanding borrowings of all three categories stood at ₹ 16.5 Lac Crores in FY18 having increased from ₹ 8.5 Lac Crores in FY13. Out of the total borrowings, the highest contribution is of HFCs at 49.4%. The borrowings of HFCs have witnessed a sustained double-digit growth on an average of 20% during the previous five years.



The three categories of NBFCs rely heavily on long-term borrowings. The dependence on short-term funding in case of HFCs has increased over the

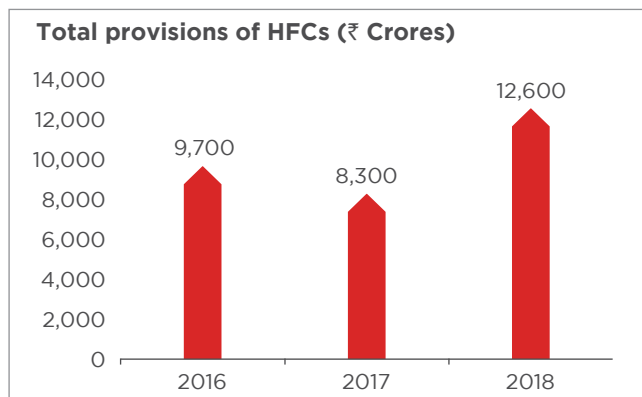
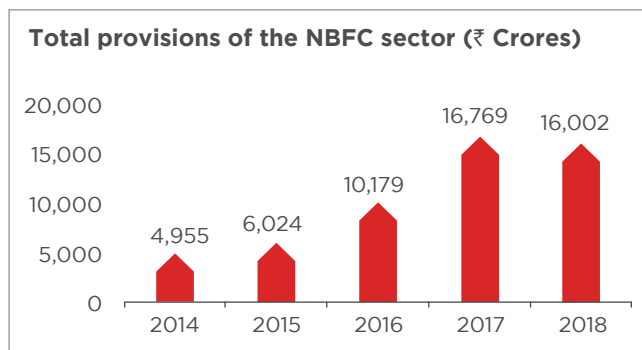
preceding 6 years led by significant 16% CAGR in the short-term loans disbursed.



Source: CARE Ratings

Note: Long-term borrowings include the current maturities of long-term borrowings

The provisions in the overall NBFC sector have more than tripled in the last 5 years having witnessed 26.7% CAGR during FY 2013-18. In FY18, the highest share of provisions of 57% is observed in the FS segment followed by term lending institutions at 28% and HFCs at 15%. The asset quality (GNPA ratio) of the NBFC sector worsened in FY17 to 6.1% and has marginally moderated to 5.8% in FY18. However, the asset quality of the banking sector declined at a much faster rate from 3.2% in FY13 to 11.6% in FY18.



Source: RBI

NBFC	GNPA ratio	NNPA ratio
FY 14	2.7	1.2
FY 15	2.9	1.6
FY 16	4.3	2.4
FY 17	6.1	4.1
FY 18	5.8	3.5

Source: RBI

HFCs	GNPA ratio	NNPA ratio
2014	1.2	0.6
2015	1.1	0.5
2016	1.1	0.5
2017	1.1	0.5
2018	1.3	0.6

Source: RBI

At the end of 2018, NBFCs and HFCs witnessed a pause in home loan disbursements though banks continued to disburse home loans during this liquidity crisis. However, banks' limitation in distribution and slower processing ability impacted the housing finance growth, especially in Tier-II and Tier-III cities. With the liquidity situation now close to normalizing, housing finance growth is expected to pick up pace in 2019.

Housing affordability has increased in the recent times aided by stagnant property prices, steady annual wage inflation of over 10% in the last decade and lower effective interest rates due to tax incentives and Credit Linked Subsidy Scheme (CLSS). With rapid urbanization, low mortgage penetration, nuclearization of families and two-thirds of the population below 35 years of age, 2019 is expected to be a year of good

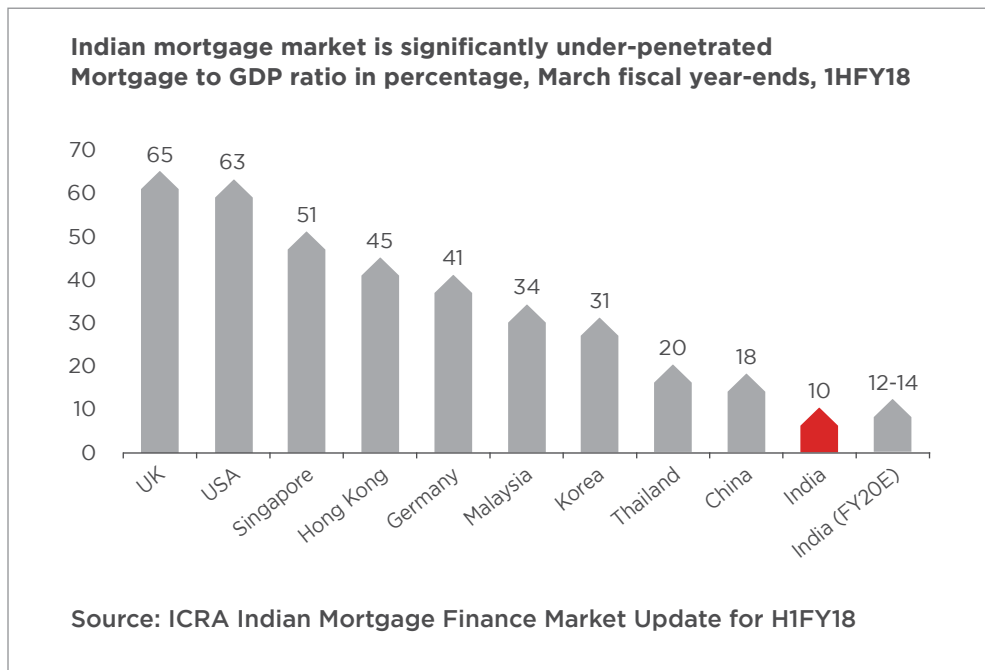
demand for housing. With fiscal deficit and inflation expected to be within RBI's estimates, the 10-year G-sec Government Securities off its highs, stable currency and lower oil prices, the interest rates for home loan borrowers are expected to be lowered in 2019 given three rate cuts initiated by the RBI. Thus, favorable macroeconomic conditions coupled with conducive demographic factors, stable Government at the Centre and increasing affordability augurs well for the housing finance sector.

While overall home loan rates are expected to be stable in 2019, banks will have to switch to an external benchmark to determine rates. Short-term benchmark rates face volatility, and this will lead to fluctuation in rates for borrowers. However, borrowers from NBFCs and HFCs will be shielded from any rate hikes that

may happen in 2019. As per the RBI's mandate, only banks are required to link retail loans to external benchmarks, which will protect NBFC/HFC home loan borrowers from future rate volatility.

OPPORTUNITIES

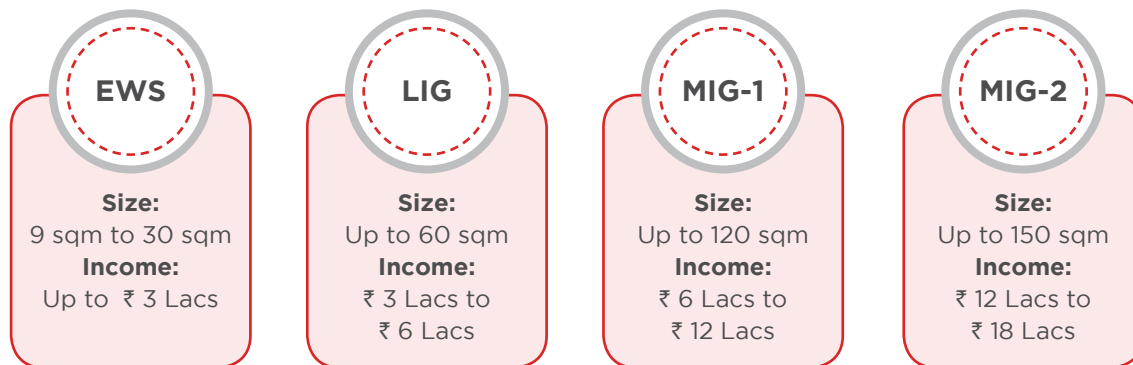
JLL's biennial survey, the Global Real Estate Transparency Index (GRET) 2018, ranked India at the 35th position, an improvement of five positions since 2014. Housing credit growth has been steady at 19% in FY19. The mortgage penetration (housing credit as a percentage of GDP) touched the double-digit mark of 10% as on March 31, 2018 as compared to 9.5% as on March 31, 2017. This ratio is comparatively very low to the global ranking indicating huge scope of growth. ICRA expects mortgage penetration levels to go up by another 300-500 bps over the next five years.



The Government schemes have provided the much-needed stimulus to the real estate sector. Infrastructure status to the affordable housing sector, 100% deduction on profits for affordable housing projects, an increase in the carpet area for MIGs, bringing more beneficiaries under the CLSS net, and relaxed completion timelines for affordable housing projects are some of the important steps. More recently, a dedicated fund for affordable housing was set up under the National Housing Bank, which will be

funded through priority sector lending shortfall and fully serviced Government-authorized bonds. This was in addition to the rationalization of GST for affordable and low-cost housing from the previous 12% to 8%, and the formalization of a new policy framework for PPPs. The introduction of the Real Estate Regulation and Development Act, 2016, Goods & Services Tax, and the revision of the Real Estate Investment Trust (REIT) guidelines have lent some stability to the real estate market.

As per the Pradhan Mantri Awas Yojana (PMAY)*, affordable housing is defined as per the following income group:



In August 2015, the Union Cabinet approved 100 Smart City Projects in India. FDI limits for townships and settlements development projects were increased to 100%. Real estate projects within the Special Economic Zone (SEZ) are permitted 100% FDI. The total number of houses built under PMAY reached 15.4 million during 2014 to March 2019 as against a target of 10 million pucca houses with basic amenities. 'Housing for All' initiative is expected to bring USD 1.3 trillion investments in the housing sector by 2025. Under the PMAY Urban, 6.85 million houses had been sanctioned up to December 2018. The scheme is expected to push affordable housing and construction in the country and give a boost to the real estate sector. In February 2018, National Urban Housing Fund was approved with an outlay of ₹ 60,000 Crores. The Government has also released draft guidelines for investments by REITs in non-residential segment. The Securities and Exchange Board of India (SEBI) has given its approval for REIT platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity worth USD 19.65 billion in the Indian market over the years.

*Source: http://mohua.gov.in/upload/uploadfiles/files/5CLSS_EWS_LIG_English_Guidelines_wb.pdf

The Union Budget 2019-20 and Union Budget 2018-19 announced a number of measures to boost affordable housing:

- Enhanced interest deduction up to ₹ 3.5 Lacs for purchase of an affordable house
- Deduction of interest for self-occupied house property was raised from ₹ 1.5 Lacs to ₹ 2 Lacs
- Granting infrastructure status to affordable housing
- Increasing the time for project completion to affordable housing promoters from three years to five years

- Revision of the qualifying criteria for affordable housing from saleable area to the carpet area
- Refinancing facility by National Housing Bank for individual loans for the affordable housing segment
- A dedicated Affordable Housing Fund (AHF) in National Housing Bank was announced which was funded from priority sector lending shortfall and fully serviced Government bonds
- Benefits under Section 80 - IBA of the Income Tax Act was extended for an additional year, i.e. to the housing projects approved till March 31, 2020
- Benefit of rollover of capital gains under section 54 of the Income Tax Act increased from investment in one residential house to two residential houses for a taxpayer having capital gains up to ₹ 2 Crores
- Exemption of tax on Notional Rent

Key Drivers for Housing Industry:

- As per the 2011 census, over 30% of India's population lives in urban areas and by 2030, this number is expected to grow to 40% of the country's population
- Affordable housing finance is estimated to be a ₹ 6 Lac Crores business opportunity by 2022, by when the government seeks to achieve housing for all citizens
- The Ministry of Housing estimated a housing shortage of 18.78 million houses during the 12th plan period, with 99% in the economically weaker section and lower income groups. The country's total urban housing shortage is projected to be about 30 million by 2022
- Nearly 1 million households are living in non-serviceable kutcha houses, while over half a million households are homeless

Thus, the growth in housing sector translates to a growing need for housing finance which bodes well for HFCs. HFCs are emerging as key lenders to housing developers especially in the affordable housing category and are steadily eating away the market share of banks. The segment is also receiving interest from private equity firms, NBFCs and institutional investors. Understanding the growth potential in the housing finance sector and the important role HFCs play, National Housing Bank has issued around 35 new licenses in the last three years to start HFCs. Most of these new HFCs are focusing on funding affordable housing customers in the informal sector. This has led to the easy availability of housing finance to the EWS/ LIG segment of customers.

Growth drivers for housing finance

1. New Technology

Technological advancement in HFCs has played a vital role in the growth of these companies. Technology has helped HFCs to provide fast, efficient, cost-effective, customized product and services to customers. It helps in increasing manpower productivity, better utilization of resources and automation. It has helped in reaching out to larger geographies for business acquisition without setting up brick and mortar set-up. Use of mobile and mobile technology has made on-boarding of a customer easy, fast and cost-effective. Technology helps to manage risk through analytics. It helps in taking informed credit decisions. Collection and recovery process have become far more effective and efficient and significant scale-up of business across geographies at cost-effective manner is possible with the help of technology.

2. Rapid Urbanization

Even if population growth has slowed down, urbanization is witnessing steady growth. Thus, demand for new houses is steady.

3. Government push towards affordable housing

The Government has consistently supported affordable housing with various initiatives like giving infrastructure status to the segment, helping increase the quantum of beneficiaries in Credit linked Subsidy Scheme (CLSS) under Pradhan Mantri Awas Yojana (PMAY) by expanding the carpet area and re-defining income definitions and creating a dedicated fund under the National Housing Bank (NHB). In Budget 2019, the Government announced to continue with its thrust for Affordable Housing and proposed 1.95 Crore houses be constructed under PMAY from FY 2020-22 and reduced the

time for completion of houses under PMAY from 314 days in FY 2015-16 to 114 days in FY 2017-18, enabling the scale of achievement in PMAY. These measures are expected to boost the housing sector in India in a big way.

4. Low Per Capita House Ownership in India

Per capita house ownership in India is still one of the lowest. At a macro level, India lags behind other nations in per capita house ownership. The Government's ambitious Housing for All project by 2022 is likely to create a huge demand for housing.

5. Low Cost Housing

Low cost housing is likely to be the next big story for the Indian investment scenario. According to preliminary estimates, the low-cost housing opportunity in India is estimated to be worth USD 1.2 trillion, presenting huge demand opportunity for housing and for housing finance companies.

6. Demand for Rural and Semi-Urban Sector

With rising rural incomes and the Government investing heavily in enhancing rural demand, big demand is expected to come from the rural and semi-urban areas. Housing Finance Companies with their string distribution network and local understanding will stand to be the biggest beneficiaries of the rural housing demand. In rural India, the Government had completed construction of 7.7 million houses of the target of 10 million by March 31, 2019 under the first phase of PMAY-Rural. Sizeable unmet rural housing demand and limited credit availability from banks put NBFCs is a sweet spot, irrespective of the current temporary liquidity crunch.

(Source: FICCI report - <http://ficci.in/spdocument/23021/JLL-FICCI-Report.pdf>)

7. Strong Government

RERA, demonetization, REIT and GST have played an instrumental role in introducing increased organization, transparency and structure in the real estate sector. The Government has also taken prudent steps to boost infrastructure in the form of affordable housing, new industrial corridor, smart city plan etc. With clear majority and mandate, it is expected that the Government will continue to strengthen its initiatives along with undertaking broader reforms for the industry. The Government is expected to take further steps to streamline RERA implementation, Introduce faster/single window clearance and rationalization of taxes by merging stamp duty under GST. The Government is also expected to take initiatives to redress the NBFC liquidity crisis.

CHALLENGES

Despite improving sector dynamics, the limited availability and high cost of land in urban areas remain big challenges. The Government must take steps to unlock the potential of the unused or under-used lands held by Government bodies and PSUs in order to address this issue. Other inhibitors include the lack of land availability, lengthy approval processes, better alignment between central and state policies, and the lack of a strong microfinance system. Some of the major challenges grappling the housing sector include:

Liquidity Crunch

The housing finance sector has been facing finance sourcing challenges, like rising funding cost, increased spotlight on their asset-liability mismatches and contracting margins. Players facing asset-liability mismatches, have been facing constrained financing issues from both market-based sources and banks.

Land Acquisition Cost

The cost of land is significantly high in the country given the unavailability of large size land in the required size and at a desired location. Growth in the sector is slowed due to limited accessibility of land at an affordable price. In addition, home buyers are required to pay high stamp duty and registration charges which increases the overall cost of buying a house.

Adverse Habitat

Poor employment opportunities lead to under development of the region. This coupled with inadequate infrastructure like roads, electricity, water supply, drainage systems, educational institutions, hospitals etc. pose challenges for possibility of creating a favorable habitat.

Income Disparity

As per a Credit Suisse 2018 Global Wealth Report, the richest 10% of Indians own 77.4% of the country's wealth, while the bottom 60%, the majority of the population, own 4.7%. This disparity in wealth creates income divide and makes it unviable for large part of the population to own a home.

COMPANY OVERVIEW

SRG Housing Finance Limited (SRG Housing or your Company), led by Mr. Vinod Jain, has almost two-decade long experience as a NHB registered housing finance company engaged in Housing Loan and Loan Against Property. Your Company focuses on providing loans in rural and semi-urban areas and has operations in 4 major states of India, namely Rajasthan, Madhya Pradesh, Gujarat and Maharashtra. The promoters and senior management boast of over two decades of experience in offering financing in rural areas. SRG Housing holds a distinction of being

the first company in India to get migrated from BSE SME platform to BSE main board. There has been tremendous acceleration in growth of its loan book at 60.55% CAGR from FY14 to FY19.

Your Company has built a strong reputation amongst the under-served and unserved rural population with limited access to mainstream financial institutional funding. Our strong brand recall is the result of our in-depth knowledge of the markets. Proficiency in the home loans space is the result of lending to the borrowers mainly with informal income source. Strong knowledge of the category of borrowers, coupled with strong credit appraisal, collection monitoring and recovery mechanism is well supported by robust IT infrastructure.

AUM, Approvals and Disbursements

SRG Housing's Asset Under Management (AUM) witnessed strong rise of 40.62% in FY19 at ₹ 281.63 Crores as compared to ₹ 200.28 Crores in FY18. The AUM growth was resilient on back of strong marketing efforts and increased resource base.

The loan approvals during the fiscal, registered 14.48% decline, and stood at ₹ 124.83 Crores as compared to ₹ 145.96 Crores in FY18. Disbursements registered a decline of 12.55% at ₹ 124.9 Crores in FY19 as compared to ₹ 142.82 Crores in FY18.

For FY19, the average tenure of loans was 7 years. The average ticket size of loans stood at ₹ 5.92 Lacs and average Loan to Value (LTV) was 37.65% of the property value. Approximately, 82% of the loans originated from rural areas reflecting SRG Housing's unique business model.

	FY19	FY18	FY17
Average ticket size (₹ Lacs)	5.92	5.61	7.62
Average tenure (Years)	7.00	6.75	6.00
Average LTV (%)	37.65	43.00	49.51

Composition of Loans

We have a rich experience in offering customized home-related solutions to customers be it buying/constructing a new home or renovation of an existing house.

Housing loans: In rural areas, the demand for houses continued to exceed supply, widening the shortage as housing construction targets remained unmet. Our efforts continued to provide housing finance to rural customers. Our loan book continued to be dominated by self-employed customers, where mainstream financing options are limited.

Our efforts towards business expansion were on track. We added 7 branches during the current fiscal in Nadiad, Vadodara, Manasa, Indore, Dhar, Ashta and

Udaipur. Expanding deeper in the states helps us to diversify geographical risk and expand reach to newer markets.

Loan Against Property (LAP): The non-housing loan segment, grew to ₹ 75.22 Crores in FY19 as compared to ₹ 41.89 Crores in FY18, registering 79.56% growth. There is no significant difference in customer profile in terms of income levels, business or earning source in housing loan and LAP segment. While disbursing LAP loans, we take into consideration both the property valuations and the cash flow of the individual. However, we have designed the product policy where cash flow is given more weightage before sanctioning the LAP .

Marketing and distribution

As on FY19, with our Head Office in Rajasthan, we operated in 4 states through 32 branches. In FY19, we have 16 branches in Rajasthan as compared to 19 branches in FY18 , 9 in Madhya Pradesh as compared to 5 in FY18, 6 in Gujarat as compared to 4 in FY18 and 1 in Maharashtra, the same as FY18. This year, we added 7 new branches, 1 in Rajasthan (Udaipur), 4 in Madhya Pradesh (Manasa, Indore, Dhar, Ashta) and 2 in Gujarat (Nadiad, Vadodara). We merged small and geographically close branches in Rajasthan namely Dungarpur, Bhinder, Ajmer Fatehnagar into the tehsil or district headquarters. Our relentless focus on marketing and distribution enables us to build a strong business network across Tier II and Tier III areas. We endeavor to provide convenience to our customers with door-step service via Marketing executives, Direct Selling Agents (DSA) and Home Loan Agents. We have decreased the dependence on DSA Model. In FY19, business origination from DSA was 32% as compared to 47% in FY18. Our main customer target is the Low and Middle Income (LMI) segment.

Our marketing strategy encompasses cost effective measures like local advertising and marketing, referral-based marketing and focus on gaining new customers through word-of-mouth. We are also exploring the latest digital influence medium, social media (YouTube, Facebook, Instagram, etc.) to target new customers and build a strong brand in the organized channels.

We also publish ads in local newspapers to connect with local people. Our ads talk about our commitment to serve this underserved segment and support them in achieving their dreams of building a home. We also use other marketing channels to spread awareness including magazines, cable TV channels, OOH at prominent locations in high catchment areas, bus stands, railway stations, pamphlet distribution and other information correspondence.

SRG Housing's personnel from the head office conduct loan camps every 2-3 months covering an area of

20-25 kms radius around our branches. We grant in-principle approval for availing loans to prospective borrowers, and subsequently conduct internal checks at the head office before giving final approval.

Financial performance

Key elements of the statement of profit and loss for the year ended March 31, 2019 are:

- Net Interest Income (NII) grew by 72.86% to ₹ 31.27 Crores in FY19 as compared to ₹ 18.09 Crores in FY18
- Net Interest Margin (NIM) expanded to 12.98% in FY19 as compared to 12.82% in FY18 aided by superior loan portfolio mix and improved borrowing mix
- Cost-to-Income ratio stood at 38.82% in FY19 as compared to 42.33% in FY18
- PBT grew by 79.5% to ₹ 19.96 Crores in FY19 as compared to ₹ 11.12 Crores in FY18
- PAT grew by 75.37% to ₹ 14.17 Crores in FY19 as compared to ₹ 8.08 Crores in FY18
- Return on average assets stood at 5.21% in FY19 as compared to 4.89% in FY18. Return on average equity was 28.94% in FY19 versus 21.25% in FY18
- Capital Gearing/Debt Equity Ratio was 4.56% as compared to 3.97% in FY18
- Book value per share is ₹ 42.99 as compared to ₹ 32.33 in FY18
- Average lending rate at 22.60% in FY19 as compared to 22.08% in FY18. The average cost of borrowed funds was 11.15% in FY19 as compared to 10.56% in FY18
- Spread on loans over the cost of borrowings stood at 11.45% in FY19 as compared to 11.52% in FY18

Financial Highlights

Particulars	₹ in Crores		
	2018-19	2017-18	Growth %
Revenue	59.33	34.13	73.84
EBITDA	43.53	22.83	90.67
EBIT	42.97	22.39	91.92
PAT	14.17	8.07	75.37
EPS (in ₹)	10.90	6.21	75.52
Employees (count)	226	140	61.42
Branches (count)	32	29	10.34
Loan book	281.63	200.28	40.62

Return on Net Worth

Return on net worth as on March 31, 2019 is 27.08% as compared to 20.91% of previous year, the same increase is due to increase in profits.

Funding sources

SRG Housing has diversified source of funds:

The Company's borrowing mix for the year ended March 31, 2019 is as under:

Borrowing Sources	FY19	FY18
Banks	57.2%	69.0%
NCDs	6.9%	13.7%
NHB	1.5%	3.2%
FIs	34.4%	14.1%
Total	100%	100%

SRG Housing's credit rating continued as BWR BBB by Brickwork Ratings for Non-Convertible Debentures (NCD) and Bank loan (fund-based). CARE rating also continued at BBB- on long-term bank facilities. As per our voluntary request, Care Rating of CARE BBB- on bank facilities has been withdrawn with effect from December 10, 2018.

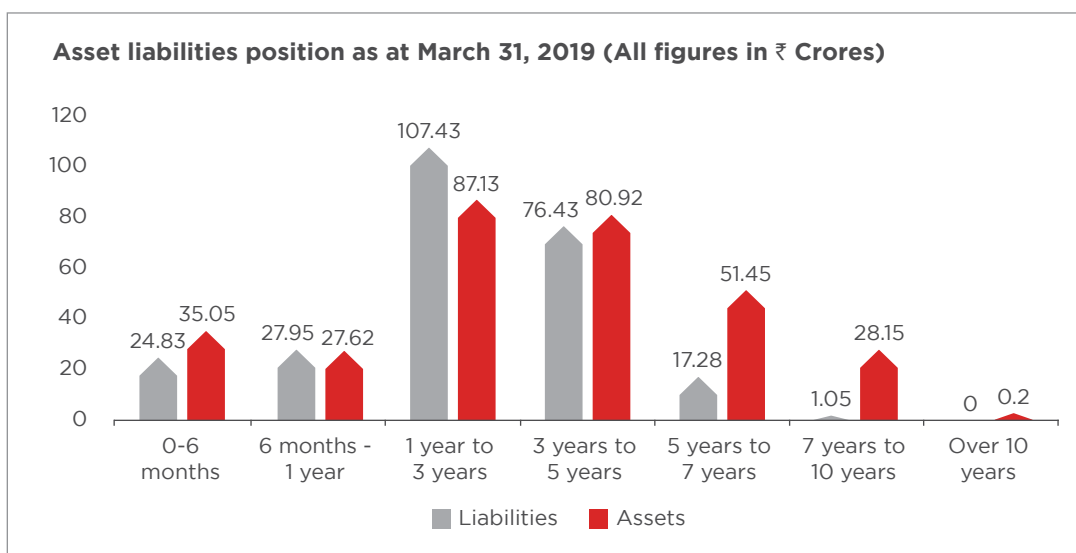
Asset-Liability Management

Our experienced and expert team efficiently manages risks associated with assets and liabilities. We endeavor to arrange adequate credit on timely basis to avoid any growth limitations. The Board has approved an

Asset-Liability Management Policy under which an Asset-Liability Management Committee (ALCO) is made responsible to monitor the ALM position at periodic intervals. The ALCO comprises Managing Director and members of Senior Management.

Under Schedule III of the Companies Act, 2013, the classification of assets and liabilities into current and non-current is based on their contracted maturities. This classification does not consider the estimates based on past trends in respect of prepayment of loans and renewal of liabilities which are in accordance with the ALM guidelines issued by NHB.

In accordance with the guidelines issued by NHB, we maintain our ALM position based on the maturity buckets. The management has made certain estimates, assumptions and adjustments in computing the information. Led by our robust policies, we have never seen any cash flow mismatch in the entire history of our operations. We have always maintained surplus in all buckets enabling us to stay ahead of our peers from lenders' and stakeholders' perspective, even amidst liquidity crunch facing the industry. Also, we have never resorted to short-term rating in order to borrow fund for short-term financing.



ASSET QUALITY AND NPA

Our Gross NPA stood at ₹ 5.53 Crores at 1.96% in FY19 as compared to ₹ 3.01 Crores at 1.50% in FY18. Net NPA stood at ₹ 1.27 Crores at 0.46% in FY19 as compared to 0.94 Crores at 0.50% in FY18.

PROVISION FOR STANDARD ASSETS, NPAs AND CONTINGENCIES

From FY19, we have adopted the procedure of routing provisions for contingencies against Standard Assets and NPA through Profit & Loss statement. Earlier it was appropriated through Reserves. Consequently, related figures thereof have been restated accordingly.

COMPLIANCE TO REGULATORY GUIDELINES

NHB guidelines and prudential norms

We strictly adhere to the guidelines issued by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, “Know Your Customer” (KYC), Fair Practices Code, grievance redressal mechanism, Recovery of dues, and Capital Market Exposures, etc.

Capital Adequacy Ratio as at March 31, 2019 was 30.27% as against NHB’s prescribed limit of 12%. The Capital Adequacy on account of Tier-I Capital was 29.78% and Tier-II Capital was 0.49%

SRG Housing’s Total borrowings as at March 31, 2019 of ₹ 254.97 Crores is well within the permissible limit of 16 times of the net-owned funds as prescribed by NHB.

As per NHB Letter No. NHB (ND)/DRS/CRCELL/A-3187/2018 dated December 11, 2018, the Company was advised to get registered with National Consumer Helpline (NCH) as convergence partners through INGRAM software. The Company has completed the registration process.

As per National Housing Bank Circular “NHB/ND/DR5/ Policy Circular No.90/2017-18” dated June 15, 2018, IT Strategy Committee has been constituted with Mr. Nishant Badala, Independent Director as the Chairperson, Managing Director, Head of IT Dept. as members of the Committee.

Central registry

The Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) of India has been set up by the Government of India under Section 21 of the The Securitisation and Reconstruction of Financial Assets (SARFAESI) Act, 2002 in order to maintain a central database of all mortgages created by lending institutions. CERSAI compiles and maintains data pertaining to all transactions secured by mortgages. All banks and HFCs falling under the purview of the SARFAESI Act are required to register with CERSAI and submit the data in respect of all properties mortgaged in its favor. A fee is required to be paid by the lending Institutions for uploading the data of mortgage. SRG Housing is registered with CERSAI and has been submitting all relevant data in respect of the loan book. We have uploaded records in respect of loans disbursed during the year and has paid the applicable fees.

Accounting Standards

Your Company has complied with the Accounting Standards issued by the ICAI, Accounting Standards

and Schedule III of Companies Act, 2013. Other related statutory Guidelines/Directions as applicable to the Company from time to time have also been strictly adhered to. Compliance of all Regulatory guidelines of NHB/other statutes is periodically reviewed at Audit Committee/Board.

IND AS implementation

SRG Housing is a Housing Finance Company registered with National Housing Bank and falls under the category of NBFC Company as defined under amended notification dated March 30, 2016 issued by Ministry of Corporate Affairs and that the net worth of the Company is less than ₹ 500 Crores. Accordingly, Financial Results as per Indian Accounting Standards (Ind AS) of Schedule III is applicable to the Company effective from April 1, 2019.

Other Compliances:

We have obtained the Legal Entity Identifier No.3358001A8CU8SNHBIU98 as required under the RBI Circular -No.RBI/2017-18/82 - DBR. No.BP.92/21.04.048/2017-18 dated November 02, 2017 and as advised by NHB. The Registration has been renewed as required on an annual basis.

As required under Section 215 of the Insolvency and Bankruptcy Code, 2016, the Company has registered itself with National E-governance Services Limited (NeSL) authorized by IBBI obtained and an agreement is executed with NeSL.

The Company has complied with all the applicable Regulations of SEBI (LODR) Regulations as amended from time to time and circulars, notifications etc. issued by SEBI.

₹ in Crores

Key Financial ratios	2018-19	2017-18	Growth %
Debtors turnover	NA	NA	NA
Inventory turnover	NA	NA	NA
Interest coverage ratio	1.62	1.99	(18.59)
Current ratio	NA	NA	NA
Debt equity ratio	4.56	3.97	14.86
Operating profit margin (%)	37.55	38.52	(0.98)
Net profit margin (%)	23.67	23.88	(0.24)

RECOVERY ACTION UNDER SECURITISATION & RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 (SARFAESI ACT)

The Company has repossessed certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act 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 related accounting policy.

STRENGTHS OF THE COMPANY

SRG Housing is an established brand in the housing finance sector in both rural and semi-urban areas. The following attributes of the Company reflect the robust nature of business and the ability of SRG Housing to scale the business to newer heights:

Unmatched core competencies in rural areas

Since its inception, SRG Housing has been focused on providing loans in rural and semi-urban areas in the four major states wherein it operates. Over 80% of Company revenues are generated from rural areas reflecting the strong position of the Company in India's rural sector. With a deep knowledge of local behavior, rich experience, competent workforce and strong brand equity, the Company stands to be one of the biggest beneficiaries of the future growth in housing sector of the rural economy.

Strong and experienced management team

With over two decades of experience, Mr. Vinod Jain has been spearheading SRG Housing since its inception. Under his able leadership and a strong, experienced and professional management, we are operating on a unique business model which is immensely scalable. SRG Housing is credited with being a pioneer in housing finance industry in Rajasthan. Our long-term vision and foresight are well reflected in the robust growth achieved so far. Strategic decision-making, policy formulation and implementation is efficiently managed by the senior management, who are also responsible for ongoing review of operational performance.

Strong Asset Quality

Housing loan portfolio contributing 73.30% of the total loan book in FY19, continued to have strong asset quality led by stringent checks and balances and solid credit-monitoring structure. Gross NPA for FY19 was ₹ 5.53 Crores at 1.96% as compared to ₹ 3.01 Crores at 1.50% in FY18. We maintain more than 90 days NPA recognition policy as per NHB guidelines. For

FY19, we have made a NPA provision of ₹ 4.26 Crores as compared to ₹ 2.02 Crores for FY18. For Standard Assets, we have made provision of ₹ 0.87 Crore as compared to ₹ 0.73 Crore in FY18 to provide for any uncertainties. The provisions were appropriated through Reserves & Surplus prior to FY19 following the Industry best practices we have routed them from Profit & Loss Account from FY19.

Diversified source of funds

We have a well-diversified source of funds consisting of Banks (57.2%), Financial Institutions (34.4%), Non Convertible Debentures (6.9%) and NHB re-finance (1.5%).

Unmatched brand equity

We have established a strong emotional connect with the customers with our valuable presence in their time of need, doorstep hassle-free service and complete documentation assistance. Our approach has helped us to build strong brand equity and earn word-of-mouth publicity. Our consistent offline and online marketing efforts have enabled us to capture mind share of the customers and have a strong brand recall in rural underserved market.

Prompt loan disbursals

SRG Housing has in place a streamlined credit appraisal system enabling fast disbursals of loans. In addition, our deep understanding of the needs of customers in respect to finance, loan tenure, affordability, background checks, etc. give us an edge in processing the requests faster. While loan disbursals are prompt, we do not compromise on underwriting risks and maintain adequate checks with the help of advanced technology.

Lower loan to value

Our average loan to value (LTV) has been maintained below 50%, providing sufficient cushion for any credit risks. This has been led by our well thought of strategy to exclude land acquisition cost on construction of individual units' loans.

Improving leverage and cash flows

SRG Housing stands well invested in technology and systems, with further need for capital requirement only for branch expansion. As our business model ensures branch profitability starting from the first month of operations itself, operating leverage kicks in on branch expansion with the loan book per branch and costs not rising in same proportion. This in turn results in strong cash flows and robust return on investment.

Business transparency

We follow a solid corporate governance culture rich in strong values and ethics and transparency in business operations. We adhere to various rules and statutes as prescribed by various regulatory bodies. Successful annual NHB inspection confers to our compliant, ethical and transparent functioning.

Long-term employee associations

SRG Housing started with humble beginnings and a few employees who continue to be a part of the SRG Housing family. We value these associations and believe they play a critical role in business sustainability and growth. We boast of high retention ratio and a core team with a rich experience of over 5-7 years with us.

MANAGEMENT OUTLOOK - VISION 2022

We envision to create a robust business model and catapult our loan book by 3.5x to ₹ 1,000 Crores by FY22 from ₹ 281.63 Crores in FY19 and our branch network to 70 from 32 adding approximately 8-12 new branches every year across Tier II & Tier III Cities in Rajasthan, Madhya Pradesh, Gujarat and Maharashtra. Our main focus will be financial inclusion of rural and semi-urban people living in below Tier III cities. And hence, we will focus on small ticket loans up to ₹ 10-15 Lacs maintaining the average ticket size under ₹ 8 Lacs and LTV under 50%. This vision is on track wherein we achieved network expansion and loan book growth for FY19.

In keeping with our Vision 2022 for FY20, our target is to grow our loan book to ₹ 425 Crores and grow our branch network to 42.

The current disruption in housing finance industry with default by renowned NBFC has diminished investor confidence. However, we assure our investors of strong asset quality and liquidity led by business culture and strategies. We continue to remain positive about our growth prospects.

Risks and Concerns

Risk management is an imperative function of business operations due to the complex nature of business and various risks associated. Risk management has evolved significantly with constantly changing business environment to ensure the organization weathers any unforeseen risks to achieve its strategic objectives. Timely recognition, management and easing of relevant risks ensures business continuity and sustainability.

- **Asset Liability Management and Liquidity Risk**
Doing business in housing finance industry entails

several risks including liquidity, interest rate and Asset Liability Management risk. Unlike housing loans, tenure of borrowings for housing finance companies is typically shorter as competitive long-term loan rates are unavailable, which portends asset-liability mismatch (ALM) risks. Liquidity risk is mainly resulted by any asset-liability mismatch which may lead to disruption in operations. Robust policies and close monitoring of maturities of assets and liabilities need to be ensured to avoid liquidity crunch.

Risk Mitigation: SRG Housing balances the loan book keeping in view the repayment schedule of its borrowings. This enables it to maintain assets and liabilities for both short as well as long-term funds and borrowings, making it handle this risk effectively. Its experienced and expert ALCO team keeps a constant close eye on the ALM position, which are based on maturity buckets. Its endeavor is to arrange timely and adequate credit for smooth business functioning. Since inception, we have never seen any major asset-liability mismatch, or resorted to short-term rating to borrow funds for short-term financing of the longer-term asset.

- **Interest Rate Risk**
Any unforeseen fluctuation in overall interest rates may impact the profitability of the business.

Risk Mitigation: SRG Housing's NIM at around 13% minimizing interest rate risk is higher than its peers. SRG Housing borrows money from the banks at floating rate and lends to borrowers on fixed rate maintaining adequate margins. In the event of an increase in borrowing costs, we have a huge gap in rates of borrowings and lending, which insulates us from any business susceptibility.

- **Credit Risk**
Default on the part of the borrower due to any reason or degradation of his credit quality may put to risk his ability to repay to SRG Housing. This in turn may result in a credit crunch for the Company.

Risk Mitigation: A robust credit appraisal system of SRG Housing ensures that the credit profile of borrowers is healthy. The Company also has in place strong recovery processes. The existing track record reflects NPA level of below 2% and NNPA of below 0.5%, reflecting a sound credit appraisal system.

- **Geographical Risk**
Concentration of business in limited regions limits the overall growth opportunity.

Risk Mitigation: SRG Housing operates in four states - Rajasthan, Madhya Pradesh, Gujarat and Maharashtra. It has no plans to expand aggressively and compromise on cost of underwriting quality. The current market base in itself is sufficient for the Company's expected growth plans. SRG Housing is also planning to expand on a pan-India level gradually.

- **Operational Risk**

This includes business and commercial risks. It can impact the financial performance of the Company negatively or can have a negative reputational impact on the brands of the Group. Examples are strategic risk, manpower risk, reputational risk, technological risk, compliance risk, counter-party risk, legal risk and contractual risk. The approach to managing these risks is through active prevention and by designing and implementing mitigation actions and controls.

Risk Mitigation: The Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs is being dedicatedly complied. A majority of operations and services are conducted in-house to retain control and responsibility. These include loan origination, document processing, marketing and research, supervision of loans, data processing and back-office related activities. In addition, it ensures that all outsourced services are legally governed.

- a. **Manpower Risk**

Since human resources are an integral part of the Company's operations, any change or attrition in manpower can affect operations and profitability.

Risk Mitigation: Since human resources are an integral part of the Company's operations, SRG Housing ensures minimum attrition rate. The Company continues its focus on hiring the right people. It is in the process of hiring an increased number of Marketing Executives to ensure adequate manpower for efficient product selling. At the top level, SRG Housing has well experienced personnel with long-term association to execute plans.

- b. **Reputational Risk**

Financial or reputational losses due to ineffective operational and financial controls may give rise to reputational risks for the Company.

Risk Mitigation: Robust internal control systems are in place to ensure effective business

operations. Regular monitoring mechanisms confirm adequacy of controls. In addition, we are in the process of implementing a risk control unit to foresee future risks and build stringent MIS reporting structures.

- c. **Technological Risk**

Inability of the Company to keep pace with ever-changing technological innovations poses a threat to its business revenue.

Risk Mitigation: A well-structured and updated IT risk management framework is in place to eradicate any IT threats. The framework has the latest end-point security system of the highest order. It also has in place an integrated operations system supported with an efficient ERP system with sufficient mirror backup confirming to the standard safety protocols and specifically designed for Housing Finance Company operations, accounting and reporting. It has also ensured stringent security of data and backup to eliminate technology failure.

- **Economic Risk**

SRG Housing, being a part of the financial market, is dependent on strong economic performance. Any slowdown in the overall economy has the capability to impact the overall financial markets and, in turn, the business prospects of the Company.

Risk Mitigation: SRG Housing mainly caters to the financial needs of people engaged in day-to-day activities such as goods for consumption and small kirana stores. Since this segment is insulated from macro-economic performance, the Company faces minimal impact from any kind of economic slowdown.

- a. **Regulatory Risk**

Imposition of any new regulation and/or change in any existing regulation needs to be closely monitored and adhered to within the stipulated timeframe to ensure smooth functioning of the business and to avoid any such risk.

Risk Mitigation: SRG Housing's experienced and qualified staff is adept at managing all the regulatory requirements. The Company closely monitors any change or introduction of new laws and amends its policies and procedures accordingly.

- b. **Competition Risk**

High growth prospects of the industry makes it lucrative for new players both domestic

and international to enter, which may lead to competition and affect profitability.

Risk Mitigation: The Company has established strong brand equity in south Rajasthan. It has also successfully expanded in Madhya Pradesh, Gujarat and Maharashtra. There has been a good inflow of customers as the finance market is highly underserved and entirely different than that of banks. It experiences a good and steady flow of clients on a reference basis. The demand in rural and semi urban sector is so high that it will require twice the number of financial lenders than that of today.

INTERNAL AUDIT AND CONTROLS

SRG Housing has an adequate internal control system to effectively and efficiently manage the business operations. The internal control system is designed to ensure that financial and other records are reliable for preparing financial information and other data, for maintaining accountability of operations and for protecting assets from unauthorized use or losses. The internal controls ensure compliance with applicable regulations and statutes. Well-articulated procedures are documented for financial and operating functions.

SRG Housing has initiated SRG SRAJAN program for re-engineering the processes and standardizing the internal functions focusing on automation and technology. Accordingly, process flows for all functions have been documented and deployed. The internal audit program entails a risk-based audit by the internal auditors and an independent firm of chartered accountants which test adherence to laid down policies and procedures and put forth enhancement required for processes and systems. The Audit Committee is entrusted to supervise the implementation of the suggested observations and recommendations.

INFORMATION TECHNOLOGY

SRG Housing has a robust information technology infrastructure to exercise effective controls, provide accurate MIS and appropriate and timely information / services to customer base across its operations in the four states. The IT platform ropes across value chain from lead generation to loan disbursal to account closures. With a view to optimize operational efficiencies and enable cost-effectiveness, we look forward to investing in technology advancements. Access to advanced IT systems has enabled us to minimize turnaround time, integrate processes, curtail process duplication and increase productivity.

Data security and flow across the organization is effectively managed due to a strong IT network implementation and management. Enterprise Resource Planning (ERP) solutions are being efficiently used to control sensitive data and its access to various users. On the personnel front, we do rigorous background checks of new joiners. CCTV installations and vigilance ensure high physical security levels within the office premises.

Cyber security management and monitoring is done with explicitly defined policies. Cyber Crisis management plan enables to eliminate risks due to loss of data and damage even from social media platforms. Information System Security controls and cloud-based server backups enable the Company to keep a check on technology-related risks and improve business efficiency and distribution capabilities. Real-time basis data entry in ERP, daily data backup, adequate data back-up policy and back-up servers in remote locations help to minimize any physical risks to the servers and data.

Classification of critical business verticals, locations and resources is affected under Business continuity and disaster recovery plan. The division is based on the extent of impact on the business in case of any unanticipated natural or man-made disaster. Disaster recovery strategies ensure additional back-up..

NHB vide its Notification NHB/ND/DRS/POLICY Circular No. 90/2017-18 dated June 15, 2018 issued guidelines regarding Information Technology Framework for HFCs, in compliance with the same, SRG Housing has conducted a gap analysis between the current status and stipulations as laid out in the aforesaid circular. The Board has approved the information technology and security policy under which the IT Strategy and Steering Committee was constituted. The Company has adopted various measures for a robust and comprehensive Management Information System. Information System Audit conducted by an internal team of SRG Housing at regular intervals and suggestions and recommendations are reported to the Audit Committee and implemented when found necessary.

HUMAN RESOURCES

SRG Housing believes that human resources are the most critical element responsible for the growth of the Company over the years and acknowledges their contribution. Our comprehensive and well-structured HR policies ensure employee growth both at personal and professional levels, and at the same time also align their goals with that of the Company to create

a win-win situation. Hiring is done as per a meticulous process which screens and assesses to create an effective workforce.

We fine-tune the skill sets of the employees as per Company culture. Regular and periodic training and skill development sessions are aimed at enhancing knowledge base. Keeping in view the prevalent market standards, employees are trained to effectively cater to ever-evolving customer needs. We endeavor to leverage technological advancement to optimize business operations and improve response time to better cater to the needs and expectations of the customers.

We strive hard to motivate employees to meet consumer needs with an utmost friendly approach since services are not only targeted to build a strong brand, but also differentiate our offerings. This we believe will help drive business growth. Our employee reward program compensates employee's basis merit. Salaries encompass fixed and variable components paid out basis achievement of set targets. Performance based incentives help to keep employee morale high and keen to over excel. Total No. of Employees as on March 31, 2019 were 226.

SEGMENT REPORTING

The Company is exclusively engaged in the Housing and Mortgage Finance business and revenues are mainly derived from this activity. Accounting Standard 17 regarding Segment-wise reporting issued by the Institute of Chartered Accountants of India and

notified under the Companies (Accounting Standards) Rules, 2006 does not apply to your Company since revenues are derived from only one segment i.e. from finance activity.

RELATED PARTY TRANSACTIONS

Transactions with related parties entered into by the Company were placed before the Audit Committee or Board or Shareholders at general meeting, as applicable. The Company's policy on related party transactions is uploaded on the Company's website for the information of all the stakeholders. None of the transactions with any of the related parties were in conflict with the interests of the Company. The details of transactions with the Company and related parties are given for information under notes to accounts.

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.

Annexure - V

REPORT ON CORPORATE GOVERNANCE

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

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

1) COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to ensure high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The Company’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. It also adheres Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016.

The Board has a set 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.

2) 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.

The composition of the Board is in conformity with Listing Regulations. No director can be a member in more than 10 committees or act as chairman of more than 5 committees across all public companies in which he is a director. The Composition of the Board of Directors of the Company as on March 31, 2019 is as under:-

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 SRG Housing)	Name of the Listed Companies	No. of Committees		Category of Director
				Member	Chairman	
				(including SRG Housing)		
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.
- Ms. Garima Soni, has been appointed as Non-Executive Director with effect from 23rd February 2019.
- 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, 2019:

The shareholding details of the directors as at March 31st, 2019 are included under Extract of Annual Return (MGT-9) forming part to this Report.

b. 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
1	Knowledge on Company's businesses, policies, major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2	Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3	Business Strategy, Governance, Administration, Decision Making.
4	Financial and Management skills.
5	Technical / Professional skills and specialized knowledge in relation to Company's business.
6	Experience in finance, risk management, legal, compliance and corporate governance.

C. 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.

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.

➤ Role of Independent Directors:

Independent directors play an important role in deliberations at the board meetings and bring to the Company their wide experience in the fields of finance, housing and accountancy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Audit Committee, the Nomination & Remuneration Committee and the Stakeholder's Relationship Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, SEBI (LODR) Regulations, 2015, the Corporate Governance Directions issued by NHB and as approved by the board, from time to time.

Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as directors of the Company.

➤ Appointment of Independent Directors:

The Company has 3 (three) Independent Directors on its Board. 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 18, 2019 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.

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.

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 2018-19. 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.

3) BOARD MEETINGS, BOARD 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 18 (Eighteen) 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
13.04.2018	5	5
22.05.2018	5	5
28.05.2018	5	5
25.06.2018	5	5
13.07.2018	5	5
09.08.2018	5	3
14.08.2018	5	5
29.09.2018	5	3
01.10.2018	5	5
03.10.2018	5	5
14.11.2018	5	5
17.11.2018	5	5
26.11.2018	5	5
17.01.2019	5	5
09.02.2019	5	5
11.03.2019	6*	6
25.03.2019	6	6
29.03.2019	6	6

* Board Strengths increased to 6 due to appointment of Ms. Garima Soni on the post of Non-Executive Director W.e.f. 23rd February, 2019.

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 as on 31st March 2019 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	18	18	Yes	1	0	1
Mrs. Seema Jain	18	18	Yes	1	0	1
Mr. Ashok Kabra	18	16	Yes	0	0	0
Mr. Vikas Gupta	18	16	Yes	0	0	0
Mr. Nishant Badala	18	18	Yes	1	2	0
Ms. Garima Soni	18	3*	No	0	0	0

* Ms. Garima Soni appointed on the post of Non-Executive Director w.e.f 23rd February, 2019.

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 08th September, 2018.

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 14 (Fourteen) times during the year on the 13.04.2018, 22.05.2018, 28.05.2018, 25.06.2018, 13.07.2018, 08.08.2018, 14.08.2018, 01.10.2018, 03.10.2018, 14.11.2018, 17.11.2018, 09.01.2019, 09.02.2019 & 11.03.2019.

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

Name of Members	Number of Meetings attended
Mr. Nishant Badala - Chairman	14
Mr. Vikas Gupta - Member	14
Mr. Ashok Kabra - Member	14

Internal Audit

The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee/Managing Director for their consideration.

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 2018-19 the committee met 4 Times on 22.05.2018, 08.08.2018, 14.11.2018, 09.01.2019.

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

Directors	Number of Meetings attended
Mr. Vikas Gupta –Chairman	4
Mr. Ashok Kabra - Member	4
Mrs. Seema Jain - Member	4

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 2018-19, 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 ₹ 120 Lacs 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, 2019 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.

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 19th 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 4 (Four) times during the year on 13.04.2018, 13.07.2018, 03.10.2018, 09.01.2019.

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	4
Mr. Ashok Kabra – Member	4
Mrs. Seema Jain – Member	4

There are no complaint received during the year and no complaint is pending as on 31st March, 2019.

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 two times during the year on 29.09.2018 and 11.03.2019. The details of attendance at the CSR Committee meeting are as under:

Directors	Number of Meetings attended
Mr. Nishant Badala – Chairman	2
Mr. Vinod K. Jain-Member	2
Mrs. Seema Jain – Member	2

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 Four times during the year on, 18-05-2018, 01-10-2018, 17-01-2019, 18-03-2019, the details of attendance at the Risk Management Committee meeting are as under:

Directors	Number of Meetings attended
Mr. Vinod K. Jain – Chairman	4
Ms. Seema Jain –Member	4
Mr. Vikas Gupta – Member	4

4) 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
Hotel Ambience Plot No. 8, Near Mahila Police Thana, 100 Feet Road, Roop Nagar, Bhuwana Opposite The Occasion Wedding & Special Event Garden, Udaipur, Rajasthan 313001	2015-2016	22 nd August, 2016 at 12:15 PM
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 details of special resolutions passed in AGM/EGM in the last 3 years are as follows:

AGM/EGM	Subject
17 th Annual General Meeting held on 22/08/2016	<ul style="list-style-type: none"> To approve transaction u/s 188 of companies act, 2013 To approve issue of Non - Convertible Debentures.
18 th 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
19 th 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.

Postal Ballot:

During the year two postal ballot resolutions passed dated 24.12.2018 and 23.02.2019.

a) Postal Ballot dated 24.12.2018

The members of the Company have passed five resolutions through electronic means and Postal Ballot as contained in the Postal Ballot Notice dated 19th November, 2018 results of which were declared on 24th December, 2018. The board had appointed Mr. Ketan Jain proprietor of M/s Ketan & Co., Practicing Chartered Accountant, Udaipur, as a Scrutinizer to conduct the postal ballot and E-Voting process in a fair and transparent manner.

The brief agendas are as under:

1. Revision in Remuneration of Managing Director of the Company.
2. Borrowing Powers under Section 180(1)(c) of Companies Act, 2013.
3. Charge Creation Power under Section 180(1)(a) of Companies Act, 2013.
4. Salary Advance to Managing Director of the Company.
5. Alteration in Article of Association of the Company.

The resolutions as contained in the Postal Ballot Notice dated 19th November, 2018 was passed with requisite majority.

Details of voting pattern of the Special Resolutions passed:

Details of Special Resolutions	No. of Votes Polled	Votes Cast in favour		Vote Cast against	
		No. of Votes	%	No. of Votes	%
Revision in Remuneration of Managing Director of the Company	614731	614566	99.97	165	0.03
Borrowing Powers under Section 180(1)(c) of Companies Act, 2013	7895849	7895849	100.00	0	0.00
Charge Creation Power under Section 180(1)(a) of Companies Act, 2013	7895849	7895849	100.00	0	0.00
Salary Advance to Managing Director of the Company	614652	614356	99.95	296	0.05
Alteration in Article of Association of the Company	7895849	7895684	99.998	165	0.002

b) Postal Ballot dated 23.02.2019

The members of the Company have passed three resolutions through electronic means and Postal Ballot as contained in the Postal Ballot Notice dated 21st January, 2019 results of which were declared on 23rd February, 2019. The board had appointed Mr. Ketan Jain proprietor of M/s Ketan & Co., Practicing Chartered Accountant, Udaipur, as a Scrutinizer to conduct the postal ballot and E-Voting process in a fair and transparent manner.

The brief agendas are as under:

1. To increase in Authorised Share Capital of the Company.
2. Further Issue of Equity Shares.
3. Appointment of Ms. Garima Soni as a Non-Executive Director of the company.

The resolutions as contained in the Postal Ballot Notice dated 21st January, 2019 was passed with requisite majority.

Details of voting pattern of the Special Resolutions passed:

Details of Special Resolutions	No. of Votes Polled	Votes Cast in favour		Vote Cast against	
		No. of Votes	%	No. of Votes	%
Increase in Authorised Share Capital of the Company	51202,63	51202,63	100.00	0	0.00
Further Issue of Equity Shares	51202,63	51202,63	100.00	0	0.00
Appointment of Ms. Garima Soni as a Non-Executive Director of the company	51202,63	5115778	99.91	4485	0.09

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

5) 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. SRG Housing 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, SRG Housing's website i.e. www.srghousing.com of the. 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. Accordingly, the annual report for 2018-19, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.

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

6) GENERAL SHAREHOLDER INFORMATION:

ANNUAL GENERAL MEETING:

Date and time:	30 th September, 2019, at 12:15 p.m.
Venue:	The Solitaire - Gardens and Banquets, Delhi Public School shobhagpura road, opposite Mahila police station, near Yois hotel, Bhuwana, Udaipur (Raj.),313001.
Book Closure Date:	24-09-2019 to 30-09-2019
Financial Year	1 st April to 31 st March

Financial Calendar 2019-20 (tentative):

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

Quarter ending June, 2019	By 14 th September 2019*
Quarter/ Half Year ending September, 2019	By 14 th December, 2019*
Quarter ending December, 2019	By 14 th February, 2020
Quarter/ Half Year/ Year ending March, 2020	Within 60 Days from 31 st March, 2020
Annual General Meeting	By September, 2020

* pursuant to SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016.

Particulars of Dividend for the year ended 31.03.2019:

No Dividend was declared or paid during the year 2018-19.

Listing of Equity Shares:

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

(Note: Annual Listing fees for the year 2019-20 was duly paid to the above stock exchange)

Listing of Debt Securities:

SRG Housing'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) ISIN allotted by Depositories (Company ID Number)	956825 INE559N07017

(Note: Annual Listing fees for the year 2019-20 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:

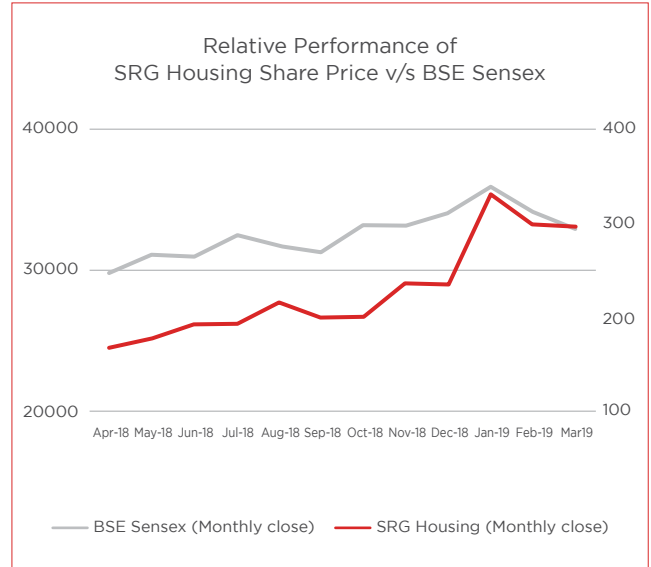
Catalyst Trusteeship Limited
(Formerly known as GDA Trusteeship Limited)
Address: Office No. 83 - 87, 8th floor, 'Mittal Tower', 'B' Wing, Nariman Point, Mumbai - 400021
Tel: +91 22 4922 0555. Fax: +91 22 4922 0505
Email: dt@ctltrustee.com,
Website: www.catalysttrustee.com

Stock Market Data:

The Bombay Stock Exchange Limited

Month	Open Price	High Price	Low Price	Close Price	BSE SENSEX (monthly close)
Apr-18	307.00	318.00	266.00	293.45	35160.36
May-18	294.00	318.00	272.10	295.50	35322.38
Jun-18	295.50	299.00	227.00	246.40	35423.48
Jul-18	249.00	249.75	198.25	234.00	37606.58
Aug-18	238.00	339.00	215.35	329.60	38645.07
Sep-18	330.00	340.00	233.00	235.00	36227.14
Oct-18	245.00	250.00	168.00	199.00	34442.05
Nov-18	199.00	277.00	195.05	228.25	36194.30
Dec-18	244.40	265.00	194.65	264.20	36068.33
Jan-19	260.00	272.00	221.05	232.90	36256.69
Feb-19	239.70	239.70	205.00	210.90	35867.44
Mar-19	211.05	268.00	210.30	253.00	38672.91

The listed NCDs did not trade during the financial year 2018-19.



Shareholding Pattern as on 31st March 2019:

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	5384083	5384083	41.42	41.42	-	-
b	Central Govt/ State Govt(s)	-	-	-	-	-	-	-
c	Fins / Banks	-	-	-	-	-	-	-
d	Any Other specify : Bodies Corporate	6	2226279	2226279	17.13	17.13	-	-
	Sub Total (A)(1)	18	7610362	7610362	58.54	58.54	-	-
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	7610362	7610362	58.54	58.54	-	-
(B)	Public shareholding							
1	Institutions							
a	Mutual Funds	-	-	-	-	-	-	-
b	Venture Capital Funds	-	-	-	-	-	-	-
c	Alternate Investment Funds	-	-	-	-	-	-	-
d	Foreign Venture Capital Investors	-	-	-	-	-	-	-
e	Foreign Portfolio Investors	1	53950	53950	0.42	0.42	-	-
f	Fin Inst/ Banks	-	-	-	-	-	-	-
g	Insurance Companies	-	-	-	-	-	-	-
h	Provident Fund/ Pension Fund	-	-	-	-	-	-	-
i	Any Other Specify	-	-	-	-	-	-	-
	Sub-Total (B)(1)	1	53950	53950	0.42	0.42	-	-

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
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	1314	1007599	1007559	7.75	7.75	-	-
	ii) Individual shareholders holding nominal share capital in excess of ₹-2 lac	43	3727187	3727187	28.67	28.67	-	-
b	NBFCs registered with RBI	-	-	-	-	-	-	-
c	Employee Trusts	-	-	-	-	-	-	-
d	Overseas Depositories (holdings DRs)(balancing figure)	-	-	-	-	-	-	-
e	Any Other (Specify):							
i.	Bodies Corporate	23	413222	413222	3.18	3.18	-	-
ii.	Clearing Member	11	16635	16635	0.13	0.13	-	-
iii.	HUF	54	82995	82995	0.64	0.64	-	-
iv.	NRI	36	88050	88050	0.68	0.68	-	-
	Sub-Total (B)(3)	1481	5335688	5335688	41.04	41.04	-	-
(B)	Total (B)= (B)(1)+(B)(2)+ (B)(3)	1482	5389638	5389638	41.46	41.46	-	-
(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)	1500	13000000	13000000	100.00	100.000	-	-

Distribution of Shareholding as on 31st March 2019:

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
UPTO TO 100	858	26899	0.21
101 TO 200	134	21682	0.17
201 TO 500	185	64705	0.50
501 TO 1000	75	59955	0.46
1001 TO 5000	101	222936	1.71
5001 TO 10000	58	467606	3.60
10001 TO 100000	58	1989252	15.30
100001 TO ABOVE	31	10146965	78.05
Total	1500	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 31.03.2019 to be transferred to Investor Education & Protection Fund.

Members who have either not received or have not encashed their dividend Cheques for the financial years 2014-2015 are requested to claim the unpaid dividend from the Company before transfer to the above mentioned fund.

Pursuant to section 125 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 in case your shares, unclaimed dividend thereon have been transferred to IEPF, you can claim the same by making an application directly to IEPF in the prescribed form under the IEPF Rules which is available on the website of IEPF i.e. www.iepf.gov.in.

Dividends that have not been claimed by the shareholders for the financial year 2014-15 will have to be transferred to the Investor Education and Protection Fund in April, 2022 in accordance with the provisions of the Companies Act. The details of the unclaimed dividend and the last date for claiming the same, prior to its transfer to the IEPF, are as under:

Financial Year	No. of Members who have not claimed their dividend	Unclaimed Dividend as on 31 st March , 2019	Unclaimed Dividend as % to Total Dividend	Date of Declaration	Last date for claiming the dividend prior to its transfer to IEPF.
2014-15	24	5025	0.17	11.03.2015	10.04.2022

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

Unclaimed shares:

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

Request to Investors:

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

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

Reconciliation of Share Capital:

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2019, 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 2019.

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.

Dematerialisation of Shares:

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

As at March 31st, 2019, 100 % of equity shares of SRG Housing 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 Sharex Dynamic (India) Pvt. Ltd.
 Registrars & Address:- C 101, 247 Park, LBS Marg,
 Share Transfer Vikhroli West Mumbai-400083
 Agents for Email Id:- support@sharexindia.com
 matters relating Website : www.sharexindia.com
 to shares Tel No:- +91 22 28515644/5606
 Fax: +91 22 8512885

For any other Ms. Sunaina Nagar
 general matters Company Secretary and
 or in case of Compliance Officer
 any difficulties / SRG Housing Finance Limited
 grievance 321, SM Lodha Complex,
 Near Shastri Circle, Udaipur,
 Rajasthan-313001
 Tel : 0294-2561882
 E-mail : info@srghousing.com

List of all credit ratings obtained by the entity:-

Sr. No.	Instrument	Rating Agency	Rating	Rating Action	Date of Rating
1	Long-Term Bank Facilities	CARE Ratings*	CARE BBB-; Stable	Withdrawn	01.09.2017 withdrawn with effect from 10 th December 2018)
2	Bank Loan	Brickwork Ratings	BWR BBB; Stable	Revised from BWR BBB; Stable	04.10.2018
3	NCD	Brickwork Ratings	BWR BBB; Stable	Revised from BWR BBB; Stable	04.10.2018

* the CARE Ratings has been withdrawn with effect from 10th December, 2018 on voluntary request of the Company.

7) OTHER DISCLOSURES:**Related party transaction:**

With the growing business and manpower in the Company and for adequate infrastructure for Head office, Company has taken New office premises at Udaipur on lease from Vinod K. Jain, Managing Director of the Company, this transaction along with the other transactions with him and his related entities during the year was pursuant to the Shareholder's approval obtained by the Company in its 17th Annual General Meeting and pursuant to prior approval from Audit Committee and Board of Directors. The details of Audit Committee approval has been provided under the Corporate Governance Report submitted with stock exchange pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015. All the related party transactions entered by the Company were at arms length and in the ordinary course of business of the Company.

There have been no materially significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large.

The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

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

<https://www.srghousing.com/Policy-On-RelatedParty>

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.

Vigil Mechanism/Whistle Blower:

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

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.

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.

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 M/s. Deepak Vijaywargey and Associates, a firm of 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-A".

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 Lacs)
Audit Fees	1.25
Tax Audit Fees	0.25
Certification Fees	0.25
Total	1.75

Declaration under Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:

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

An Internal Complaint Committee has been constituted to receive complaints, investigate matter and report to the management. Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the complaints received thereunder and the details relating thereto are as follows:

- Number of complaints pending at the beginning of the year: Nil
- Number of complaints received during the year: Nil
- Number of complaints disposed of during the year: Nil
- Number of cases pending at the end of the year: Nil

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8) COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:

Certificate from the Company's Secretarial Auditor M/s. Deepak Vijaywargey and Associates confirming compliance with conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015, is attached to this Report. "Annexure- VI"

9) 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.

10) AUDIT QUALIFICATIONS:

The Financial Statements of the Company are unqualified.

11) SEPARATE POSTS OF CHAIRMAN AND MANAGING DIRECTOR:

The Company has appointed only Managing Director of the Company.

12) REPORTING OF INTERNAL AUDITOR:

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

13) DECLARATION BY BOARD:

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

14) 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.

15) ACCOUNTING STANDARDS/ TREATMENT:

There has been no difference in the Accounting treatment from that of Accounting Standards. The financial statements for the year have been prepared in accordance with and in compliance of Schedule III notified by the Ministry of Corporate Affairs (MCA).

During FY19 the Provisions for Contingencies against Standard Assets and NPA has been routed through Profit & Loss statement, earlier it was appropriated through Reserves. Consequently, the related figures of FY18 has been restated accordingly.

16) MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report forms part of this Report.

17) 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- VII".

18) CODES AND STANDARDS:**Prevention of Insider Trading**

Consequent to the amendment of the SEBI (Prohibition of Insider Trading) Regulations, 2015 effective April 1, 2019, the Company's Share Dealing Code was revised to align the same with the regulations.

These identified persons as mentioned under the code are prohibited from trading in the securities of SRG Housing during the restricted trading periods notified by the Company, from time to time and while in possession of any unpublished price sensitive information relating to SRG Housing. The same can be read from the link: <https://www.srghousing.com/Policy-Insider-Trading>

Fair Practice Code:

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with customers and on the organization's policies vis-à-vis client protection. The FPC captures the spirit of the NHB's guidelines on fair practices for Housing Finance Companies Code of Conduct. The same can be read from the link: <https://www.srghousing.com/Fair-Practice-Code>

Vinod K. Jain
Managing Director
DIN: 00248843

Seema Jain
Director
DIN: 00248706

Date: - 29.05.2019
Place: - Udaipur

Annexure - V-A

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, Rajasthan, India

We have examined 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, Rajasthan, India (hereinafter referred to as 'the Company'), produced before me/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, 2019 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.	Vinod Kumar Jain	00248843	10/03/1999
2.	Seema Jain	00248706	10/03/1999
3.	Vikas Gupta	05280808	26/04/2012
4.	Ashok Kabra	00240618	07/05/2012
5.	Nishant Badala	06611795	14/05/2015
6.	Garima Soni	08336081	23/02/2019

Ensuring the eligibility of 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.

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

Deepak Vijaywargey
Proprietor
ACS No: 18221
C P No: 6321

Date: 29.05.2019
Place: Udaipur

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, 2019.

Date: 29.05.2019
Place: Udaipur

Vinod K. Jain
Managing Director
DIN: 00248843

Annexure - VI

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of
SRG HOUSING FINANCE LIMITED,

We have examined the compliance of conditions of Corporate Governance by SRG Housing Finance Limited (“the Company”), for the year ended on 31st March, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Deepak Vijaywargey
Proprietor
ACS No: 18221
C P No: 6321

Date: 29.05.2019
Place: Udaipur

Annexure - VII

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 : 29.05.2019

Vinod K. Jain
Managing Director
DIN: 00248843

Ashok Kumar
Chief Financial Officer

Annexure - VIII

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 2018-19.	Executive Director Mr. Vinod K. Jain- Managing Director- 125.07x
(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- 168% KMPs(Other than Managing Director) Mr. Ashok Kumar- 81.82% Ms. Sunaina Nagar- 66.67%
(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 226 permanent employees on the rolls of the Company, as on March 31, 2019.
(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 :12.32% The Average increase in the remuneration of Managerial Personnel : 33.97% 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 - IX

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>

SRG Housing shall endeavor to focus in the areas of various Activities as mentioned under the CSR policy of the Company such as Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects, promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups, Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts, Measures for the benefit of armed forces veterans, war widows and their dependents, Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports, Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other, backward classes, minorities and women, Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt, Rural development projects, Slum area development and Such other activities as are allowed under Section 135 of the Act read with Rules and schedule VII. For the Financial year 2018-19 SRG Housing contributed in the area of Promoting health care including preventive health care.

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: ₹ 666.16 Lacs
4. Prescribed CSR Expenditure (2% of the amount in Point 3 above): ₹ 13.33 Lacs
5. Details of CSR spent during the financial year:
 - a) Total amount spent during the financial year 2018-19: ₹ 0.21 Lacs
 - b) Amount unspent, if any: ₹ 13.12 Lacs

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 Lacs)	Amount spent on the projects or programs Sub head:- 1) Direct expenditure on Projects or Programs 2)Overheads; (₹ in Lacs)	Cumulative expenditure upto the reporting period (₹ in Lacs)	Amount spent: Direct or through implementing agency
1	Health and Medicine for mentally retarded/ handicapped children	Promoting health care including preventinve health care	-Udaipur (Rajasthan)	0.21	0.21	0.21	Lions Club

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. However, the company has just embarked on the journey of ascertained CSR programs, 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 spend 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 future 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.

Vinod K. Jain
Managing Director
(DIN: 00248843)

Mr. Nishant Badala
Chairperson of CSR Committee
(DIN: 06611795)

Place : Udaipur
Date : 29.05.2019



**FINANCIAL
STATEMENTS**

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, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 March 31, 2019.
- 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.

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.

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
Provision and Contingencies	We assessed that from Financial year 2018-19 onwards the Company adopted the procedure of routing provisions for contingencies against Standard Assets and NPA through Statement of Profit & Loss while previously it was appropriated through Reserve & Surplus. Consequently the figures of Profit after tax and related figures thereof of previous financial year have been restated accordingly. 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.

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

The Company's 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 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 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 is 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 are 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 Accounting Standards referred to in Section 133 of the Act read with Rule 7 of The Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, 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

Place: Udaipur
Date: 29.05.2019

Rishabh Jain
Partner
Membership No. 176309

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 any security or made any investment covered under Section 185 and 186 of the Act. Therefore, clause (iv) of paragraph 3 of the Order is not applicable.
5. As per the Ministry of Corporate Affairs notification dated March 31, 2014 the provisions of Sections 73 to 76 or any other relevant provisions of The Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. According to information and explanations given to us, the Company has not accepted any deposits during the year.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Sub-Section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
7. According to the information and explanations given to us:
 - a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, 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, 2019 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, 2019, 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 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: 29.05.2019

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, 2019 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, 2019, 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
Membership No. 176309

Place: Udaipur
Date: 29.05.2019

BALANCE SHEET

as at March 31, 2019

Particulars	Note No.	(Amount in ₹)	
		As at March 31, 2019	As at March 31, 2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	13,00,00,000	13,00,00,000
(b) Reserves and Surplus	3	42,88,63,820	29,03,11,089
Total Shareholder's Funds		55,88,63,820	42,03,11,089
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	2,02,18,66,442	1,33,69,32,099
(b) Deferred Tax Liabilities (Net)	5	47,19,123	32,35,823
(c) Long-term provisions	10	5,19,36,140	2,75,18,018
Total Non-Current Liabilities		2,07,85,21,705	1,36,76,85,940
(3) Current Liabilities			
(a) Short-term borrowings	6	33,96,609	1,23,87,368
(b) Trade Payables	7	-	-
Total outstanding due to Micro Enterprises and Small Enterprises		-	-
Total outstanding dues of creditors other than Micro Enterprises and small enterprises		67,17,274	56,02,598
(c) Other current liabilities	8	55,82,17,524	34,00,58,413
(d) Short-term provisions	10	5,64,79,193	3,12,74,236
Total Current Liabilities		62,48,10,600	38,93,22,615
Total		3,26,21,96,125	2,17,73,19,644
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	9		
(i) Tangible assets		1,53,07,465	1,10,54,875
(ii) Intangible assets		3,20,042	3,37,977
(iii) Capital Work in Progress		7,98,256	-
(b) Deferred tax assets (net)		-	-
(c) Long Term Loans and Advances	11		
(i) Long Term Portion Housing and Property Loans		2,43,28,84,413	1,70,42,63,388
(ii) Others		2,00,19,928	42,61,946
(d) Other non-current assets	12	8,07,49,789	5,14,43,386
Total Non-current assets		2,55,00,79,893	1,77,13,61,572
(2) Current assets			
(a) Current Investments	13	41,94,677	41,94,677
(b) Short Term Portion Housing and Property Loans	11	38,33,91,891	29,85,07,257
(c) Cash and cash equivalents	14	23,92,37,319	5,83,19,866
(d) Short-term loans and advances	15	8,52,92,345	4,49,36,272
Total Current assets		71,21,16,232	40,59,58,072
Total		3,26,21,96,125	2,17,73,19,644

The accompanying notes are an integral part of these financial statements
In terms of our report attached 1 to 32

As per our Report of even date

For & on Behalf of the Board

For **PKJ & CO.**

Chartered Accountants
FRN : 124115W

Vinod K. Jain
Managing Director
(DIN:00248843)

Seema Jain
Director
(DIN:00248706)

Rishabh Jain

Partner
Membership No. 176309

Sunaina Nagar
Company Secretary
(M.No. A40754)

Ashok Kumar
Chief Financial Officer

Place : Udaipur
Date :29.05.2019

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Revenue from operations	16	59,33,18,007	34,12,96,620
II. Other Income	17	15,98,298	13,16,624
III. Total Revenue		59,49,16,305	34,26,13,244
IV. Expenses:			
Employee benefit Expense	18	7,48,89,483	4,04,06,927
Financial Costs	19	23,00,93,406	11,27,10,614
Depreciation and Amortization Expense	9	55,33,137	44,01,139
Other Expenses	20	6,10,34,535	5,31,14,492
Provisions for Contingencies	21	2,37,07,470	2,07,79,612
V. Total Expenses		39,52,58,031	23,14,12,784
VI. Profit before tax (III-V)		19,96,58,274	11,12,00,460
VII. Tax expense:			
Current tax		5,64,79,193	3,12,74,236
Deffered Tax		14,83,300	(8,57,350)
VIII. Profit/(Loss) for the period (VI-VII)		14,16,95,781	8,07,83,574
IX. Earning per equity share:			
Basic & diluted		10.90	6.21

The accompanying notes are an integral part of these financial statements
In terms of our report attached 1 to 32

As per our Report of even date

For & on Behalf of the Board

For **PKJ & CO.**

Chartered Accountants

FRN : 124115W

Rishabh Jain

Partner

Membership No. 176309

Place : Udaipur

Date : 29.05.2019

Vinod K. JainManaging Director
(DIN:00248843)**Seema Jain**Director
(DIN:00248706)**Sunaina Nagar**Company Secretary
(M.No. A40754)**Ashok Kumar**

Chief Financial Officer

CASH FLOW STATEMENT

for the year ended March 31, 2019

(Amount in ₹)

Particulars	Figures as at end of the Current Reporting Period		Figures as at end of the Previous Reporting Period	
A. Cash flow from Operating Activities				
Net Profit before tax		19,96,58,274		11,12,00,460
Adjustments for:				
Depreciation	55,33,137		44,01,139	
Provision for NPA	2,23,43,941		1,72,50,067	
Provision for Standard Assets	13,63,528		35,29,545	
Other Provision	(31,43,050)	2,60,97,557	(12,32,942)	2,39,47,809
Operating profit / (loss) before working capital changes		22,57,55,831		13,51,48,269
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Loans and Advances (Housing & Property Loan)	(82,92,63,641)		(1,18,44,83,419)	
Short-term loans and advances	(4,03,56,073)		(2,62,17,496)	
Other non-current assets	(2,93,06,403)	(89,89,26,117)	(8,22,952)	(1,21,15,23,868)
Adjustments for increase / (decrease) in operating liabilities:				
Long-term provisions	7,10,652		-	
Other current liabilities	21,92,73,787		18,92,45,016	
Short-term provisions	2,52,04,957	24,51,89,397	1,91,60,526	20,84,05,542
Cash generated from operations		(42,79,80,889)		(86,79,70,057)
Net income tax (paid) / refunds		5,64,79,193		3,12,74,236
Net cash flow from / (used in) operating activities (A)		(48,44,60,083)		(89,92,44,293)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(1,05,66,048)	(1,05,66,048)	(82,88,994)	(82,88,994)
Net addition from Investment	-	-	-	-
Net cash flow from / (used in) investing activities (B)	(1,05,66,048)	(1,05,66,048)	23,01,149	(82,88,994)

CASH FLOW STATEMENT

for the year ended March 31, 2019

(Amount in ₹)

Particulars	Figures as at end of the Current Reporting Period		Figures as at end of the Previous Reporting Period	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		-	
Security Premium from issue of equity shares	-		-	
Dividend & Dividend Distribution Tax	-		-	
Proceeds from long-term borrowings	68,49,34,343		73,15,26,817	
Proceeds from Short-term borrowings	(89,90,759)	67,59,43,584	1,23,87,368	74,39,14,185
Net cash flow from / (used in) financing activities (C)		67,59,43,584		74,39,14,185
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		18,09,17,453		(16,36,19,102)
Cash and cash equivalents at the beginning of the year		5,83,19,866		22,19,38,968
Cash and cash equivalents at the end of the year		23,92,37,319		5,83,19,866

The accompanying notes are an integral part of these financial statements

In terms of our report attached

1 to 32

As per our Report of even date

For & on Behalf of the Board

For **PKJ & CO.**

Chartered Accountants

FRN : 124115W

Rishabh Jain

Partner

Membership No. 176309

Place : Udaipur

Date :29.05.2019

Vinod K. Jain

Managing Director

(DIN:00248843)

Seema Jain

Director

(DIN:00248706)

Sunaina Nagar

Company Secretary

(M.No. A40754)

Ashok Kumar

Chief Financial Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Financial Statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), and provisions referred to in Section 133 of The Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of The Companies Act, 2013 and accounting standards issued by The Institute of Chartered Accountants of India (ICAI) as applicable. The Company also follows the directions prescribed by the National Housing Bank (NHB) to the extent applicable.

A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the Company.

(b) 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.

i) Interest on Housing loans & Other Loans

Interest income on housing / other loans and other dues are accounted on accrual basis. Housing / other loans are classified into "Performing and Non- Performing assets" in terms of the directions issued by the NHB from time to time. Repayment of the Loans are by way of equated monthly installments (EMIs) comprising principal and interest. The interest is calculated on the outstanding Principal at monthly rest. EMIs commence once the entire loan is disbursed. Pending commencement of EMI, pre-equated monthly installment is payable every month. Interest on loan assets classified as "Non-Performing" is recognized only on actual receipt.

Income recognition on Non-Performing advances are made on realization basis in accordance with the NHB guidelines.

ii) Processing Fees and Other Loan Related 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 and Penal interest income on delayed EMI/Pre-EMI Interest are recognized on receipt basis, when the ultimate collection will be made.

iii) Income from Investment

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

(c) Property, Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impaired losses, if any.

Depreciation on PPE is provided on pro-rata basis on "Written Down Value Method" from the date of installation based on life assigned to each asset in accordance with Schedule II of The Companies Act, 2013.

(d) Intangible Assets & Amortization:

Intangibles Assets are stated at cost of acquisition (including any cost attributable to bringing the same in its working condition) less accumulated amortization.

Intangible assets are amortized over their estimated useful life of 3 years on Written Down Value Method. The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

(e) Impairment of Assets

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

(f) Leases

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

The company has taken running office premises under operating leases which are generally cancellable and have no specific obligation for renewal. The total lease payments are recognized as per lease terms in the Statement of Profit and Loss under 'Rent Expenses' under Note 20.

(g) Provision on Non-Performing Assets & for Diminution in Investment Value

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

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

(h) Investments

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

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

On sale of an investment, the difference between its carrying value and net sale proceeds is charged or credited in the Statement of Profit and Loss.

(i) 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

1.1. 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.

1.2. 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.

2) Defined Benefit Plan

2.1 Gratuity-:

The Company makes an annual contribution to the Gratuity fund administered by Trustees and managed by LIC based on the actuarial valuation at Balance Sheet date as on 31.03.2019. Actuarial gain and loss are recognized in the statement of Profit and Loss.

(j) Borrowing Costs

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

(k) Accounting For Taxes on Income

The accounting treatment for the Income Tax in respect of Company's Income is based on the Accounting Standard on "Accounting for taxes on Income" (AS 22). Income tax expenses is the aggregate amount of current tax and deferred tax charge, taxes on income are accrued in the same period as the revenue and expenses to which they relate. Current Tax is determined in accordance with the Income Tax Act 1961, on the amount of tax payable in respect of income for the year.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

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

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

(l) Earnings Per Share

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

Earnings per share (EPS) is calculated as follows:

Particulars	2018-19	2017-18
Net profit after tax (₹ In Crore)	14.17	8.08
Weighted Average Number of Equity Shares (No's)	1,30,00,000	1,30,00,000
Earnings Per Share- Basic and Diluted (In ₹)	10.90	6.21

(m) Goods and Service Tax Input Credit

Goods and Service Tax Input Credit is accounted for in the books in the period in which the

underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

(n) Net Profit

The Company calculates Net Profit or Loss for the period and changes in accounting policies, if any, in accordance with (AS 5) issued by The Institute of Chartered Accountants of India and other applicable laws.

(o) Assets repossessed under SARFAESI Act

The Company has repossessed certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving ₹ 0.14 Crores 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 related accounting policy.

(p) Provision and Contingencies

A Provision is recognized:

- when a present obligation arises as a result of past events,
- Such obligation will require an outflow of resources embodying economic benefit for settlement.
- A reliable amount of such obligation can be measured by using a substantial degree of estimation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

2. SHARE CAPITAL

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Authorized Share Capital :		
1,60,00,000 Equity Shares of ₹ 10 /- Each	16,00,00,000	15,00,00,000
(P.Y. 1,50,00,000 Equity Shares of ₹ 10 /- Each)		
Issued , Subscribed & Paid up :		
(1,30,00,000 Equity shares of ₹ 10 /- Each)		
(P.Y. 1,30,00,000 Equity shares of ₹ 10 /- Each)	13,00,00,000	13,00,00,000
Total	13,00,00,000	13,00,00,000

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	1,30,00,000	13,00,00,000	1,30,00,000	13,00,00,000
Share issued during the year	-	-	-	-
Bonus share issued during the year	-	-	-	-
Initial Public Offering (IPO)	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,30,00,000	13,00,00,000	1,30,00,000	13,00,00,000

Aggregate number of shares allotted as fully paid-up by way of Bonus Shares (During 5 years immediately preceding March 31, 2019) :

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

The details of Shareholding more than 5 % shares

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares Held	%	No. of Shares Held	%
Vinod Kumar Jain	15,65,119	12.04	15,65,119	12.04
Ambitious Associates Pvt Ltd	7,56,060	5.82	7,56,060	5.82

Terms/Rights attached to Equity Shares

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

3. RESERVE AND SURPLUS

	As at March 31, 2019	As at March 31, 2018
Special Reserve		
(in accordance with section 36(1)(viii) of Income tax act,1961 and Section 29 (C) of NHB Act 1987)		
As per Last Balance Sheet	3,86,88,400	1,91,88,400
Add : Transferred from Profit and Loss Account	3,20,00,000	1,95,00,000
Total	7,06,88,400	3,86,88,400
Securities Premium		
As per Last Balance Sheet	13,77,02,000	13,77,02,000
Add: Received during the year	-	-
Less: Utilized for issue of bonus shares	-	-
Total	13,77,02,000	13,77,02,000
Surplus		
As per last Balance Sheet	11,39,20,689	5,28,47,880
Add : Profit for the period	14,16,95,781	8,07,83,574
Total	25,56,16,470	13,36,31,454
Less : Appropriations		
Transfer to Special Reserve *	3,20,00,000	1,95,00,000
Assets W/o as per co. act 2013	-	-
Def. Tax Liab. On special I.T. Reserve	31,43,050	2,10,765
Excess Prov. For Income Tax 1961	-	-
Interim Equity Dividend	-	-
Dividend Distribution Tax	-	-
	3,51,43,050	1,97,10,765
	22,04,73,420	11,39,20,689
Total	42,88,63,820	29,03,11,089

* As per section 29C of the NHB Act, 1987, the company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under section 36 (1) (VIII) of The Income Tax Act, 1961 is considered to be an eligible transfer. The Company has transferred an amount of ₹ 316.00 Lacs (Previous Year ₹ 184.00 Lacs) to special reserve in terms of Section 36 (1) (VIII) of the Income Tax Act, 1961. The Company doesn't anticipate any withdrawal from special reserve in foreseeable future.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

4. LONG TERM BORROWINGS

	Non Current Portion		Current Portion	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Secured Borrowings				
Term Loan:				
- National Housing Bank	2,86,70,000	4,27,50,000	1,05,60,000	1,05,60,000
- Banks	1,14,22,53,019	91,80,77,896	31,29,29,250	22,16,78,420
- Other Financial Institution	72,59,43,483	19,93,80,100	14,92,12,216	3,62,76,097
- Debentures	12,49,99,940	17,67,24,103	5,17,24,162	5,17,24,163
	2,02,18,66,442	1,33,69,32,099	52,44,25,628	32,02,38,680
Current Maturity of Long -Term Borrowings Disclosed under the head			-	
"Other Current Liabilities" (Refer Note 8)			(52,44,25,628)	(32,02,38,680)
	2,02,18,66,442	1,33,69,32,099	-	-

4.1) Nature of Security

- 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, debts/Lien on specific FDR's and Personal Guarantee of specific Directors and Third party guarantee.
- 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 (pari passu charge) of specific immovable property situated at Chennai in favour of debenture trustee.
- 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

4.2) Terms of Repayment of Term Loans and Debentures

Previous Year figures are in (bracket)

(₹ in Crores)

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Year to 7 Years	Over 7 Year to 10 Years	Total
Secured						
Term Loans						
From Banks	31.29	61.53	45.56	7.14	-	145.52
ROI 9.90 to 11.36%						
(Variable linked to Bank MCLR)	(22.16)	(50.03)	(36.24)	(5.55)	-	(113.98)
From National Housing Bank						
ROI 8.25 to 9.25%	1.06	2.78	0.08	-	-	3.92
	(1.06)	(2.82)	(1.45)	-	-	(5.33)
From Financial Institutions						-
ROI 10.65-12.75%	14.92	32.77	28.64	10.14	1.05	87.52

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

Previous Year figures are in (bracket)

(₹ in Crores)

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Year to 7 Years	Over 7 Year to 10 Years	Total
	(3.63)	(8.72)	(7.87)	(1.78)	(1.56)	(23.56)
Non- convertible Debentures						-
Secured Redeemable Non Convertible Debentures	5.17	10.34	2.16	-	-	17.67
ROI 10.90%	(5.17)	(10.34)	(7.33)	-	-	(22.84)
Total	52.44	107.42	76.44	17.28	1.05	254.63
	(32.02)	(71.91)	(52.89)	(7.33)	(1.56)	(165.71)

5. DEFERRED TAX LIABILITIES/(ASSETS) NET

	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Provision for Contingencies	(1,15,14,692)	(53,50,750)
Provision for Employee Benefits	(1,56,233)	-
Depreciation on Fixed Assets (Timing difference of depreciation under Co. Act and Income Tax Act)	(11,01,023)	(6,84,688)
	(1,27,71,948)	(60,35,438)
Deferred Tax Liability		
Special Reserve u/s 36(1) (viii) of IT Act 1961	1,74,91,071	92,71,261
Total	47,19,123	32,35,823

6. SHORT TERM BORROWINGS

	As at March 31, 2019	As at March 31, 2018
Secured		
Loans repayable on Demand		
From : Bank		
Cash Credit Facility	33,96,609	1,23,87,368
	33,96,609	1,23,87,368

Loans repayable on demand from Bank 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 Bank for recovery of dues, Lien on specific FDR's and Personal Guarantee of Mr. Vinod Kumar Jain MD, Mrs. Seema Jain Director and Third party guarantee of Mr. GL Jain and Mr. Rajesh Jain.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

7. TRADE PAYABLES

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payable due to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act. 2006	-	-
Trade Payables due to creditors other than Micro Enterprises and small enterprises	67,17,274	56,02,598
	67,17,274	56,02,598

Trade Payables of ₹ 67.17 Lacs (Previous Year ₹ 56.03 Lacs) includes ₹ NIL (Previous Year ₹ NIL) payable to suppliers registered under the Micro, Small and Medium Enterprises and Development Act, 2006 which has been determined to the extent such parties have been identified on the basis of information available with the SRG. No interest has been paid/payable by SRG during the year to the suppliers covered under Micro, Small and Medium Enterprises and Development Act, 2006.

8. OTHER CURRENT LIABILITIES

	As at March 31, 2019	As at March 31, 2018
Current Maturity of Long-Term Borrowings (Refer Note 4)	52,44,25,628	32,02,38,680
Expenses Payable	1,44,45,665	27,41,302
Unclaimed Dividend	5,025	5,025
Interest accrued but not due on Debentures	5,80,527	6,81,800
Interest accrued but not due on borrowings	29,04,145	10,77,675
Other Current Liabilities	85,69,623	1,20,48,361
Duties and Taxes	72,86,911	32,65,570
Total	55,82,17,524	34,00,58,413

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

9. PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block At Cost		Depreciation/Amortization		Net Block		
	As At April 1, 2018	Addition Deduction/ Sale	As At April 1, 2018	For The Year	As At March 31, 2019	As At March 31, 2019	As At March 31, 2018
A) TANGIBLE ASSETS							
Computers	36,60,833	22,24,147	18,17,757	15,94,504	34,12,261	24,72,719	18,43,076
Land*	4,34,275	-	-	-	-	4,34,275	4,34,275
Office Equipments	29,55,384	10,31,420	17,98,642	7,65,429	25,64,071	14,22,733	11,56,742
Motor Cars**	1,00,74,256	38,84,429	70,77,042	13,25,564	84,02,606	55,56,079	29,97,214
Motor Cycles	1,03,470	-	51,519	13,450	64,969	38,501	51,951
Franking Machine	1,80,110	-	1,71,105	-	1,71,105	9,005	9,005
Furniture & Fixture	61,28,331	22,47,433	15,65,719	14,35,892	30,01,611	53,74,153	45,62,612
Sub Total	2,35,36,659	93,87,429	1,24,81,784	51,34,839	1,76,16,623	1,53,07,465	1,10,54,875
Previous Year	1,59,35,355	76,01,304	84,30,358	40,51,426	1,24,81,784	1,10,54,875	75,04,997
B) INTANGIBLE ASSETS							
Software	6,87,690	3,80,363	3,49,713	3,98,298	7,48,011	3,20,042	-
Sub Total	6,87,690	3,80,363	3,49,713	3,98,298	7,48,011	3,20,042	-
Previous Year	6,87,690	-	-	3,49,713	3,49,713	3,37,977	-
C) Capital Work in Progress							
Furniture & Fixture WIP	-	7,98,256	-	-	-	7,98,256	-
Sub Total	-	7,98,256	-	-	-	7,98,256	-
Previous Year	-	-	-	-	-	-	-
Total (A+B)	2,42,24,349	1,05,66,048	1,28,31,497	55,33,137	1,83,64,634	1,64,25,763	1,10,54,875
P.Y Total(A+B)	1,59,35,355	82,88,994	84,30,358	44,01,139	1,28,31,497	1,13,92,852	75,04,997

*Land is mortgaged by pari passu charge under Redeemable Non -Convertible Debentures

**Specific Motor Car hypothecated under Term Loan from Banks

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

10. PROVISIONS

	Non Current Portion		Current Portion	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for Taxation				
For A. Y 18-19	-	-	-	31274236
For A. Y 19-20	-	-	5,64,79,193	-
Provision for Contingencies				
Against NPA	4,25,72,275	2,02,28,334	-	-
Against Standard Assets	86,53,212	72,89,684	-	-
Provision for Gratuity	7,10,653	-	-	-
Total	5,19,36,140	2,75,18,018	5,64,79,193	3,12,74,236

11. LONG TERM LOANS AND ADVANCES

	Non Current Portion		Current Portion	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
LONG TERM HOUSING & PROPERTY LOANS				
Secured considered good unless stated otherwise				
Housing Loans	1,76,06,62,741	1,32,02,76,438	30,34,70,755	26,36,03,753
Property Loans	67,22,21,672	38,39,86,950	7,99,21,136	3,49,03,504
	2,43,28,84,413	1,70,42,63,388	38,33,91,891	29,85,07,257
Others:				
(Unsecured, considered good)				
Security Deposits/Rent Deposits	1,93,06,580	41,16,680	-	-
Advance recoverable in cash or in kind	7,13,348	1,45,266	-	-
Total	2,00,19,928	42,61,946	-	-
	1,78,06,82,669	1,32,45,38,384	30,34,70,754	26,36,03,753

Loans and instalments due from borrowers are secured by Mortgage of property and/or personal guarantees of Borrowers/Co-Borrowers/Third party guarantees.

12. OTHER NON CURRENT ASSETS

	As at March 31, 2019	As at March 31, 2018
Capital Advances	-	15,00,000
Deferred Expenses:		
Prepaid Expenses	3,52,19,700	2,82,37,170
Deferred Expenses	-	50,000
Non current Portion of Balances with Bank in Deposit Accounts(Refer Note No.14)	4,55,30,089	2,16,56,216
Total	8,07,49,789	5,14,43,386

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

13. CURRENT INVESTMENT

	Face Value	As at March 31, 2019		As at March 31, 2018	
		Nos.	Amount	Nos.	Amount
Trade Investment					
Investment in Equity Instruments-Quoted					
S R G SECURITIES FINANCE LIMITED	10	1,50,000	41,94,677	1,50,000	41,94,677
Total		1,50,000	41,94,677	1,50,000	41,94,677
Aggregated Market Value of Quoted Investment			62,92,500		63,75,000
Provision for Diminution in value of Investment			-		-
Provision Already Made			-		10,22,177
Provision Required			-		(10,22,177)
			62,92,500		41,94,677

14. CASH & CASH EQUIVALENTS

	As at March 31, 2019	As at March 31, 2018
Cash on Hand	20,83,755	16,79,126
Balance With Banks		
A. In Current Account/ Dr. Balance in CC account	16,69,08,205	86,09,997
B Fixed Deposits with maturity up to twelve months from reporting Date	7,02,40,334	4,80,25,718
C. Fixed Deposits with maturity more than twelve months	4,55,30,089	2,16,56,216
D. Balance in unpaid dividend account	5,025	5,025
{Deposits amounting to 1157.37 Lacs (696.46 Lacs) provided as cash collateral towards Borrowings}		
TOTAL CASH AND BANK BALANCES	28,47,67,408	7,99,76,082
LESS: AMOUNTS DISCLOSED UNDER NON CURRENT ASSETS (Refer Note No.12)	4,55,30,089	2,16,56,216
Total Net Cash and Bank Balances	23,92,37,319	5,83,19,866

15. SHORT TERM LOANS AND ADVANCES

	As at March 31, 2019	As at March 31, 2018
Unsecured Considered Good		
Advance Tax and TDS	5,00,48,912	2,40,36,307
Secured Considered Good		
Interest Accrued but not due	2,80,43,496	1,98,99,051
Prepaid Exp.	10,22,229	4,46,676
Other Advance	48,52,700	4,19,058
GST Input Receivable	13,25,008	1,35,180
Total	8,52,92,345	4,49,36,272

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

16. REVENUE FROM OPERATIONS

	As at March 31, 2019	As at March 31, 2018
Interest on Housing and property loans	53,59,10,541	28,81,73,284
Other Income from operation	2,62,23,858	1,88,48,339
Processing Fee	2,43,13,092	2,88,49,091
Interest on FDR's	68,70,516	54,25,906
Total	59,33,18,007	34,12,96,620

17. OTHER INCOME

	As at March 31, 2019	As at March 31, 2018
Income From Mutual Fund	15,45,291	2,94,447
Other Earnings	53,007	-
Provision for Investment	-	10,22,177
Total	15,98,298	13,16,624

18. EMPLOYEE BENEFIT EXPENSES

	As at March 31, 2019	As at March 31, 2018
Salaries and Bonus	7,16,04,107	3,86,91,593
Contribution to Provident Fund and other Funds	32,85,376	17,15,334
Total	7,48,89,483	4,04,06,927

19. FINANCIAL COST

	As at March 31, 2019	As at March 31, 2018
Interest on Loans from Banks and FI's	19,51,24,375	8,76,20,907
Interest on Refinance from NHB	40,93,310	52,91,155
Interest on Non-convertible Debentures	2,22,23,902	1,38,39,804
Bank Charges and other borrowing cost	86,51,819	59,58,748
Total	23,00,93,406	11,27,10,614

20. OTHER EXPENSES

	As at March 31, 2019	As at March 31, 2018
Advertisement	6,30,000	12,84,446
Auditors Remuneration (Refer note 22)	1,75,000	1,50,000
Vehicle Running & Maintenance	16,76,665	13,22,939
CIBIL EXP.	10,09,925	3,72,045
Computer Maintenance	5,76,083	8,53,557
Electricity	6,51,983	2,22,247
Insurance	2,79,549	1,66,940
Legal & Professional Fees	1,64,57,903	1,20,84,502
Office Expenses	45,48,270	25,66,955
Postage and Telegramme	5,46,531	1,93,835
Printing and Stationery	13,15,082	9,39,288
Rent	83,76,309	43,08,001
Communication Expenses	10,82,706	7,63,734
Travelling and Conveyance	10,96,386	14,97,699

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

	As at March 31, 2019	As at March 31, 2018
Commission	65,92,354	1,19,87,899
Business Promotion Exp.	46,55,712	30,80,876
Recovery and Inspection	8,23,050	15,52,742
Branch Expenses	23,39,883	59,67,486
Miscellaneous Exp. Written Off	50,000	12,81,760
GST Reversal Expenses	7,72,214	12,33,858
CSR Expenses (Refer note 23)	21,000	-
Other Expenses	73,57,930	12,83,684
Total	6,10,34,535	5,31,14,492

21. PROVISION FOR CONTINGENCIES

	As at March 31, 2019	As at March 31, 2018
Against NPA	2,23,43,941	1,72,50,067
Against Standard Assets	13,63,529	35,29,545
Total	2,37,07,470	2,07,79,612

22. AUDITOR'S REMUNERATION INCLUDES

Particulars	(₹ in Lakh)	
	March 31, 2019	March 31, 2018
Audit Fees	1.25	1.00
Tax Audit Fees	0.25	0.25
Certification Fees	0.25	0.25
Total	1.75	1.50

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

Gross amount required to be spent by the Company during the year: ₹ 13.33 Lacs (Previous Year Nil as the CSR is applicable on the Company with effect from Financial Year 2018-19).

Amount spent during the year is ₹ 21000/- for Health and Medicine for mentally retarded/handicapped children.

The unspent amount of ₹ 13.12 Lakh is carried forward as per provisions of Companies Act, 2013 with the aim to go in for appropriate projects in the coming financial years.

- 24.** In the opinion of management the current assets and advances are approximately of the value as stated if realized in the ordinary course of business unless otherwise stated. The provisions for all liabilities are adequate and not in excess / shortage of the amount reasonably necessary.
- 25.** During the year, there was one employee, Mr. Vinod K. Jain, Managing Director employed throughout the year who was in receipt of remuneration of ₹ 2.25 Crores per annum.
- 26.** The Provisions for Contingencies against Standard Assets and NPA has been routed through Profit & Loss statement from FY19, earlier it was appropriated through Reserves. Consequently, the related figures of FY 18 has been restated accordingly. The Net Impact on Profit and Loss Statement is summarized below :-

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

(₹ in Crores)

Particulars	Amount Before Routing Provision for Contingencies Through Profit and Loss		Amount After Routing Provision for Contingencies Through Profit and Loss		Net Impact on Profit and Loss Statement	
	FY19	FY18	FY19	FY18	FY19	FY18
Provision for Contingencies			2.37	2.08		
Profit Before Tax	22.34	13.20	19.97	11.12	(2.37)	(2.08)
Profit After Tax	15.92	9.62	14.17	8.08	(1.75)	(1.54)
EPS (₹)	12.25	7.40	10.90	6.21	(1.35)	(1.19)

27. Previous year figures have been regrouped / reclassified / rearranged wherever necessary to correspond with current year's classification disclosure.
28. 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.

29. 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.

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)

Table Showing Change in the Present Value of Projected Benefit Obligation	(₹ in Lakh) (Current Year)
Present Value of Benefit Obligation	1.94
Interest Cost	0.15
Current Service Cost	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)	-
(Benefit Paid Directly by the Employer)	-
(Benefit Paid From the Fund)	-
The Effect Of Changes in Foreign Exchange Rates	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

Table Showing Change in the Present Value of Projected Benefit Obligation	(₹ in Lakh) (Current Year)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	2.19
Present Value of Benefit Obligation at the End of the Period	7.11

Table Showing Change in the Fair Value of Plan Assets	(Current Year)
Fair Value of Plan Assets	1.94
Expected Return on Plan Assets	0.15
Contributions by the Employer	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	(0.36)
Fair Value of Plan Assets at the End of the Period	3.73

Actual Return on Plan Assets	(Current Year)
Expected Return on Plan Assets	0.15
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.36)
Actual Return on Plan Assets	(0.21)

Amount Recognized in the Balance Sheet	(Current Year)
(Present Value of Benefit Obligation at the end of the Period)	(7.11)
Fair Value of Plan Assets at the end of the Period	3.73
Funded Status (Surplus/ (Deficit))	(3.37)
Unrecognized Past Service Cost at the end of the Period	-
Net (Liability)/Asset Recognized in the Balance Sheet	(3.37)

Expenses Recognized in the Statement of Profit or Loss for Current Period	
Current Service Cost	2.83
Net Interest Cost	-
Actuarial (Gains)/Losses	2.54
Past Service Cost - Non-Vested Benefit Recognized During the Period	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

Expenses Recognized in the Statement of Profit or Loss for Current Period	
Past Service Cost - Vested Benefit Recognized During the Period	-
(Expected Contributions by the Employees)	-
(Gains)/Losses on Curtailments And Settlements	-
Net Effect of Changes in Foreign Exchange Rates	-
Change in Asset Ceiling	-
Expenses Recognized in the Statement of Profit or Loss	5.37

Balance Sheet Reconciliation	
Opening Net Liability	-
Expense Recognized in Statement of Profit or Loss	5.37
Net Liability/(Asset) Transfer In	-
Net (Liability)/Asset Transfer Out	-
(Benefit Paid Directly by the Employer)	-
(Employer's Contribution)	(2.00)
Net Liability/(Asset) Recognized in the Balance Sheet	3.37

Assumptions (Current Period)	
Expected Return on Plan Assets	7.59%
Rate of Discounting	7.59%
Rate of Salary Increase	5.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)

- 30.** The Company does not have any exposure in foreign currency at the year end.
- 31.** The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc. of houses to Individuals, Corporate Bodies, Builders and Co-operative Housing Societies and or loan against properties and has its operations within India. Accordingly, there are no separate Business and geographical reportable segment, as per the Accounting Standard on 'Segment Reporting' (AS 17) issued by The Institute of Chartered Accountants of India notified under The Companies (Accounting Standards) Amendment Rules, 2011.
- 32.** As required by National Housing Bank's Notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 and in terms of the Circular no. NHB/ND/DRS/PoI-No. 35/2010-11 dated October 11, 2010, the following additional disclosures are given as under:

32.1 CAPITAL TO RISK ASSETS RATIO (CRAR)

Items	₹ In Crore)	
	Current Year	Previous Year
i) CRAR (%)	30.27	33.38
ii) CRAR - Tier I Capital (%)	29.78	32.76
iii) CRAR - Tier II Capital (%)	0.49	0.62
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

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

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

		(₹ In Crore)	
Particulars	Current Year	Previous Year	
Balance at the beginning of the year			
a) Statutory Reserve u/s 29C of the National Housing Bank Act,1987;	0.48	0.37	
b) Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	3.39	1.55	
c) Total	3.87	1.92	
Addition/Appropriation/Withdrawal during the year			
Add:			
a) Amount transferred u/s 29C of the NHB Act,1987;	0.04	0.11	
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;	3.16	1.84	
Less:			
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act,1987;	0.00	0.00	
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act,1987	0.00	0.00	
Balance at the end of the year			
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.52	0.48	
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	6.55	3.39	
c) Total	7.07	3.87	

32.3 INVESTMENTS

		(₹ In Crore)	
Particulars	Current Year	Previous Year	
(A) Value of Investments			
(i) Gross Value of Investments			
(a) In India	0.42	0.42	
(b) Outside India	0.00	0.00	
(ii) Provision for Depreciation			
(a) In India	0.00	0.00	
(b) Outside India	0.00	0.00	
(iii) Net Value of Investments			
(a) In India	0.42	0.42	
(a) Outside India	0.00	0.00	
(B) Movement of Provisions held towards depreciation on investments			
(i) Opening Balance	0.00	0.10	
(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	0.10	
(iv) Closing Balance	0.00	0.00	

32.4 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

32.5 ASSET LIABILITY MANAGEMENT

(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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Borrowings	3.97	3.61	4.12	13.13	27.95	107.43	76.43	17.28	1.05	0.00	254.97
Market Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Currency Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets:											
Advances	2.25	3.12	3.13	9.55	20.28	86.63	79.98	48.34	28.15	0.20	281.63
Investments	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.00	0.00	0.00	0.42
Other Liquid Assets	16.90	0.00	0.10	0.00	6.92	0.50	0.94	3.11	0.00	0.00	28.47
Foreign Currency Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Particulars	(₹ In Crores)										
	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:											
Borrowings	3.84	2.03	2.02	7.33	18.05	71.91	52.89	7.33	1.56	0.00	166.96
Market borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Currency Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets:											
Advances	3.49	2.24	2.28	7.02	14.82	49.42	53.60	42.86	24.42	0.13	200.28
Investment	0.00	0.00	0.00	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.42
Other Liquid Assets	1.03	0.00	0.00	0.00	4.80	2.17	0.00	0.00	0.00	0.00	8.00
Foreign Currency Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

32.6.1 EXPOSURE TO REAL ESTATE SECTOR

		(₹ In Crore)	
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;	91.41	59.00
	Individual Housing Loan up to ₹ 15 Lacs	179.48	128.51
(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;	10.74	12.77
(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

32.6.2 EXPOSURE TO CAPITAL MARKET

		(₹ In Crore)	
Particulars		Current Year	Previous Year
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.00	0.00
(ii)	Advance against shares/bonds/debentures or other securities or on clean basis to individual for investment in shares (including IPOs/ESOPs), Convertible bonds, convertible debentures, and units of equity -oriented mutual funds;	0.00	0.00
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.00	0.00
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares /convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	0.00	0.00
(vi)	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
(vii)	Bridge loans to companies against expected equity flows/issues;	0.00	0.00
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	0.00	0.00
Total Exposure to Capital Market		0.00	0.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

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

32.8 The Company has not obtained any unsecured loans during the year.

32.9 The Company has obtained following registrations from any other financial sector regulator:

- (i) Renewal of registration of the Company as LEI (Legal Entity Identifier) as required by RBI.
- (ii) Registration of Company as convergence partner with NCH (National Consumer Helpline) through software "INGRAM" as directed by NHB.
- (iii) The Company has registered itself with the Information Utility [NeSL (National E Governance Services Ltd.)] as required under Insolvency & Bankruptcy Code, 2016

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

32.11 RELATED PARTY DISCLOSURES

A. List of Related Parties with whom transactions have taken place and relationships

Name of Related Party	Nature of Relationship
Vinod Kumar Jain	Managing Director (KMP)
Seema Jain	Non-executive Director & Relative of KMP
Vinod Jain HUF	HUF of Vinod Kumar Jain, Managing Director
Archis Jain	Relative of KMP

B. Transactions carried out with the related parties in the ordinary course of business during the year are as follows:

Item/ Related Party	₹ in Crore	
	Key Management Personnel	Relative of Key Management Personnel
Remuneration /Salary	2.25	0.16
Leasing arrangements Rent Paid	0.31	0.21

Details of balances with related parties

Item/ Related Party	As at 31.03.2019 (₹ in Crore)	
	Key Management Personnel	Relative of Key Management Personnel
Rent Deposit	1.50	0.03

Terms and condition of transactions with related parties

The sale of services to related parties is made on terms equivalent to those that prevail in arm's length transactions.

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

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

Sr. No.	Instrument	Rating Agency	Rating	Rating Action	Date of Rating
1	Long-Term Bank Facilities	CARE Ratings*	CARE BBB-; Stable	Withdrawn	withdrawn with effect from 10 th December 2018)
2	Bank Loan	Brickwork Ratings	BWR BBB; Stable	Revised from BWR BBB; Stable	04.10.2018
3	NCD	Brickwork Ratings	BWR BBB;Stable	Revised from BWR BBB; Stable	04.10.2018

*the CARE Ratings has been withdrawn with effect from 10th December, 2018 on voluntary request of the Company.

32.13 During the financial year 2018-19, no payment is made to Non-Executive Directors.

32.14 DURING THE YEAR

- no prior period items occurred which has impact on profit and loss account;
- there was no change in any accounting policy but the Provisions for Contingencies against Standard Assets and NPA has been routed through Profit & Loss statement from FY19, earlier it was appropriated through Reserves. Consequently, the related figures of FY18 has been restated accordingly;
- there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties ;
- there was no withdrawal from Reserve fund;
- Company has not accepted public deposits,
- Company does not consists of any Overseas Assets; and
- Company does not consists Off-balance Sheet SPVs sponsored (which are required to be consolidated as per Accounting Norms).

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

32.16 PROVISIONS

		(₹ In Crore)	
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	5.65	3.13
3.	Provision towards NPA	2.23	1.73
4.	Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	0.14	0.35
5.	Other Provision and Contingencies (with details)	0.00	0.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

(₹ In Crore)

Break up Loan & Advances and Provisions thereon	Housing		Non-Housing	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
(a) Total Outstanding Amount*	203.85	155.68	75.05	41.60
(b) Provisions Made	0.56	0.55	0.31	0.18
(c) Provisions Required	0.56	0.55	0.31	0.18
Sub-Standard Assets				
(a) Total Outstanding Amount	2.71	1.53	0.78	0.24
(b) Provisions Made	1.54	0.75	0.67	0.04
(c) Provisions Required	0.41	0.23	0.12	0.04
Doubtful Assets-Category-I				
(a) Total Outstanding Amount	0.87	0.87	0.00	0.05
(b) Provisions Made	0.87	0.87	0.00	0.05
(c) Provisions Required	0.22	0.22	0.00	0.01
Doubtful Assets-Category-II				
(a) Total Outstanding Amount	0.99	0.15	0.05	0.00
(b) Provisions Made	0.99	0.15	0.05	0.00
(c) Provisions Required	0.39	0.06	0.02	0.00
Doubtful Assets-Category-III				
(a) Total Outstanding Amount	0.13	0.16	0.00	0.00
(b) Provisions Made	0.13	0.16	0.00	0.00
(c) Provisions Required	0.13	0.16	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	208.55	158.39	75.88	41.89
(b) Provisions Made	4.09	2.48	1.03	0.27

* 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 and has maintained cumulative NPA provision of ₹ 4.25 Crores (Previous year ₹ 2.02 Crores)

NOTES FORMING PART OF FINANCIAL STATEMENTS

For the year ended March 31, 2019

The Category of Doubtful Assets will be as under:

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

DETAILS OF MOVEMENT IN PROVISIONS

(₹ In Crore)

Particulars	Opening as on 01.04.2018	Provisions made during the year	Provisions reversed/ adjusted	Closing as on 31.03.2019
Bad & Doubtful Debts	2.02	4.25	2.02	4.25
Taxation	3.13	5.65	3.13	5.65
Standard Assets	0.73	0.87	0.73	0.87
Investment	0.00	0.00	0.00	0.00

32.17.1 CONCENTRATION OF LOANS & ADVANCES

(₹ In Crore)

Particulars	Current Year	Previous Year
Total Loans & Advances to Twenty largest borrowers	17.11	20.54
Percentage of Loans & Advances to Twenty largest borrowers to Total Advances of the HFC	6.08%	10.26%

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

(₹ In Crore)

Particulars	Current Year	Previous Year
Total Loans & Advances to Twenty largest Borrowers/Customers	17.11	20.54
Percentage of Exposures to Twenty largest Borrowers/Customers to Total Exposure of the HFC on Borrowers/Customers	6.08%	10.26%

32.17.3 CONCENTRATION OF NPAs

(₹ In Crore)

Particulars	Current Year	Previous Year
Total Exposure to Top Ten NPAs Accounts	2.40	2.04

32.17.4 SECTOR-WISE NPAs

S. No.	Sector	Percentage of NPAs to Total Advances in that Sector	
		Current Year	Previous Year
A.	Housing Loans:		
1.	Individuals	2.38%	1.84%
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	1.11%	0.71%
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, 2019

32.18 MOVEMENT OF NPAS

Particulars	(₹ In Crore)	
	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	0.46%	0.50%
(II) Movement of NPAs (Gross)		
(a) Opening Balance	3.01	1.28
(b) Additions during the year	3.49	1.78
(c) Reductions during the year	0.97	0.05
(d) Closing Balance	5.53	3.01
(III) Movement of Net NPAs		
(a) Opening Balance	0.98	0.98
(b) Additions during the year	1.27	0.98
(c) Reductions during the year	0.98	0.98
(d) Closing balance	1.27	0.98
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
(a) Opening Balance	2.02	0.30
(b) Provisions made during the year	4.25	2.02
(c) Write-off/reversed/write-back of excess provisions	2.02	0.30
(d) Closing Balance	4.25	2.02

32.19 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	4.00	1.00
c) No. of Complaints redressed during the year	4.00	1.00
d) No. of Complaints pending at the end of the year	0.00	0.00

Notes on Financial statements 1 to 32 are annexed and forming part of the Balance Sheet and Statement of Profit & Loss.

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

Rishabh Jain
Partner
Membership No. 176309

Place : Udaipur
Date : 29.05.2019

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