

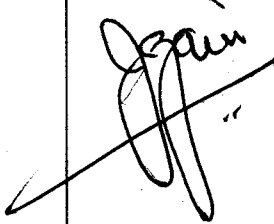
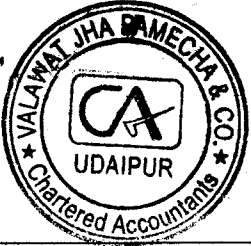



**FORM-A**

1.	Name of the Company	SRG Housing Finance Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Observations	Un- Qualified
4.	Frequency of Observation	N.A.
5.	To be signed by:	
	MR. VINOD K. JAIN Managing Director DIN: 00248843	
	MR. ASHOK KUMAR CFO	
	For M/s VALAWAT JHA PAMECHA & CO Chartered Accountants FRN: 008265 C  JINENDRA JAIN Partner M.No.072995 Auditors of the Company	 
	MR. VIKAS GUPTA Audit Committee Chairman DIN: 05280808	

# ANNUAL REPORT

## 2014-15



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# LETTER TO SHAREHOLDERS



## DEAR SHAREHOLDERS,

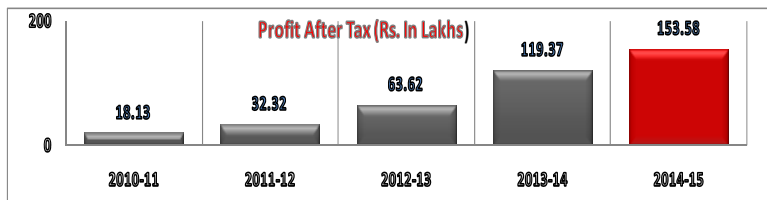
I am delighted to write to you once again to update you on the performance of SRG Housing Finance Limited. The Indian Economy in 2014-15 has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others. 2014-15 was a year of hope. Along with the overall sense of optimism the new Prime Minister brought in, he specifically gave a positive nudge to the real estate industry through his hope of "a home for all by 2022". This in turn created an eco-system of opportunity for every connected industry, including the housing finance segment.

At SRGHFL we believe that quality housing can facilitate psychological and social outcomes such as security and a sense of control over one's life. Although commendable progress has been made over the years in the housing sector, there is room for a great deal more. Availability of adequate housing units in the affordable segment and improved home ownership coupled with access to formal housing finance for the lower income segments is the main objective of SRGHFL.

*The promises made by the Company to the shareholders last year were fulfilled to a great extent by the Company in the reporting year. 2014-15 was a Landmark year as during the year company had issued Bonus Shares to the shareholders of the company in the ratio 2:5, Company got sanctioned a term loan of Rs. 30.00 crores from SBI, SRGHFL is the first among BSE SME Listed Companies to get Migrated from BSE SME Platform to BSE Main Board and adding to these achievements, Company declared its first and foremost dividend in the form of Interim Dividend to the shareholders of the Company of Rs. 0.25/- per share of the face value of Rs. 10/- each.*

*During the year ended March 31<sup>ST</sup>, 2015, your Company recorded a gross total income of Rs. 687.36 lacs, Profit Before Tax (PBT) of Rs. 226.91 lacs and Profit After Tax (PAT) of Rs. 153.58 lacs. The Net Owned Fund (NOF) of the Company as on March 31<sup>ST</sup>, 2015 stood at Rs.1412.39 lacs. Earnings Per Share (EPS) as on that date was 1.43.*

I am delighted to share with you how well SRG Housing Finance has done. Here are some key facts, the details of which you may read in the chapter on Management Discussion and Analysis.



Your Company's total income increased by 45% to Rs. 687.36 lacs in FY 2014-15, Profit before tax grew by 33.75% to Rs. 226.91 lacs, Profit after tax rose by 28.66 % to Rs. 153.58 lacs, Loan portfolio up by 46.50 % to Rs. 3867.52 lacs.

In order to benefit the shareholders of the Company, During the year 2014-15 Company raised its

**Paid up share capital by Rs. 3,23,22,000/- by issue of Bonus Shares to its existing shareholders in the ratio of 2:5 i.e. two shares for every five shares held. This has raised its paid up share capital from Rs. 8,08,05,000/- to Rs. 11,31,27,000/- and that Authorized Share Capital as on date raised to Rs. 12 Crores from Rs. 10 Crores.**

SRGHFL has always trusted its shareholders in all the phase of its business. Take it from IPO of SRG Housing Finance Limited in the financial year 2012-13 which was oversubscribed by 1.15 times to an all time high share price of Rs. 115.70. This confidence is the base of existence of SRG Housing Finance Limited.

**Looking at high expectation of company's shareholders in the Company, it gives me immense pleasure to inform that Board of Directors in its meeting held on March 11<sup>th</sup>, 2015 declared an interim Dividend of Rs. 0.25 per share of face value of Rs. 10/- each.**

This is the result of trust and confidence of Company's shareholders in the Company backed by strong performance of SRGHFL.

**SRGHFL is first among its peers in many ways:**

- Ist**
- Company in Rajasthan to get Listed on BSE SME Platform
  - Company in Rajasthan to get registered with National Housing Bank
  - Company to get Migrated from BSE SME Platform to BSE Main Board

**This is the first ever kind of dividend in the history of SRGHFL. We hope to maintain it in future.**

SRGHFL and its key employees continuously make efforts to achieve the objective of SRGHFL by widening its scope of work in the different areas of Rajasthan and other states of India. One of the most commendable results is that in the year 2014-15.

**SRGHFL got sanctioned a term loan of Rs. 30 Crores from SBI which earmarks the robust performance of the company in the challenging business environment.**

History acknowledges that SRGHFL through its Initial Public offer of Rs. 700.80 lacs got listed on SME Platform of BSE Limited in the year 2012-13 with an issue of 35,04,000 equity shares at the rate of Rs. 20/- per share which included premium of Rs. 10/- per share. After a successful IPO, company kept maintaining its worth which can be seen from its financial figures. SRG Housing Finance Limited also got awarded by BSE as **ONE OF THE TOP THREE PERFORMERS ON SME PLATFORM OF BSE**. In its journey to be a universally respected financial services organization, SRGHFL organized and managed to migrate the company from the then listed BSE SME platform to currently listed Main Board of BSE Limited. This was one amongst the achievements which made this financial year a landmark in the history of SRGHFL.

**It gives me immense pleasure to inform all the shareholders that SRGHFL is the FIRST COMPANY AMONG THE BSE SME LISTED COMPANIES AS ON DATE TO MIGRATE FROM BSE SME PLATFORM TO BSE MAIN BOARD.**

Shared Vision, cooperative efforts and unanimity are the key facilitators of our growth. Our team has contributed immensely to strengthen our organizational architecture. SRG HFL is also working towards increasing operational linkages across branches to drive productivity. MIS applications are being developed to analyze satellite center performances at a product level. I would also like to acknowledge the contribution of our Accounts team for their efforts to reduce our cost of funds and strengthen asset-liability management. Our balance sheet, supported by good credit ratings, enables us to access cost-effective funds. The Compliance and Legal team continue their good work, ensuring SRG HFL adherence to best-in-class regulatory framework, corporate governance and stakeholder management. The Risk Management team is focusing on a comprehensive and integrated risk management framework that includes risk-based pricing, structured reporting and control measures. Having said so, let me state that FY2016 may continue to be a difficult year for India. Therefore, it is imperative for your Company's management to remain even more focused on its businesses to deliver the excellent results that we are now getting accustomed to.

I would like to thank all my colleagues for their unflinching dedication, commitment and contribution to strengthening SRGHFL. We are looking forward to continue on our mission of generating sustained value for our stakeholders.

I would also like to place on record my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our stakeholders for their continuing faith in SRGHFL. May it continue as SRGHFL scales greater heights.

I welcome your feedback and suggestions on what we can do to improve SRGHFL as a company. Feel free to send me your thoughts and comments at [info@srghousing.com](mailto:info@srghousing.com).

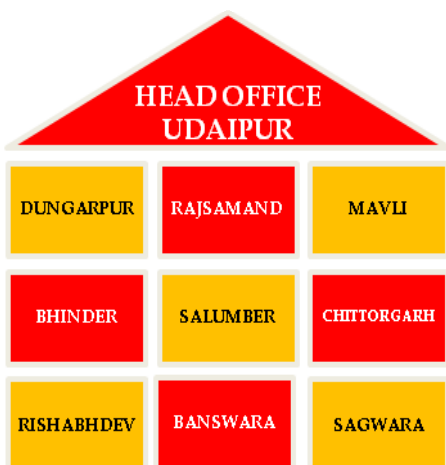
**Best Wishes**

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

# SRG HOUSING AT A GLANCE

SRGHFL is primarily engaged in the business of providing Housing Finance for Home Ownership. Company's objective behind venturing into this business is to meet the financing needs of all income segments by providing adequate financial resources to fulfill their housing requirements. Presently, it has a Head office and 9 satellite centers located in Rajasthan. Further, the company is targeting to expand its market and open more satellite centers which are to be located in tier 2 cities, tier 3 cities, District and Tehsil head quarters and at the peripheries of tier 1 city, which are the key target markets.

## Satellite Centers



## Loan Products

### Individual Home Loans

**Sparsh Home Loan:** It is offered to Individuals and Corporate Bodies who wish to seek this facility either for construction or purchase of a property.

**Home Revision Loan:** It is offered to customers who wish to repair, renovate, and/or extend the existing accommodation.

**Saral Plot Loans:** It is offered to the Salaried and the Self-employed for outright purchase of plots for the construction of a house.

**Specialty Loan:** It is offered for construction (including extensions and additions to existing property) on land owned by borrower's parents.

**Home Loan for Self Employed:** This product has been developed to cater to the large potential segment of self employed individuals, who, as a category have been ignored by the housing finance community.

## Loans against Property

The basic concept behind providing loan against property is – *“Don't let your valuable property sit idle. Let it work for you.”* The various schemes in the loan against properties are as under:-

**NRI Housing Loan:** It is offered to Non Resident Indians for construction and purchase of Residential properties in India.

**Wealth Loan:** It is offered to Salaried or businessmen against mortgage of immovable properties for such purposes as may be desired by the borrower.

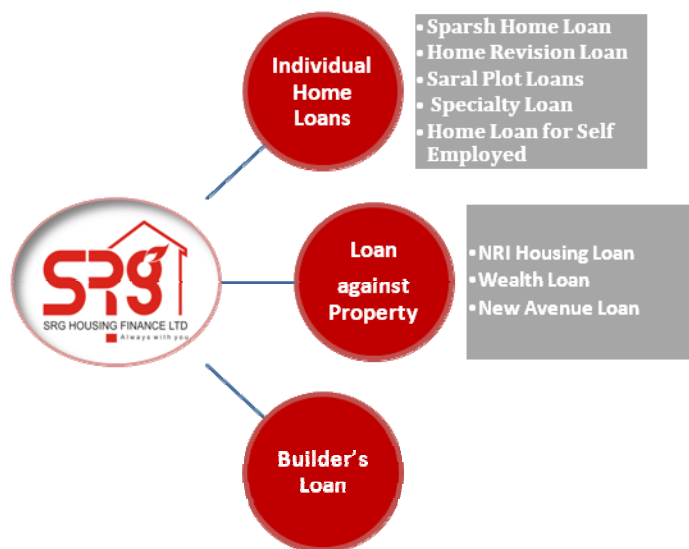
**New Avenue Loan:** It is the loan for purchase and/or construction of non-residential and commercial property.

## Loan to builders

In this segment we are financing to builders for their housing projects for purchase of land, conversion and development of land, development of housing colonies, construction of flats, houses, etc. with repayment linked with sale of flats or on EMI basis.

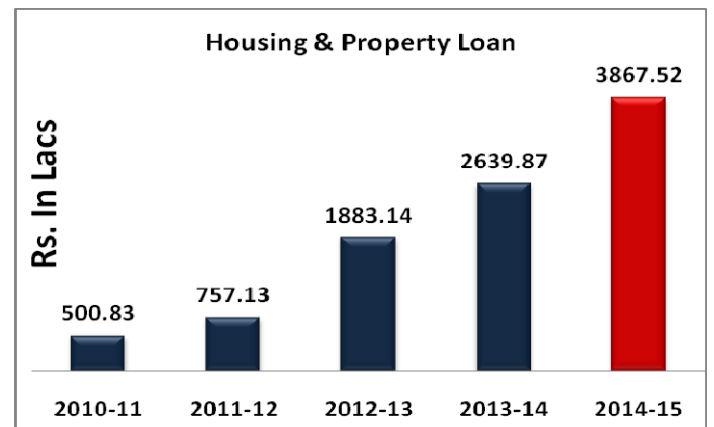
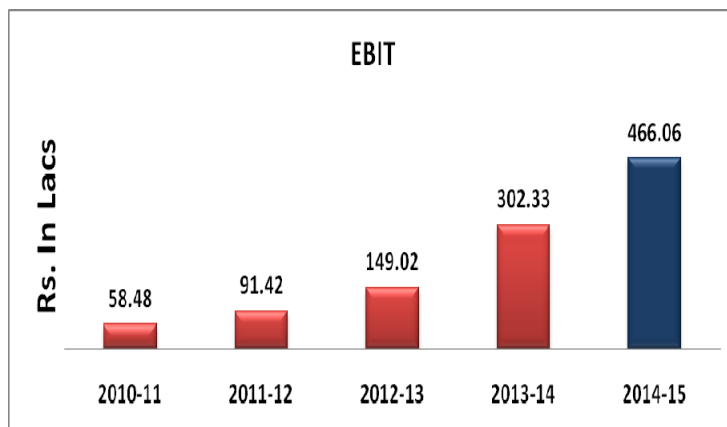
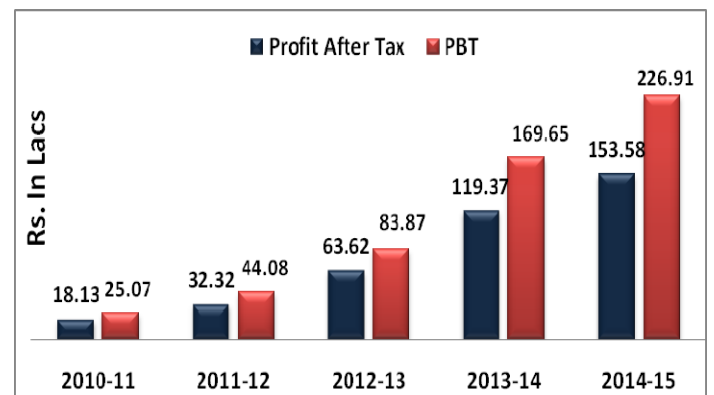
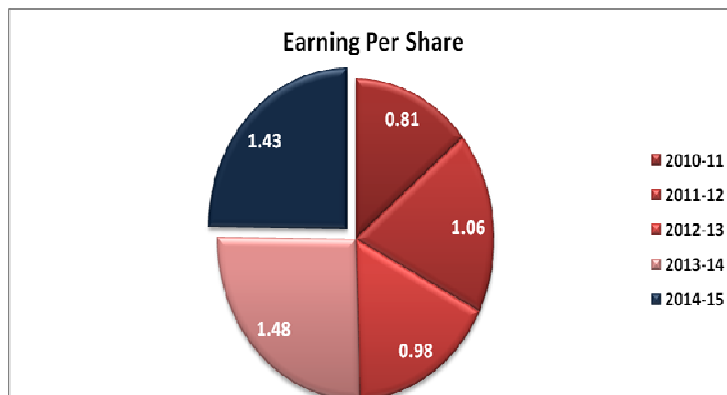
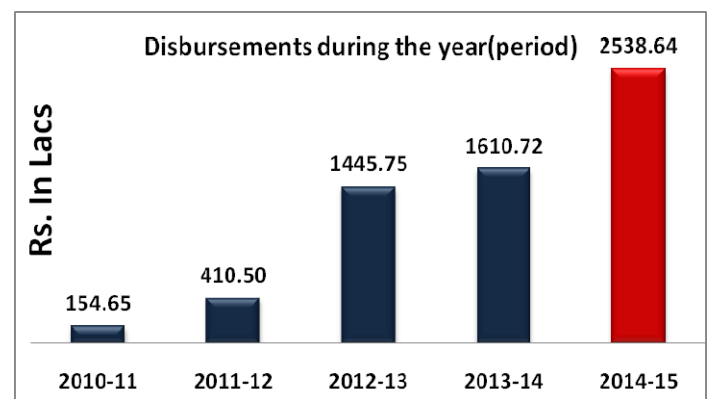
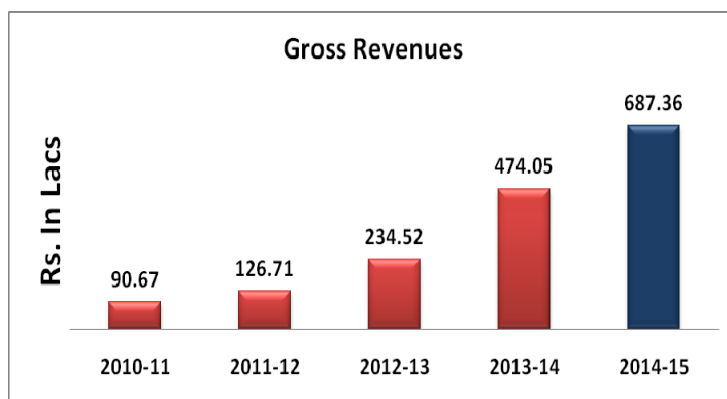
## Achievements of the Year

- Increase in profitability from Rs. 119.37 lacs in 2013-14 to Rs. 153.58 lacs in 2014-15 resulting to an increase by 0.28 times.
- Term Loan of Rs. 30 crore sanctioned during the year.
- Increase in loan portfolio from Rs. 2639.87 lacs in 2013-14 to Rs. 3867.52 lacs in 2014-15 resulting to an increase by 0.47 times
- Disbursements during the year amounted to Rs. 2538.64 lacs in 2014-15 from Rs. 1610.72 lacs in 2013-14 resulting to an increase of 57.60%
- Interim Dividend paid to shareholders for the financial year 2014-15 at the rate of Rs. 0.25 per share amounting to total dividend payment of Rs. 28.28 lacs.
- Bonus issue in the year 2014-15 in the ratio of 2:5



# FINANCIAL HIGHLIGHTS

	2010-11	2011-12	2012-13	2013-14	2014-15
Gross Revenues	90.67	126.71	234.52	474.05	687.36
Profit After Tax	18.13	32.32	63.62	119.37	153.58
Shareholders' Funds	305.65	491.33	1251.10	1367.78	1471.35
Share Capital	225.10	305.10	808.05	808.05	1131.27
Reserve and Surplus	80.55	186.23	443.05	559.73	340.08
Borrowings from Banks	276.06	347.86	733.06	1552.28	2489.09
Housing & Property Loan	500.83	757.13	1883.14	2639.87	3867.52
Disbursements during the year (period)	154.65	410.50	1445.75	1610.72	2538.64
PBT	25.07	44.08	83.87	169.65	226.91
EBIT	58.48	91.42	149.02	302.33	466.06
Earnings Per Share	0.81	1.06	0.98	1.48	1.43
GNPA	6.32%	3.81%	1.03%	0.96%	1.04%
NNPA	5.25 %	2.56%	0.51%	0.73%	0.76%



# CORPORATE INFORMATION

## 1. BOARD OF DIRECTORS

### Managing Director

Shri Vinod K. Jain

### Non- Executive Director

Shri Rajesh Jain

Smt. Seema Jain

### Independent Director

Shri Ashok Kabra

Shri Vikas Gupta

Shri Nishant Badala

*(Appointed w.e.f. 14.05.2015)*

## 2. BOARD COMMITTEES

### Nomination & Remuneration Committee:

#### Chairman

Shri Ashok Kabra

#### Members

Shri Vikas Gupta

Shri Nishant Badala

### Shareholder's/ Investor's Grievance Committee:

#### Chairman

Shri Vikas Gupta

#### Members

Shri Ashok Kabra

Shri Rajesh Jain

### Audit Committee:

#### Chairman

Shri Vikas Gupta

#### Members

Shri Vinod K. Jain

Shri Ashok Kabra

### ALCO Committee:

#### Chairman

Shri Vinod K. Jain

#### Members

Shri Rajesh Jain

Shri Ashok Kumar

## 3. EXECUTIVES

### CFO

Mr. Ashok Kumar

### Company Secretary

Mr. Hitesh Soni

## 4. AUDITORS

### Chartered Accountants

M/s. Valawat Jha Pamecha & Co.

## 5. SECRETERIAL AUDITOR

### Practicing Company Secretary

M/s. Deepak Vijaywargey & Associates

## 6. PRINCIPAL BANKER

State Bank of India

## 7. LISTED ON STOCK EXCHANGES

BSE

## 8. REGISTRAR & SHARE TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.

Unit No. 1, Luthra Industrial

Premises, Andheri Kurla Road,

Safed Pool, Phones: 022-28515606,

28515644, Fax: (022) 2851288

## 9. REGISTERED OFFICE

321 SM Lodha Complex Near Shastri  
Circle Udaipur (Raj.)-313001

Email- srghousing@gmail.com

Website: www.srghousing.com

CIN: L65922RJ1999PLC015440



# DIRECTOR'S REPORT

**To**  
**The Members,**

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2015.

## FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS & STATE OF AFFAIRS:

Particulars	2014-15	2013-14
<b>Gross Income</b>	687.36	474.05
Less: Finance Cost	239.15	132.68
Overheads	213.44	166.43
Depreciation	7.86	5.29
<b>Profit before Tax &amp; Exceptional Items</b>	226.91	169.65
Add : Exceptional Items	0.00	0.00
<b>Profit before Tax</b>	226.91	169.65
Less : Provision for taxation (Including Deferred tax)	73.33	50.28
<b>Profit after tax</b>	153.58	119.37
Add : Balance b/d from the previous year	140.19	47.52
<b>Surplus available for appropriations</b>	293.77	166.89
<b>Appropriations</b>		
Transferred to Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	31.00	24.00
Provision for standard Assets	6.56	6.53
Provision for NPA	4.57	(3.48)
Assets W/o as per co. act 2013	0.28	0.00
Def. Tax Liab. On special I.T. Reserve	4.24	0.00
Interim Dividend	28.28	0.00
Dividend Distribution Tax	5.65	0.00
Excess provision	0.42	(0.35)
Balance carried over to Balance Sheet	212.77	140.19

## LENDING OPERATIONS & DISBURSEMENT OF LOANS:

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

- The operating profit before charging depreciation and tax amounted to Rs 234.77 lacs in the year 2014-15 as against Rs. 174.95 lacs in the preceding year; representing a rise of 34.19%.
- Profit after Tax (PAT) before extraordinary items went up by 28.66% to Rs. 153.58 lacs in the year 2014-15 from Rs.119.37 lacs in the previous year.
- As at 31<sup>st</sup> March, 2015, the loan book stood at Rs. 3867.52 lacs as against Rs. 2639.87 lacs in the previous year an increase of 46.50%.

As part of its liability management, your Company endeavors to diversify its resource base in order to achieve an appropriate maturity structure and minimize the weighted average cost of borrowed funds. During the year under review, a fresh term loan of Rs. 30 crores was sanctioned from the State Bank of India.

## **DIVIDEND:**

Your Directors have pleasure informing that the First and foremost Interim Dividend at the rate of Rs. 0.25/- per equity share have been declared and paid to the shareholders resulting in an outflow of Rs. 28.28 lacs in addition to Rs. 5.65 lacs by way of Dividend Distribution Tax.

## **CHANGES IN SHARE CAPITAL:**

During the year under review, the paid up share capital increased as a result of the 2:5 Bonus Issue, whereby your Company allotted 32,32,200 Bonus shares. Consequently the equity share capital has increased from Rs. 8,08,05,000 /- divided into 80,80,500 equity shares of Rs. 10/- each to Rs. 11,31,27,000/- divided into 1,13,12,700 equity shares of Rs 10/- each.

## **UNCLAIMED DIVIDEND:**

Under the provisions of section 125 of Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As at March 31<sup>st</sup>, 2015 there is no unpaid/ Unclaimed Dividend to be transferred to Investor Education & Protection Fund.

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to the Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Report on Management Discussion and Analysis is annexed herewith in Annexure IV.

## **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

## **DIRECTOR'S RESPONSIBILITY STATEMENT:**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31<sup>st</sup>, 2015 and of the profit of the Company for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) The annual accounts of the Company have been prepared on a going concern basis.
- (e) Internal controls have been laid down to be followed by the Company and such internal controls were adequate and were operating effectively.
- (f) Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report in ANNEXURE VI.

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

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

## **RELATED PARTY TRANSACTIONS:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: (<http://www.srghousing.com/PolicyOnRelatedParty.aspx>)

Your Directors draw attention of the members to Note 18 to the financial statement which sets out related party disclosures.

## **RISK MANAGEMENT POLICY:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has in place a risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

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

## **CORPORATE SOCIAL RESPONSIBILITY POLICY:**

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

## **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

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

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

#### **DIRECTORS:**

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

During the year under review Mr. Chirag Dharmawat, Independent director resigned from the Independent Directorship w.e.f 19.02.2015 due to some prior commitments. The same was accepted by the Board in their meeting held on 27.02.2015. The Board places on record its sincere thanks and gratitude for the invaluable contribution made by Shri Chirag Dharmawat towards the growth and development of the company during his tenure as a director.

During the year under review, the Board of Directors on the recommendation of Nomination and Remuneration Committee had appointed Shri Nishant Badala as an Additional Director to hold office in the capacity of Non Executive Independent director in the Company w.e.f. May 14<sup>th</sup>, 2015 subject to the approval of members in the general meeting.

During the year under review your Directors revised the remuneration of Mr. Vinod K. Jain , Managing Director in accordance with the provisions of Companies Act, 2013 in their meeting held on 28.05.2015. Board also recommended to members to re-appoint Mr. Vinod K. Jain as the Managing Director in this Annual General Meeting for a term of three years from 07.05.2016 to 06.05.2019 on such terms and conditions as approved by Board and members of the Company whose term of office expires on 06<sup>th</sup> May, 2016.

Your directors recommend their appointment / re-appointment.

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.

#### **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

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

#### **AUDITORS:**

##### **Statutory Auditors:**

At the 15<sup>TH</sup> Annual General Meeting held on September 18<sup>th</sup>, 2014, the members had appointed M/s Valawat Jha Pamecha & Co. Chartered Accountants (registration No. 008265 C) as the statutory auditors of the Company for a period of 3 years upto the conclusion of 18<sup>th</sup> Annual General Meeting to be held in the year 2017, subject to them ratifying the said appointment at every AGM. The Company has received a confirmation from M/s Valawat Jha Pamecha & Co. Chartered Accountants, to the effect that their appointment, if made, at the ensuing AGM would be in terms of Sections 139 and 141 of the Companies Act, 2013 and rules made there under. The board proposes to the members to ratify the said appointment of M/s Valawat Jha Pamecha & Co. Chartered Accountants.

## **Secretarial Auditors:**

M/s Deepak Vijaywargey & Associates, Practicing Company Secretary, Udaipur was appointed as the Secretarial Auditor of the Company for the financial year 2014-15 by the Board of Directors pursuant to provisions of Companies Act, 2013 and rules there under. Secretarial audit report as provided by M/s Deepak Vijaywargey & Associates, Practicing Company Secretary is annexed to this Report as ANNEXURE II.

## **QUALIFICATIONS IN AUDIT REPORTS:**

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

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

## **DISCLOSURES:**

### **BOARD MEETINGS:**

The Board of Directors met 12 (Twelve) times during this financial year 2014-15.

### **COMPOSITION OF AUDIT COMMITTEE:**

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

### **COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE:**

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

### **COMPOSITION OF SHAREHOLDER'S /INVESTOR GRIEVANCE COMMITTEE:**

The Shareholder's /Investor Grievance Committee consist of adequate composition of Executive, Non-Executive and Independent Directors. The details of which are mentioned in the Corporate Governance Report.

### **PARTICULARS OF LOANS, GAURANTEES OR INVESTMENTS:**

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

As regards investments, there are no investments made by the Company for the year ended March 31<sup>st</sup>, 2015.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

### **(A) Conservation of energy:**

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

### **(B) Technology absorption:**

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

### **(C) Expenditure incurred on research and development:**

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

### **(D) Foreign exchange earnings and Outgo:**

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

## **EXTRACT OF ANNUAL RETURN:**

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

## **PARTICULARS OF EMPLOYEES:**

In accordance with the provisions of Section 197 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975, as at March 31<sup>st</sup>, 2015, there were no employees in SRGHFL throughout the year who were in receipt of remuneration of Rs. 60 lacs or more per annum or Rs. 5 Lacs or more per month if appointed for the part of the financial year.

## **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

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

## **CHANGE IN THE NATURE OF BUSINESS:**

There are no changes in the Nature of Business.

## **DETAILS RELATING TO DEPOSITS:**

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

### **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

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

### **DISCLOSURES ON MANAGERIAL REMUNERATION:**

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

### **LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE where the Company's Shares are listed.

### **INVESTOR COMPLAINTS AND COMPLIANCE:**

During the year company received two investor complaints. Company took appropriate action within the stipulated time period. All the investor complaints are duly resolved and as on date no complaints are pending.

### **EARNINGS PER SHARE (EPS):**

The Earnings Per Share (EPS) is 1.43 as at March 31<sup>ST</sup>, 2015 as against 1.48 as at March 31<sup>ST</sup>, 2014.

### **CAPITAL ADEQUACY:**

Particulars as on 31 <sup>st</sup> March	2015	2014
Capital Adequacy Ratio	50.34%	61.30%

Your Company's capital adequacy ratio was at 50.34% as on 31<sup>st</sup> March, 2015, which we believe provides an adequate cushion to withstand business risks and is above the minimum requirement of 12% stipulated by the NHB.

### **NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY:**

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

As per the prudential norms prescribed by the NHB, the Company has made provision for contingencies on standard as well as non-performing housing loans and property loans.

### **A NOTE OF APPRECIATION:**

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

#### **Best Wishes**

Sd/-

Vinod K. Jain

Managing Director

DIN: 00248843

# POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

## **Criteria of selection of Non-executive Directors:**

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

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

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

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

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

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

## **Remuneration:**

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

## **Executive Director – Criteria for selection / appointment:**

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

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

## **Remuneration for the Executive Director:**

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

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

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

## **Remuneration Policy for the Senior Management Employees:**

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

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



## Annexure– II

# SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To,  
The Members,  
SRG Housing Finance Limited  
321, SM Lodha Complex,  
Near Shastri Circle,  
Udaipur, Rajasthan-313001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SRG Housing Finance Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 31<sup>st</sup> March, 2015 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, SM Lodha Complex, Near Shastri Circle, Udaipur, Rajasthan-313001 for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;  
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;  
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;  
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;  
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;  
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;  
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;  
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the reporting period)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the reporting period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the company during the reporting period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the reporting period)

(vi) The Company has materially complied with the following specifically other applicable laws to the Company:

- National Housing Bank (NHB) Act, 1987;
- NHB (Housing Finance Companies) Directions, 2010;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the Audit Period).
- (ii) The Listing Agreements entered into by the Company with Company with BSE SME and BSE Main Board.

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 composition of the Board of Directors of the Company falls short by one Independent Director due to resignation of Mr. Chirag Dharmawat, Non-Executive Independent Director on February 19, 2015, however the Board has appointed Mr. Nishant Badala as Independent Director on May 14, 2015 within the stipulated time in compliance to clause 49 of Listing agreement. 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.

Majority decision is carried through while the dissenting members' views if any, are captured and recorded as part of the minutes.

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 there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs except as follows:

1. Issue of Bonus Equity Shares;
2. Special Resolution passed u/s 180(1) (a) and 180(1) (c) of Companies Act, 2013 by shareholders of the Company in the Annual General Meeting held on September 18<sup>th</sup>, 2014.

Place: Udaipur

Date: 25.05.2015

For Deepak Vijaywargey & Associates,  
Company Secretaries

Sd/-

Deepak Vijaywargey

ACS No: 18221

C P No: 6321

ANNEXURE III

# EXTRACT OF ANNUAL RETURN

(As on the financial year ended on March 31<sup>st</sup>, 2015)

Form No. MGT-9

[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: 0294-561882, 2412609; Fax: 0294-5100098; Email 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. Unit- 1, Luthra Ind. Premises. 1st Flr, 44-E, M Vasanti Marg, Andheri- Kurla Rd, Safed Pool, Andheri (E) - Mumbai 400072 Tel. No. 022-28515606; Fax No.022-28512885 E-mail: sharexindia@vsnl.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Housing Finance	65922	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category code	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		01/04/2014				31/03/2015				
(A)	Shareholding of Promoter and Promoter Group	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>1</b>	<b>Indian</b>									
a	Individual/Huf	3100350	-	3100350	38.368	4813290	-	4813290	42.548	4.18
b	Central Govt	-	-	-	-	-	-	-	-	-
c	State Govt(s)	-	-	-	-	-	-	-	-	-
d	Bodies Corporate	574500	-	574500	7.110	804299	-	804299	7.110	-
e	Fins / Banks	-	-	-	-	-	-	-	-	-
f	Any Other specify	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A) (1)</b>	<b>3674850</b>	<b>-</b>	<b>3674850</b>	<b>45.478</b>	<b>5617589</b>	<b>-</b>	<b>5617589</b>	<b>49.658</b>	<b>4.18</b>
<b>2</b>	<b>Foreign</b>									
a	Individuals/NRI	-	-	-	-	-	-	-	-	-
b	Other- Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-	-	-
d	Banks / FII	-	-	-	-	-	-	-	-	-
e	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
f	Any Other Specify	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(A)</b>	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>3674850</b>	<b>-</b>	<b>3674850</b>	<b>45.478</b>	<b>5617589</b>	<b>-</b>	<b>5617589</b>	<b>49.658</b>	<b>4.18</b>
	<b>Total (A)= (A) (1)+(A)(2)</b>									
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Fins / Banks	-	-	-	-	-	-	-	-	-
c	Central Govt.	-	-	-	-	-	-	-	-	-
d	State Govt.	-	-	-	-	-	-	-	-	-
e	Venture Cap Funds	-	-	-	-	-	-	-	-	-
f	Insurance Comp(s)	-	-	-	-	-	-	-	-	-
g	FII's	-	-	-	-	-	-	-	-	-
h	Foreign Ven. Capital Funds	-	-	-	-	-	-	-	-	-
i	Any Other - Specify	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>2</b>	<b>Non-institutions</b>									
a	Bodies Corporate									
i.	Indian	1330800	-	1330800	16.469	1389595	-	1389595	12.283	-4.186
ii.	Overseas	-	-	-	-	-	-	-	-	-
b	Individuals									
	i) Individual shareholders holding nominal share capital up to Rs 1-Lac	357000	-	357000	4.418	506458	-	506458	4.477	0.059
	ii) Individual shareholders holding nominal share capital in excess of Rs1-Lac	2717850	-	2717850	33.635	3798958	-	3798958	33.581	-0.054
c	Others( Specify)									
	Non Resident Indians	-	-	-	-	-	-	-	-	-
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	Foreign Nationals	-	-	-	-	-	-	-	-	-
	Clearing Members	-	-	-	-	100	-	100	0.001	0.001
	Trusts	-	-	-	-	-	-	-	-	-
	Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	<b>4405650</b>	<b>-</b>	<b>4405650</b>	<b>54.522</b>	<b>5695111</b>	<b>-</b>	<b>5695111</b>	<b>50.343</b>	<b>-4.18</b>
<b>(B)</b>	<b>Total (B)= (B)(1) + (B)(2)</b>	<b>4405650</b>	<b>-</b>	<b>4405650</b>	<b>54.522</b>	<b>5695111</b>	<b>-</b>	<b>5695111</b>	<b>50.343</b>	<b>-4.18</b>
<b>(C)</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>8080500</b>	<b>-</b>	<b>8080500</b>	<b>100.000</b>	<b>11312700</b>	<b>-</b>	<b>11312700</b>	<b>100.000</b>	<b>-</b>

## (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pushpa Jain	429765	5.319	-	601671	5.319	-	-
2	Seema Jain	316965	3.923	-	443751	3.923	-	-
3	Manorma Jain	66150	0.819	-	210	0.002	-	-0.817
4	Dinesh Kumar Lundiya	7500	0.093	-	10500	0.093	-	-
5	SRG Global Solutions Pvt. Ltd.	375000	4.641	-	525000	4.641	-	-
6	Hriday Insurance Consultant Pvt. Ltd.	37500	0.464	-	52500	0.464	-	-

7	Genda Lal Jain HUF	285000	3.527	-	399000	3.527	-	-
8	Meenakshi Jain	159975	1.98	-	223965	1.980	-	-
9	Aarti Prakash Jain	144750	1.791	-	202650	1.791	-	-
10	Rajesh Jain	400515	4.957	-	560721	4.957	-	-
11	Genda Lal Jain	120015	1.485	-	168021	1.485	-	-
12	Vinod Kumar Jain	464715	5.751	-	1050201	9.283	-	3.532
13	Sulochana Devi Jain	317250	3.926	-	444150	3.926	-	-
14	SRG Global Builders Pvt. Ltd.	162000	2.005	-	226799	2.005	-	-
15	Vinod Kumar Jain HUF	241350	2.987	-	337890	2.987	-	-
16	Rajesh Jain HUF	146400	1.812	-	204960	1.812	-	-
17	Jikisha Jain	-	-	-	165600	1.464	-	1.464
	<b>Total</b>	<b>3674850</b>	<b>45.478</b>	<b>-</b>	<b>5617589</b>	<b>49.657</b>	<b>-</b>	<b>4.179</b>

### (iii) Change in Promoters' Shareholding

Sl No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014		Share holding at the end of the Year 31/03/2015				
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	HRIDAY INSURANCE CONSULTANT PRIVATE LTD.	37500	0.464	01-04-2014				
				13-06-2014	15000	Bonus	52500	0.464
				31-03-2015			52500	0.464
	-Closing Balance							
2	GENDA LAL JAIN HUF .	285000	3.527	01-04-2014				
				13-06-2014	114000	Bonus	399000	3.527
				31-03-2015			399000	3.527
	-Closing Balance							
3	VINOD KUMAR JAIN (HUF)	241350	2.987	01-04-2014				
				13-06-2014	96540	Bonus	337890	2.987
				31-03-2015			337890	2.987
	-Closing Balance							
4	SRG GLOBAL SOLUTIONS PRIVATE LIMITED	375000	4.641	01-04-2014				
				13-06-2014	150000	Bonus	525000	4.641
				31-03-2015			525000	4.641
	-Closing Balance							
5	SRG GLOBAL BUILDERS PRIVATE LIMITED	162000	2.004	01-04-2014				
				23-05-2014	-48	Transfer	161952	2.004
				06-06-2014	48	Transfer	162000	1.432
				13-06-2014	64780	Bonus	226780	2.005
				18-07-2014	19	Transfer	226799	2.005
				31-03-2015			226799	2.005
	-Closing Balance							

<b>6</b>	RAJESH JAIN HUF .	146400	1.812	01-04-2014				
	-Closing Balance			13-06-2014	58560	Bonus	204960	<b>1.812</b>
				31-03-2015			204960	<b>1.812</b>
<b>7</b>	DINESH KUMAR LUNDIYA	7500	0.093	01-04-2014				
	-Closing Balance			13-06-2014	3000	Bonus	10500	<b>0.093</b>
				31-03-2015			10500	<b>0.093</b>
<b>8</b>	GENDA LAL JAIN	120015	1.485	01-04-2014				
	-Closing Balance			13-06-2014	48006	Bonus	168021	<b>1.485</b>
				31-03-2015			168021	<b>1.485</b>
<b>9</b>	SULOCHANA DEVI JAIN	317250	3.926	01-04-2014				
	-Closing Balance			13-06-2014	126900	Bonus	444150	<b>3.926</b>
				31-03-2015			444150	<b>3.926</b>
<b>10</b>	VINOD KUMAR JAIN	464715	5.751	01-04-2014				
	-Closing Balance			13-06-2014	185886	Bonus	650601	<b>5.751</b>
				13-06-2014	136800	Transfer	787401	<b>6.960</b>
				04-07-2014	262800	Transfer	1050201	<b>9.283</b>
				31-03-2015			1050201	<b>9.283</b>
<b>11</b>	SEEMA JAIN	316965	3.923	01-04-2014				
	-Closing Balance			13-06-2014	126786	Bonus	443751	<b>3.923</b>
				31-03-2015			443751	<b>3.923</b>
<b>12</b>	RAJESH JAIN	400515	4.957	01-04-2014				
	-Closing Balance			13-06-2014	160206	Bonus	560721	<b>4.957</b>
				31-03-2015			560721	<b>4.957</b>
<b>13</b>	PUSHPA JAIN	429765	5.319	01-04-2014				
	-Closing Balance			13-06-2014	171906	Bonus	601671	<b>5.319</b>
				31-03-2015			601671	<b>5.319</b>
<b>14</b>	MEENAKSHI JAIN	159975	1.98	01-04-2014				
	-Closing Balance			13-06-2014	63990	Bonus	223965	<b>1.98</b>
				31-03-2015			223965	<b>1.98</b>
<b>15</b>	MANORMA JAIN	66150	0.819	01-04-2014				
	-Closing Balance			23-05-2014	-51600	Transfer	14550	<b>0.180</b>
				30-05-2014	-14400	Transfer	150	<b>0.002</b>
				13-06-2014	60	Bonus	210	<b>0.002</b>
				31-03-2015			210	<b>0.002</b>
<b>16</b>	AARTI PRAKASH JAIN	144750	1.791	01-04-2014				
	-Closing Balance			13-06-2014	57900	Bonus	202650	<b>1.791</b>
				31-03-2015			202650	<b>1.791</b>
<b>17</b>	JIKISHA JAIN	43200	0.382	20-06-2014				
	-Closing Balance			22-08-2014	122400	Transfer	165600	<b>1.464</b>
				31-03-2015			165600	<b>1.464</b>

**(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 (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	Cumulative No. of Shares	% of total Shares of the company]
1	HRIDAY CREDIT COOPERATIVE SOCIETY LTD	726000	8.985	01.04.2014				
				06.06.2014	-25200	Transfer	700800	8.673
				13.06.2014	290400	Bonus	991200	8.762
				13.06.2014	-262800	Transfer	728400	6.439
				20.06.2014	-162000	Transfer	566400	5.007
				04.07.2014	-554400	Transfer	12000	0.106
				11.07.2014	-3600	Transfer	8400	0.074
				18.07.2014	-3600	Transfer	4800	0.042
				06.02.2015	-3600	Transfer	1200	0.011
					<b>Closing Balance</b>			<b>31.03.2015</b>
2	HEM SECURITIES LIMITED	272400	3.371	01.04.2014				
				16.05.2014	-245400	Transfer	27000	0.334
				30.05.2014	2400	Transfer	29400	0.364
				06.06.2014	-17400	Transfer	12000	0.149
				13.06.2014	11760	Bonus	23760	0.210
				13.06.2014	111600	Transfer	135360	1.197
				30.06.2014	-125760	Transfer	9600	0.085
				08.08.2014	7200	Transfer	16800	0.149
				30.09.2014	-3600	Transfer	13200	0.117
				24.10.2014	3600	Transfer	16800	0.149
				31.10.2014	-3600	Transfer	13200	0.117
				05.12.2014	-3600	Transfer	9600	0.085
				30.01.2015	1800	Transfer	11400	0.101
				06.02.2015	-1800	Transfer	9600	0.085
				13.02.2015	4000	Transfer	13600	0.120
				06.03.2015	-9600	Transfer	4000	0.035
				13.03.2015	100	Transfer	4100	0.036
				27.03.2015	5	Transfer	4105	0.036
	<b>Closing Balance</b>			<b>31.03.2015</b>			<b>4305</b>	<b>0.038</b>
3	ARCADIA SHARE & STOCK BROKERS PVT LTD	260400	3.223	01.04.2014				
				30.05.2014	-192800	Transfer	67600	0.837
				13.06.2014	27040	Bonus	94640	0.837
				04.07.2014	169200	Transfer	263840	2.332
				05.09.2014	-255440	Transfer	8400	0.074
				06.03.2015	-8400	Transfer	0	0.000
					<b>Closing Balance</b>			<b>31.03.2015</b>
4	VIVEK VASHISHTH	171000	2.116	01.04.2014				
				30.05.2014	30000	Transfer	201000	2.487
				13.06.2014	80400	Bonus	281400	2.487
	<b>Closing Balance</b>			<b>31.03.2015</b>			<b>281400</b>	<b>2.487</b>
5	FATEH LAL GAMETI	142500	1.764	01.04.2014				
				13.06.2014	57000	Bonus	199500	1.764
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>199500</b>	<b>1.764</b>
6	KALA TIWARI	135000	1.671	01.04.2014				
				13.06.2014	54000	Bonus	189000	1.671
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>189000</b>	<b>1.671</b>
7	PRAKASH CHAND JAIN	129000	1.596	01.04.2014				
				13.06.2014	51600	Bonus	180600	1.596
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>180600</b>	<b>1.596</b>



8	GAURAV S JAIN	124800	1.544	01.04.2014				
				13.06.2014	49920	Bonus	174720	1.544
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>174720</b>	<b>1.544</b>
9	DHARMESH CHANDRA JAIN	111000	1.374	01.04.2014				
				30.05.2014	12000	Transfer	123000	1.522
				13.06.2014	49200	Bonus	172200	1.522
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>172200</b>	<b>1.522</b>
10	AVNISH TIWARI	100500	1.244					
				13.06.2014	40200	Bonus	140700	1.244
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>140700</b>	<b>1.244</b>
11	AMBITIOUS ASSOCI-ATES PVT LTD	278400	3.445	30.05.2014				
				13.06.2014	111360	Bonus	389760	3.445
				20.06.2014	-325080	Transfer	64680	0.572
				01.08.2014	-36000	Transfer	28680	0.254
				05.09.2014	169200	Transfer	197880	1.749
				31.12.2014	361080	Transfer	558960	4.941
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>558960</b>	<b>4.941</b>
12	RHYTHM CONSULT-ANTS PRIVATE LIMITED	245400	3.036	16.05.2014				
				06.06.2014	12600	Transfer	258000	2.281
				13.06.2014	98160	Bonus	356160	3.148
				30.06.2014	113760	Transfer	469920	4.154
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>469920</b>	<b>4.154</b>
13	ARYAMAN BROKING LIMITED	66000	0.817	01.04.2014				
				13.06.2014	26400	Bonus	92400	0.817
				12.09.2014	36000	Transfer	128400	1.135
				19.09.2014	36000	Transfer	164400	1.453
				30.09.2014	32400	Transfer	196800	1.74
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>196800</b>	<b>1.74</b>
14	KALA TIWARI	135000	1.671	01.04.2014				
				13.06.2014	54000	Bonus	189000	1.671
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>189000</b>	<b>1.671</b>
15	JYOTI VASHISHTH	46500	0.575	01.04.2014				
				30.05.2014	72000	Transfer	118500	1.466
				13.06.2014	47400	Bonus	165900	1.466
	<b>-Closing Balance</b>			<b>31.03.2015</b>			<b>165900</b>	<b>1.466</b>

**(v) Shareholding of Directors and Key Managerial Personnel:****1. VINOD K. JAIN MANAGING DIRECTOR**

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	464715	5.751	464715	5.751
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):				
2.1	13.06.2014 ( BONUS)	185886	-	650601	5.751
2.2	13.06.2014 (TRANSFER)	136800	1.209	787401	6.960
2.3	04.07.2014 (TRANSFER)	262800	2.323	1050201	9.283
3(1+2)	At the End of the year	1050201	9.283	1050201	9.283

**2. RAJESH JAIN DIRECTOR**

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	400515	4.957	400515	4.957
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):				
2.1	13.06.2014( BONUS)	160206	-	560721	4.957
3(1+2)	At the End of the year	560721	4.957	560721	4.957

**3. SEEMA JAIN DIRECTOR**

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	316965	3.923	316965	3.923
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):				
2.1	13.06.2014 (BONUS)	126786	-	443751	3.923
3(1+2)	At the End of the year	443751	3.923	443751	3.923

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

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs. In crores)	Unsecured Loans	Deposits	Total Indebtedness (Rs. In crores)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15.38	-	-	15.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.14	-	-	0.14
<b>Total (i+ii+iii)</b>	<b>15.52</b>			<b>15.52</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	12.94	-	-	12.94
· Reduction	3.57	-	-	3.57
<b>Net Change</b>	<b>9.37</b>			<b>9.37</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	24.64	-	-	24.64
ii) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	0.25	-	-	0.25
<b>Total (i+ii+iii)</b>	<b>24.89</b>			<b>24.89</b>

## 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 (Rs in Lacs) VINOD K. JAIN (Managing Director)	Total Amount (Rs in Lacs)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961	35.10	35.10
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	----	----
2.	Stock Option	----	----
3.	Sweat Equity	----	----
4.	Commission - as % of profit - Others, specify...	----	----
5.	Others, please specify	----	----
	Total (A)	<b>35.10</b>	<b>35.10</b>
	Ceiling as per the Act	42.00*	42.00*

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

## B. Remuneration to other directors:

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

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

Sl.no	Particulars of Remuneration	Key Managerial Personnel		
		Hitesh Soni (Company Secretary) Rs. In Lacs	Ashok Modi (CFO) Rs. In Lacs	Total Rs. In Lacs
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.53	4.04	6.57
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----	----
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	----	----	----
3.	Sweat Equity	----	----	----
4.	Commission	----	----	----
	- as % of profit			
	- others, specify...			
5.	Others, please specify	----	----	----
	<b>Total</b>	<b>2.53</b>	<b>4.04</b>	<b>6.57</b>

## 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)
<b><u>A. COMPANY</u></b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b><u>B. DIRECTORS</u></b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b><u>C. OTHER OFFICERS IN DEFAULT</u></b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## Economic Overview

The Indian Economy in 2014-15 has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others. In January, 2015, the government revised base year from 2004-05 to 2011-12. Also changes were made in Gross Domestic Product (GDP) Reporting; GDP at factor cost will henceforth be presented as Gross Value Added (GVA) at basic prices for industry-wise estimates, while GDP at Market Prices will henceforth be referred to as GDP. The Annual growth rate of Gross Domestic Product (GDP) was seen to improve to 7.5 per cent in the last October-December quarter of 2014 (as per revised figures) as against 6.4 per cent in the October-December quarter of 2013 (as per revised rates). The highest growth is reported for services including electricity, gas, water supply and other utilities (10.1 per cent) followed by trade, hotels, transport, communication and services (7.2 per cent). Thereafter, manufacturing sector has expanded 4.2 per cent, including mining and quarrying (2.9 per cent) and construction (1.7 per cent). When the Economic Survey of India 2015 heads for more than 8 per cent growth rate in the next fiscal year (2015-16), soon it is also expected that the India's expansion will outpace that of China, Japan and Germany combined as projected by International Monetary Fund (IMF) and Christine Lagarde (IMF chief) recently. Control on price rise continued and remarkable downfall in inflation was noted, with wholesale price index (WPI) falling at 5-yr low of 0.11 in December'2014 in contrast to 6.40 in December'2013. The Business confidence index has been continuously rising from 49.9 in Q4 of 2013-14 to 56.4 in Q4 of 2014-15 as reported by Confederation of Indian Industry (CII). The Consumer confidence index reported by Nielson also shows positive signs. The index rose from 121 in Q4 of 2013-14 to 129 in Q3 of 2014-2015, which is a 4-year high. With all the above positive indicators, the Indian economy is becoming a favorable destination for investment. The Foreign Direct Investment data in India reflects the same, as it has increased from 2133 USD million by March'2014 to 5502 USD Million by January'2015. Further, there is expansion noticed in Indian Stock Market. The figures climbed from Rs 20k index points in February'2014 to Rs 27k index points towards the end of December'2014, and reaching Rs 29k index points in February'2015. The Rupee remained relatively stable, and the Current Account Deficit (CAD) is continuously shrinking from 2 per cent of GDP in Q4 of 2013-14 to 1.6 per cent in Q3 of 2014-15. Also, there is remarkable expansion being witnessed in the Banking sector, while the issues pertaining to assets' quality and earnings are expected to start declining (Standard and Poor's ratings Services report).

## Housing Industry Overview

The new government at the centre has infused optimism in the sentiments in general. The Reserve Bank of India has managed to bring down the CPI inflation to 6% from the double digit level of inflation which persisted over the previous two years. A large part of disinflation has been on account of the slump in international crude oil prices. The Union Budget has also announced initiatives to boost investment. As a result, the outlook for the GDP growth has improved. However, the unseasonal rains and hailstorms during the last month could have adverse impact on the agriculture and CPI inflation. Hence, what remains to be seen is the pace with which the acceleration takes place without increasing the inflation. The Reserve Bank of India, in its endeavors to boost the pace of growth, reduced repo rate twice during the year. In its recent bimonthly policy, RBI has also indicated that it will continue to be accommodative in further easing of the rates if the inflation remains within the acceptable range and transmission to lending rates. It is therefore expected that the credit growth which had declined to 9% - lowest in the decade from 14% during the previous year; is likely to improve during the new financial year. The asset quality which had deteriorated in general across the banking sector during the year under review is expected to remain weak until economic growth gathers momentum. Even, net-interest margins are expected to follow the similar pattern after experiencing decline by the banking sector. During the year, the regulator for Housing Finance Companies (HFC)- National Housing Bank (NHB) stipulated that HFCs are required to create Deferred Tax Liability in respect of Special Reserve being created by HFCs. As a result, the reported Profit after Tax (PAT) gets adversely impacted. SRGHFL is of the opinion that generally HFCs would not be required to utilize Special Reserve since specific provisions towards Standard Loan Assets and Non Performing Loans are being made. Hence, in all probabilities, such creation of Deferred Tax Liability will not get crystallized in the long term period but HFCs will report lower PAT due to such accounting entry.

## Opportunities & Threats

The growth in housing and housing finance activities in recent years reflect the optimistic state of the housing finance market in the country. Housing constitutes an important component and a measure of socio-economic status of people. The accessibility of housing finance for people in general has evolved, developed and improved over the years. The financial institutions have come to see good value in funding this component of the economy. With growing number of players and mainly "Scheduled Commercial Banks" becoming very aggressive in this segment; the housing finance sector is increasingly becoming market driven. Overall, the affordability of housing loans clearly appears to have improved with fast growing number of borrowers. The Government is taking continuous efforts to improve housing and habitat conditions by way of financial allocations in the Five Year Plans.

While the future growth outlook of the housing market looks reasonably good, with the sector becoming more demand driven, the challenge lies in its inclusiveness. Presently access to formal credit is mostly available to the people in the formal sector who are salaried and have dominant incomes.

India has got the largest rural population cluster in the world. Today, India's largest population resides in rural areas. Rural India contributes larger part in GDP as compare to urban cities. Housing loan demand is also increasing in rural India, so there is a need to fulfill all demands of villagers. The government is also bringing schemes so that people can fulfill their dreams by making their houses a dream home. India is the second populous country in the world, so as population increases the demand for home loan will also increase to meet demands. India has got the larger number of working population. India's proportion of the working age population (15-59 years) is likely to rise from around 58 percent in 2001 to over 64 per cent by 2021. In absolute numbers,

around 63.5 million people are expected to enter the working age group between 2011 and 2016. By 2030, India will have the youngest median age of 31.2 years, while China's will be 42.5 years. When most major economies will see a decline of working age adults (20-64 years), India is expected to see a significant rise in working age adults.

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

Housing being one of the low risk asset classes for financiers and hence scheduled commercial banks has become very aggressive in this segment, which are having established network across the country and also have access to funds at a relatively cheaper rate. With the active presence of scheduled banks in the housing finance segment, the market dynamics will play a pivotal role in determining the lending rates and consequently will affect the margins of "Stand alone housing finance companies", for which the availability of longer term funds at affordable rates is a cause of concern. The introduction of "Base Rate" system in the Banking resulted in gradual increase in cost of funds for housing finance industry.

However still there is ample scope for the "Housing Finance Industry" to grow, due to huge demand and supply gap existing in housing segment and the consequent need for funding of purchases of shelter across all segments of the population.

### **Loan Products and process**

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

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

### **Marketing Efforts**

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

Presently, it has a Head office and 9 satellite centers located in Mavli, Sagwara, Banswara, Chittorgarh, Bhinder, Rajsamand, Dungarpur, Salumber and Rishabdeo in Rajasthan. Further, the company is targeting to expand its market and open more satellite centers which are to be located in tier 2 cities, tier 3 cities, District and Tehsil head quarters and at the peripheries of tier 1 city, which are the key target markets. SRGHFL has a strong marketing team, which has taken steps to serve the customers at their door step which includes appointing Home Loan Agents, Direct Selling Agents and Home Loan Counsellors. The Company also caters to walking customers among others. Besides this, the Company is active in advertising and various marketing arrangements. The company's marketing is totally strategic and policy driven where the company's core moto is "CUSTOMER IS KING"

### **Disbursements**

SRGHFL disbursed Rs. 2538.64 Lakhs during the year as against Rs. 1610.72 Lakhs in the previous year. The loan portfolio is diversified across Business class, salaried and non-salaried borrowers. The non-salaried borrower base, which the company believes is a relatively under penetrated target segment, comprises Self Employed Professionals ("SEP") and Self Employed Non-Professional ("SENPs")

Company outstanding loan portfolio has grown at a CAGR of 66.70 % over a five year period from Rs. 5.00 crores as of March 31, 2011 to Rs. 38.67 crores as of March 31, 2015. Similarly, profit after tax has grown at a CAGR 70.60 % of over a five year period from Rs. 0.18 crores for Fiscal 2011 to Rs. 1.53 crores for Fiscal 2015.

### **Provision for Standard Assets, NPAs and Contingencies**

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

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

### **NHB Guidelines and Prudential Norms**

SRGHFL has complied with the guidelines issued by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, "Know Your Customer" (KYC), Fair Practices Code, grievance redressal mechanism, recovery of dues, and capital market exposures etc.

SRGHFL's Capital Adequacy Ratio as at March 31<sup>st</sup>, 2015 was 50.34% as against NHB's prescribed limit of 12%.

### **Inspection by National Housing Bank (NHB)**

NHB, under section 34 of the NHB Act, 1987, carries out inspection of HFCs every year. NHB conducts comprehensive inspection of SRGHFL's lending, resource raising and accounting activities apart from the compliances with the Prudential Guidelines issued by NHB .NHB has not conducted any Inspection for the year 2014-15.



## **Risk Management**

Liquidity risks and interest rate risks arising out of maturity mismatch of assets and liabilities are managed by SRGHFL by constant monitoring of the maturity profiles with a periodical review of the position. Your Company's majority of housing loan advances are on fixed rate of interest basis and normally any movement in rate of borrowings has direct impact on the company's profitability as if the rate is increased by RBI or lender bank the profitability of the company decreases and vice versa.

Comprehensive risk management practices form an integral part of the operations at SRG HFL. The nature of business the company is engaged in exposes it to a slew of complex and variable risks. The rapid and continuous changes in the business environment have ensured that the organisation becomes increasingly risk focused to achieve its strategic objectives. SRG HFL policies ensure timely identification, management and mitigation of relevant risks, such as credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risks, which help the company move forward with vigour.

## **Internal Audit and Control**

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

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

## **Information Technology**

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

## **Segment Reporting**

The Company is exclusively engaged in the Housing and Mortgage Finance business and revenues are mainly derived from this activity. Accounting Standard 17 regarding Segment-wise Reporting issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 does not apply to your Company since revenues are derived from only one segment i.e. from finance activity.

## Risks and Concerns

Housing Finance Companies has to manage various risks associated with mortgage business. These risks include liquidity risk, interest rate risk, and credit risk. With the tenure of Housing Finance Companies' borrowings being shorter (because of the lack of availability of long-term funds at competitive rates) that of housing loans, asset–liability-mismatch (ALM) risks are inherent in the housing finance business. While prepayment (foreclosures of loans) and unutilized bank credits do help the HFCs maintain a comfortable liquidity profile, such scenario may not continue forever. This issue could be addressed by making “long-term funding sources” at competitive rates through further development of the capital markets and a mortgage backed securitization market.

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

## Human Resources / Industrial Relations

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

## Cautionary Statement

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

**Place: - Udaipur**

**Date: - May 25<sup>th</sup>, 2015**

**For and on behalf of the Board of Directors**

**Sd/-  
Vinod K Jain  
Managing Director  
DIN: 00248843**

## ANNEXURE V

# FORM NO. AOC.2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- (a) Name (s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date (s) of approval by the Board
- (g) Amount paid as advances, if any
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.

### 2. Details of material contracts or arrangement or transactions at arm's length basis:

NAMES OF RELATED PARTY	NATURE OF RELATIONSHIP	NATURE OF CONTRACTS	TERMS/ DURATION OF CONTRACTS	OUTSTANDING VALUE( as on 31 <sup>st</sup> March, 2015)	DATE OF APPROVAL BY BOARD/ MEMBER	AMOUNT PAID AS ADVANCES/ SECURITY DEPOSIT
Vinod K. Jain	Managing Director	Salary	On- Going	Nil	24.04.2013	Nil
Vinod K. Jain	Managing Director	Rent	5 years	Rs. 0.30 Lacs	11.02.2015	Rs. 10.00 Lacs
Vinod Jain HUF	MD is Karta of HUF	Rent	3 years	Nil	20.05.2012	Nil

Sd/-

Vinod K. Jain  
Managing Director  
DIN: 00248843

## Annexure – VI

# REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) the report containing the details of Corporate Governance systems and processes at SRG Housing Finance Limited is as follows:

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

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

### Board of Directors

#### Composition & Category of Directors:

As on March 31<sup>st</sup>, 2015 the Board of Directors comprises of five directors, who bring in a wide range of skills and experience to the board. All the directors of the Company, except the Managing Director are Non-Executive Directors. Out of the four non-executive directors, two are independent directors. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Clause 49 II (B) of the listing agreements and the provisions of Section 149 (6) of the Companies Act, 2013. All directors are appointed by the members of the Company.

The directors bring to the board a wide range of experience and skills. Brief profiles of the directors, are set out in this annual report.

The composition of the board is in conformity with Clause 49 II (A) of the listing agreement.

Category	Name of Directors
Promoter Directors	Mr. Vinod K. Jain, Managing Director Mr. Rajesh Jain, Non Executive Director Mrs. Seema Jain, Non Executive Director
Independent Directors	Mr. Ashok Kabra Mr. Vikas Gupta

\* Mr. Chirag Dharmawat, Independent Director resigned from the Company w.e.f 19.02.2015.

\* Mr. Nishant Badala was appointed as Additional Director in the capacity of Non- Executive Independent Director in the board meeting held on 14.05.2015.

### Disclosure of relationship between directors inter-se:

Director	Related To	Relation
<b>Mr. Vinod K. Jain</b>	Mrs. Seema Jain	Spouse
	Mr. Rajesh Jain	Brother
<b>Mrs. Seema Jain</b>	Mr. Vinod K. Jain	Spouse
	Mr. Rajesh Jain	Husband's Brother
<b>Mr. Rajesh Jain</b>	Mrs. Seema Jain	Brother's Wife
	Mr. Vinod K. Jain	Brother

None other directors are related to each other.

### Responsibilities:

The board of directors represents the interest of the Company's shareholders, in optimising long-term value by providing the management with guidance and strategic direction on the shareholders' behalf. The board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulatory compliance, safeguard interest of shareholders and reporting to shareholders.

### Role of Independent directors:

Independent directors play an important role in deliberations at the board meetings and bring to the Company their wide experience in the fields of finance, housing and accountancy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction. The Audit Committee, the Nomination & Remuneration Committee and the Shareholder's/ Investor Grievance Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the listing agreements 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 2 (two) Independent Directors on its Board. Both the Directors viz. Mr. Ashok Kabra and Mr. Vikas Gupta were appointed at the 15<sup>th</sup> AGM of the Company for a period of 5 years with effect from September 18<sup>th</sup>, 2014 and 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- [www.srghousing.com](http://www.srghousing.com).

The Board has, upon the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Nishant Badala as an Independent Director w.e.f. May 14<sup>th</sup>, 2015 subject to the approval of the shareholders.

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 under clause 49 of the listing agreement. In the opinion of the Board, each independent director possesses appropriate balance of skills, experience and knowledge, as required.

## Familiarisation Programme for Independent Directors:

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

## Evaluation of Directors and Board:

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

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

## Meetings of Independent Directors:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. The Independent Directors of the Company met once during the year on March 31<sup>st</sup>, 2015 to review the performance of Non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and access the quality, quantity and timeliness of flow of information between the company management and the Board.

## Board Meetings, Board Committee Meetings and Procedures

### Number of Board Meetings along with dates:

The meetings of the Board of Directors are generally held at the Registered Office of the Company. During the year, Board met 12 (Twelve) 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
15-04-14	6	6
29-05-14	6	6
02-06-14	6	6
19-08-14	6	6
22-10-14	6	6
13-11-14	6	6
04-12-14	6	3
26-12-14	6	6
21-01-15	6	6
11-02-15	6	6
27-02-15	5	5
11-03-15	5	5

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

Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM) and the details of other chairmanship / directorship / committee membership of each Director as on 31<sup>st</sup> March 2015 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	12	12	Yes	1	0	1
Mr. Rajesh Jain	12	12	Yes	1	0	1
Mrs. Seema Jain	12	12	Yes	1	0	0
Mr. Ashok Kabra	12	11	Yes	0	0	0
Mr. Vikas Gupta	12	11	Yes	0	0	0
Mr. Chirag Dharmawat*	10	9	Yes	0	0	0

#### Notes:

Other directorships exclude foreign companies, private limited companies and alternate directorships. In accordance with Clause 49 of the Listing Agreement membership/ Chairmanship of only Audit Committee and Stakeholders' Relationship Committee have been reckoned in all other public limited Companies.

\* Ceased to be a Director w.e.f. 19.02.2015. 10 meetings were held during his tenure.

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

### Board Committees

#### Composition of Board Committees:

<b>AUDIT COMMITTEE</b>	<b>NOMINATION AND REMUNERATION COMMITTEE</b>
Mr. Vikas Gupta - Chairman of the Committee Mr. Vinod K. Jain- Member Mr. Ashok Kabra- Member	Mr. Ashok Kabra- Chairman of the Committee Mr. Vikas Gupta- Member Mr. Rajesh Jain- Member
<b>SHAREHOLDER'S/ INVESTOR GRIEVANCE COMMITTEE</b>	<b>RISK MANAGEMENT COMMITTEE</b>
Mr. Vikas Gupta, Chairman of the Committee Mr. Ashok Kabra- Member Mr. Rajesh Jain- Member	Mr. Vinod K. Jain, Chairman of the Committee Mr. Rajesh Jain- Member Mr. Vikas Gupta- Member

## Committee Meetings and Attendance of the Members:

BOARD COMMITTEES	AUDIT COMMITTEE <sup>1</sup>	NOMINATION AND REMUNERATION COMMITTEE <sup>2</sup>	SHAREHOLDER'S/ INVESTOR GRIEVANCE COMMITTEE <sup>3</sup>	RISK MANAGEMENT COMMITTEE <sup>4</sup>
Meetings Held	8	5	3	2
<b><u>Director's Attendance</u></b>				
Vinod K. Jain	8	N.A.	N.A.	2
Rajesh Jain*	N.A.	1	3	2
Vikas Gupta**	8	5	3	1
Ashok Kabra***	1	5	3	N.A.
Chirag Dharmawat****	7	4	N.A.	1

1\*\*\* Appointed as member w.e.f. 27.02.2015. One Audit Committee meeting was held during his tenure in the financial year 2014-15.

1\*\*\*\* Ceased to be member w.e.f 19.02.2015. Seven Audit Committee meetings were held during his tenure.

2\* Appointed as member w.e.f 27.02.2015. One Nomination & Remuneration Committee meeting was held during his tenure in the financial year 2014-15.

2\*\*\*\* Ceased to be member w.e.f 19.02.2015. Four Nomination & Remuneration Committee meetings were held during his tenure.

4\*\* Appointed as member w.e.f. 27.02.2015. One Risk Management Committee meeting was held during his tenure in the financial year 2014-15.

4\*\*\*\* Ceased to be member w.e.f 19.02.2015. One Risk Management Committee meeting was held during his tenure.

## Procedure at Committee Meetings:

### Audit Committee

#### Compositions:

The Composition of Audit Committee comprises as follows:

- Mr. Vikas Gupta – Independent Director (Chairman of the Committee)
- Mr. Vinod K. Jain- Managing Director
- Mr. Ashok Kabra- Independent Director

\* Mr. Chirag Dharmawat, Chairman of the Committee resigned from the post of Chairman of the committee on 19.08.2014 and thus the committee was reconstituted by Board on 19.08.2014 to appoint Mr. Vikas Gupta, Independent Director as the Chairman of the Committee. Further on 19.02.2015 Mr. Chirag Dharmawat, Independent Director resigned from such Independent Directorship and thus the Committee was reconstituted by Board on 27.02.2015 to appoint Mr. Ashok Kabra, Independent Director to be the member of the committee.



The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. 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 18<sup>th</sup> September, 2014.

#### **Powers and Roles of the Committee:**

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in clause 49 of the listing agreement and also those specified in section 177 of the Companies Act, 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The committee also looks into those matters specifically referred to it by the Board.

#### **Meetings:**

The audit committee met 8 (Eight) times during the year on 11/04/2014, 29/05/2014, 16/08/2014, 13/10/2014, 13/11/2014, 21/01/2015, 10/02/2015 & 10/03/2015. The details of the meetings and attendance are given on page no 40.

#### **Nomination and Remuneration Committee**

The Board of Directors at its meeting held on April 15<sup>th</sup>, 2014 changed the nomenclature of Remuneration Committee to Nomination and Remuneration Committee, in accordance with section 178 of Companies Act, 2013.

#### **Compositions:**

The Composition of Nomination & Remuneration committee comprises as follows:

- Mr. Ashok Kabra, Independent Director  
(Chairman of the Committee)
- Mr. Rajesh Jain , Non- Executive Director
- Mr. Vikas Gupta, Independent Director

*On 19.02.2015 Mr. Chirag Dharmawat, Independent Director resigned from the post of Independent Directorship and the Committee was reconstituted by Board on 27.02.2015 to appoint Mr. Rajesh Jain, Non Executive Director, to be the member of the committee.*

The Committee's composition meets with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **Terms of reference of the Committee:**

- Appointment of the directors, and key managerial personnel of the Company; and
- Fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.

This committee recommends the appointment/reappointment of executive directors and the appointments of employees along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and

scales prevailing in the similar industry. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable. To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **Meetings:**

During the financial year 2014-2015 the committee met 5 Times. The details of the meetings and attendance are given on page no 40.

#### **Shareholders/ Investor Grievance Committee**

##### **Compositions:**

The Composition of Shareholder's & Investor Grievance committee comprises as follows:

- Mr. Vikas Gupta, Independent Director  
(Chairman of the Committee)
- Mr. Ashok Kabra, Independent Director
- Mr. Rajesh Jain , Non- Executive Director

The Committee's composition meets with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

##### **Terms of reference of the Committee:**

The committee met regularly to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc. The terms of reference of the committee meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

##### **Investor Grievance Redressal:**

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. During the year company received two complaints from investors. All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year.

**Meetings:** The committee met 3 (Three) times during the year 2014-2015 on 21.05.2014, 30.07.2014, 01.01.2015. The details of the meetings and attendance are given on page no 40.

##### **Remuneration policy:**

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

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

## **Director's Remuneration**

### **Non-Executive Directors:**

During the financial year 2014-15, no payment is made to Non Executive Directors.

### **Executive Director:**

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

### **Transactions with Non-executive Directors:**

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31<sup>st</sup> March, 2015.

### **Details of shareholding of Directors as on 31<sup>st</sup> March, 2015:**

The shareholding details of the directors as at March 31<sup>st</sup>, 2015 are included in MGT-9 forming part of the Directors' Report.

## **Codes and Standards**

### **Vigil Mechanism:**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement Company have made a formal Whistle Blower/ Vigil Mechanism Policy which provides detailed procedure to protect the interest of employees of the company. The same can be read from the link (<http://www.srghousing.com/VIGILMechanismPolicy.aspx>) on the website of the company [www.srghousing.com](http://www.srghousing.com).

### **Prevention of Insider Trading:**

Your Company has formulated and adopted a Code for Prevention of Insider Trading Practices in accordance with the model code of conduct as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. The code is applicable to all directors, senior employees and their dependents. The said persons are restricted from dealing in the securities of the Company during the 'restricted trading periods' notified by the Company, from time to time.

### **Fair Practice Code:**

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

### **Code of Conduct for the Board of Directors and the Senior Management:**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.srghousing.com](http://www.srghousing.com). As provided under clause 49 of the listing agreement with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2014-2015.

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

## **Declaration under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

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

## **Declaration by Board:**

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

## **Disclosures**

### **Related Party Transaction (RPT):**

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

Details of RPT in form AOC 2 attached to Board Report may also be referred to.

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 ([www.srghousing.com](http://www.srghousing.com))

### **Accounting Treatment:**

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

### **Management Discussion and Analysis Report:**

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

### **General Meetings:**

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

Annual General Meetings of the Company:

Venue	Financial Year	Date & Time
321, SM Lodha Complex, Near Shastri Circle, Udaipur	2011-2012	04 <sup>th</sup> June, 2012 at 11:00 AM
Hotel Q, 2-A New Flora Complex, Near New Pula Bridge, Fatehpura, Udaipur	2012-2013	12 <sup>th</sup> August, 2013 at 12:15 PM
Hotel Q, 2-A New Flora Complex, Near New Pula Bridge, Fatehpura, Udaipur	2013-2014	18 <sup>th</sup> September, 2014 at 12:15 PM

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

AGM/EGM	Subject
Extra Ordinary General Meeting held on 26/04/2012	Issue of Bonus Shares Increase in Borrowing Powers
Extra Ordinary General Meeting held on 07/05/2012	Issue of Share Capital Appointment of CMD
13 <sup>TH</sup> Annual General Meeting held on 04/06/2012	No Special Resolution was passed
Extra Ordinary General Meeting held on 15/06/2012	Change in Name from S.R.G. Housing Finance Limited to SRG Housing Finance Limited
14 <sup>TH</sup> Annual General Meeting held on 12/08/2013	Amendment in Main Object Clause
Extra Ordinary General Meeting held on 12/05/2014	Increase in Authorised Share Capital Issue of Bonus Shares
15 <sup>TH</sup> Annual General Meeting held on 18/09/2014	Appointment of Independent Directors Borrowing Powers Power to create Charge

### Postal Ballot:

During the year, the members of the Company have approved migration of Company from BSE SME Platform to BSE Main Board by passing a Special Resolution through postal ballot effective December 4, 2014. 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 voting process in a fair and transparent manner.

The details of the voting pattern in respect of Special Resolution passed for Migration of Company from BSE SME Platform to BSE Main Board was as under:

Promoter / Public	No. of Shares Held	No. Of Votes Polled	% of Votes Polled On Outstanding Shares	No. of Votes - In favor	No. of Votes- Against	% of Votes in Favor on Votes Polled	%of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)*100	(4)	(5)	(6)=[(4)/(2)*100]	(7)=[(5)/(2)*100]
Promoter and Promoter Group	5617589	4398869	78.30%	4398869	0	100%	NIL
Public	5695111	1016941	17.86%	1016941	0	100%	NIL
Totals	<b>11312700</b>	<b>5415810</b>		<b>5415810</b>	<b>0</b>		

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

### Dematerialisation of shares:

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

As at March 31<sup>st</sup>, 2015, 100 % of equity shares of SRGHFL have been dematerialised by members through NSDL and CDSL.

### Means of Communication:

- The company's website address is: [www.srghousing.com](http://www.srghousing.com). The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updating of its website. The company has designated the email-id [info@srghousing.com](mailto:info@srghousing.com) to enable the shareholders to register their grievances.
- No presentations have been made to institutional investors or to analysts.

### MD and CFO Certification:

The Managing Director / Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report. (Annexure- VII)

### Subsidiary Companies:

The company has no Subsidiary Companies.

### General Shareholder Information:

#### Annual General Meeting:

Date and time:	September 10, 2015 Time: 12:15 PM
Venue:	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, India
Book Closure Date :	04-09-2015 to 10-09-2015
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March

#### Financial Calendar 2015-16 (tentative):

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

Quarter ending June, 2015	By 14 <sup>th</sup> August, 2015
Quarter/ Half Year ending September, 2015	By 14 <sup>th</sup> November, 2015
Quarter ending December, 2015	By 14 <sup>th</sup> February, 2016
Quarter/ Half Year/ Year ending March, 2016	Within 60 Days from 31 <sup>st</sup> March, 2016
Annual General Meeting	By September, 2016

#### Particulars of Dividend for the year ended 31.03.2015:

Nature	Interim Dividend
Date of declaration	11.03.2015
Rate of dividend	Rs. 0.25 per share
Book Closure Date	20.03.2015
Date of payment of dividend	From 25.03.2015 onwards
Amount of dividend paid	Rs. 28.28 Lakhs
Share Capital	Rs. 11.31 Crores

#### Listing of 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 2015-16 was duly paid to the above stock exchange)

**Stock Market Data:**
**The Bombay Stock Exchange Limited**

Month	Open Price	High Price	Low Price	Close Price
Apr-14	48.00	48.00	48.00	48.00
May-14	49.00	62.00	26.00	26.00
Jun-14	27.50	27.50	16.60	16.60
Jul-14	17.40	29.55	17.40	29.55
Aug-14	31.00	47.40	31.00	47.40
Sep-14	48.30	56.00	48.30	56.00
Oct-14	57.10	72.75	57.10	72.00
Nov-14	75.50	75.50	71.80	73.00
Dec-14	74.00	76.60	54.15	54.15
Jan-15	52.00	56.75	39.30	56.75
Feb-15	59.55	89.65	59.40	89.65
Mar-15	94.10	103.70	85.85	96.00

**Shareholding Pattern as on 31<sup>st</sup> March 2015:**

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) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a % of Total No. of Shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
a	Individual/Huf	15	4813290	4813290	42.548	42.548	-	-
b	Central/State Gov	-	-	-	-	-	-	-
c	Bodies Corporates	3	804299	804299	7.110	7.110	-	-
d	Fins / Banks	-	-	-	-	-	-	-
e	Any Other specify	-	-	-	-	-	-	-
e-1		-	-	-	-	-	-	-
e-2		-	-	-	-	-	-	-
	<b>Sub Total (A)(1)</b>	<b>18</b>	<b>5617589</b>	<b>5617589</b>	<b>49.657</b>	<b>49.657</b>	-	-
<b>2</b>	<b>Foreign</b>							
a	Indv. NRI/For Ind.	-	-	-	-	-	-	-
b	Bodies Corporate	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-
d	Qualified For.Inv.	-	-	-	-	-	-	-
e	Any Other Specify	-	-	-	-	-	-	-
e-1		-	-	-	-	-	-	-
e-2		-	-	-	-	-	-	-
	<b>Sub Total (A)(2)</b>	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group</b>							
	<b>Total (A)= (A)(1)+ (A)(2)</b>	<b>18</b>	<b>5617589</b>	<b>5617589</b>	<b>49.657</b>	<b>49.657</b>	-	-

<b>(B) Public shareholding</b>								
<b>1</b>	<b>Institutions</b>							
<b>a</b>	Mutual Funds	-	-	-	-	-	-	-
<b>b</b>	Fins / Banks	-	-	-	-	-	-	-
<b>c</b>	Central/State Govt	-	-	-	-	-	-	-
<b>d</b>	Venture Cap Fund	-	-	-	-	-	-	-
<b>e</b>	Insurance Comp(s)	-	-	-	-	-	-	-
<b>f</b>	Foreign Ins Invest	-	-	-	-	-	-	-
<b>g</b>	Foreign Ven Cap In	-	-	-	-	-	-	-
<b>h</b>	Qualified For.Inv.	-	-	-	-	-	-	-
<b>i</b>	Any Other -Specify	-	-	-	-	-	-	-
<b>i-1</b>		-	-	-	-	-	-	-
<b>i-2</b>		-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-
<b>B 2</b>	<b>Non-institutions</b>							
<b>a</b>	Bodies Corporates	17	1389595	1389595	12.283	12.283	-	-
<b>b</b>	Individuals						-	-
	i) upto Rs 1-Lac	208	506458	506458	4.477	4.477	-	-
	ii) above Rs1-Lac	60	3798958	3798958	33.581	33.581	-	-
<b>c</b>	Qualified For.Inv.	-	-	-	-	-	-	-
<b>d</b>	Any Other -Clr-Mem	1	100	100	0.001	0.001	-	-
<b>d-1</b>		-	-	-	-	-	-	-
<b>d-2</b>		-	-	-	-	-	-	-
	<b>-OCB</b>	-	-	-	-	-	-	-
	<b>-NRI</b>	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	<b>286</b>	<b>5695111</b>	<b>5695111</b>	<b>50.343</b>	<b>50.343</b>	-	-
<b>(B)</b>	<b>Total (B)=(B)(1)+(B)(2)</b>	<b>286</b>	<b>5695111</b>	<b>5695111</b>	<b>50.343</b>	<b>50.343</b>	-	-
	<b>TOTAL (A)+(B)</b>	<b>304</b>	<b>11312700</b>	<b>11312700</b>		<b>100.000</b>	-	-
<b>(C)</b>	<b>Held by Custodians against Depository Receipts</b>							
	PROMOTER & PRO GRP	-	-	-	-	-	-	-
	PUBLIC	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>304</b>	<b>11312700</b>	<b>11312700</b>		<b>100.000</b>	-	-

#### Distribution of Shareholding as on 31<sup>st</sup> March 2015:

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
UPTO TO 100	106	4100	0.04
101 TO 200	13	2310	0.02
201 TO 500	19	6241	0.06
501 TO 1000	7	5543	0.05
1001 TO 5000	20	48684	0.43
5001 TO 10000	57	458649	4.05
10001 TO 100000	50	1737434	15.36
100001 TO ABOVE	32	9049739	80.00
<b>Total</b>	<b>304</b>	<b>11312700</b>	<b>100.00</b>



## Registrar and Share Transfer Agents:

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

## Corporate Benefits to Investors:

Dividend Declared:

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

\* Share of paid-up value of Rs. 10 per share.

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 31.03.2015 to be transferred to Investor Education & Protection Fund.

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.

## 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 31<sup>st</sup> March 2015, 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. 11312700 equity shares representing 100% of the paid up equity capital have been dematerialized as on 31<sup>st</sup> March 2015.

## Information to Shareholders:

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

## Plant Locations:

Not Applicable being a Housing Finance Company

**Address for Correspondence:**

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

M/s. Sharex (Dynamic) India Pvt. Ltd.  
Unit -1, Luthra Ind. Premises, 1st Floor, 44-E, M, Vasanti Marg, Andheri - Kurla Rd., Safed Pool, Andheri (E) Mumbai-400072  
Tel: 022-28515606;  
Fax No: 022-28512885  
Email- sharexindia@vsnl.com

For any other general matters or in case of any difficulties / grievance

Mr. Hitesh Soni  
Company Secretary and Compliance Officer  
SRG Housing Finance Limited  
321, SM Lodha Complex, Near Shastri Circle, Udaipur, Rajasthan-313001  
Tel : 0294-561882  
Fax : 0294-510098  
E-mail : info@srghousing.com

**Compliance Certificate of the Auditors:**

Certificate from the Company's Auditors, M/s. Valawat Jha Pamecha & Co., confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

**Non Mandatory Requirements:****Compliance:**

The Company has complied with the mandatory requirements as stipulated under Clause 49 of the listing agreements. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

**Going Concern:**

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

**Risk Management Committee:**

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

The Composition of Risk Management committee comprises as follows:

- Mr. Vinod K. Jain, Managing Director  
(Chairman of the Committee)
- Mr. Vikas Gupta, Independent Director
- Mr. Rajesh Jain, Non- Executive Director

The Committee's composition meets with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

**The Board:**

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

**Nomination & Remuneration Committee:**

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

**Audit Qualifications:**

The statutory financial statements of the company are unqualified.

**Separate posts of Chairman and MD:**

The Company has appointed only MD of the Company.

**Reporting of Internal Auditor:**

The Internal Auditor of the company directly reports to the Audit Committee.

**Declaration by Managing Director on Code of Conduct under clause 49 of the listing agreement**

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 31<sup>st</sup>, 2015.

Place: Udaipur  
Date: 25.05.2015

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

## 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 overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee 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 : 25.05.2015

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

Sd/-  
Ashok Kumar  
Chief Financial Officer

# DETAILS OF MANAGERIAL REMUNERATION

SL. NO.	REQUIREMENTS	DISCLOSURES
(i)	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2014-15.	<u>Executive Director</u> Mr. Vinod K. Jain- Managing Director- 26.67x
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	<u>Executive Director</u> Mr. Vinod K. Jain- Managing Director- 33.33%  <u>KMPs( Other than Managing Director)</u> Mr. Ashok Kumar- 16.36% Mr. Hitesh Soni- 33.33%
(iii)	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 25%
(iv)	The number of permanent employees on the rolls of company	There were 18 permanent employees on the rolls of the Company, as on March 31, 2015.
(v)	The explanation on the relationship between average increase in remuneration and company performance;	The average increase in remuneration of the employees of the Company was in line with the increase in the profitability of the Company. The Company, inter-alia, considers the following factors for deciding upon the increase in the remuneration of the employees: A. Individual performance/ contribution of the Employee vis-à-vis Company Performance. B. Industry Benchmarking C. Balance between fixed and incentive pay reflecting short and long term performance objectives.
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	For the Financial year 2014-15, the total remuneration paid to the KMPs were approx 4.28% of the net profit for the year.
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The Market capitalisation of the Company has increased from Rs. 37.78 crores as of March 31, 2014 to Rs. 108.60 crores as of March 31, 2015. Over the same period, the price to earnings ratio moved from 31.59x to 67.13x. The Company's stock price as at March 31, 2015 has increased by 380% to Rs.96/- ( BSE) over the last public offering, i.e. IPO as on the date of allotment i.e. 04.09.2012 at the price of Rs. 20/- per share.
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<ul style="list-style-type: none"> <li>• Average increase in the remuneration of all employees excluding KMPs and Directors: 15.56%</li> <li>• Average increase in the remuneration of KMP: 12.30%</li> <li>• Justification: KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.</li> </ul>

<p>(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company</p>	<p>The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under:</p> <table border="1"> <thead> <tr> <th data-bbox="922 226 1043 255">Particulars</th> <th data-bbox="1075 226 1469 255">% of the Net Profit for the FY 2014-15</th> </tr> </thead> <tbody> <tr> <td data-bbox="922 322 1114 351">Managing Director</td> <td data-bbox="1385 322 1465 351">22.86%</td> </tr> <tr> <td data-bbox="922 358 970 387">CFO</td> <td data-bbox="1385 358 1458 387">2.63%</td> </tr> <tr> <td data-bbox="922 394 954 423">CS</td> <td data-bbox="1385 394 1458 423">1.65%</td> </tr> </tbody> </table>	Particulars	% of the Net Profit for the FY 2014-15	Managing Director	22.86%	CFO	2.63%	CS	1.65%
Particulars	% of the Net Profit for the FY 2014-15								
Managing Director	22.86%								
CFO	2.63%								
CS	1.65%								
<p>(x) The key parameters for any variable component of remuneration availed by the directors;</p>	<p>Any variable component of remuneration payable to the Directors (if any), is based on the parameters, as approved by the Board of Directors, on the basis of the recommendation of the Nomination &amp; Remuneration Committee of the Board. The said parameters are set considering the provisions of applicable laws, Remuneration Policy of the Company and the respective resolution(s) of the Members of the Company, as applicable</p>								
<p>(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;</p>	<p>During the financial year 2014-15, there is no employee in the Company who is not a Director but receives remuneration in excess of the highest paid director i.e. Managing Director of the Company.</p>								
<p>(xii) Affirmation that the remuneration is as per the remuneration policy of the company.</p>	<p>It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company.</p>								

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To**  
**The Members of**  
**SRG HOUSING FINANCE LIMITED,**

We have examined the compliance of conditions of corporate governance by SRG Housing Finance Limited ("the Company"), for the year ended on 31<sup>st</sup> March, 2015, as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges.

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

In our opinion and to the best of my information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance 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 VALAWAT JHA PAMECHA & CO**  
**Chartered Accountants**  
**FRN: 008265 C**  
**Sd/-**  
**(Jinendra Jain)**  
**Partner**  
**M.No.072995**

**Date: 25.05.2015**  
**Place: Udaipur**

# INDEPENDENT

# AUDITOR'S REPORT

To  
The Members  
SRG Housing Finance Limited

We have audited the accompanying financial statements of SRG Housing Finance Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,



- a) In the case of the Balance Sheet , of the state of affairs of the Company as at March 31, 2015
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;  
and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we hereby give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ; and
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
  - f. 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:
    1. The Company does not have any pending litigations which would impact its financial position;
    2. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    3. As represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the Company.

Place: Udaipur  
Dated: 25/05/2015

For Valawat Jha Pamecha & Co.  
Chartered Accountants  
(FRN 008265 C)

Sd/-  
(Jinendra Jain)  
Partner  
M.No. 072995

# Annexure to the Auditors' Report

**[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of SRG HOUSING FINANCE LIMITED on the financial statements for the year ended 31<sup>st</sup> March, 2015]**

1. a) The Company is maintaining 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.
2. According to the information and explanations given to us, the Company has not having any Inventory and therefore paragraph 2 of the Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3 of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed asset. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public, within the meaning of Sections 73 to 76 of Companies Act 2013 and the rules framed there under.
6. As informed 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. a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31<sup>st</sup> March, 2015.  
  
b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, service tax, customs duty and cess as at 31<sup>st</sup> March 2015, which has not been deposited on account of dispute.  
  
c) According to the information and explanations given to us and records of the Company examined by us, in our opinion, there are no amounts payable to investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules there under.
8. The Company has no accumulated losses as at 31<sup>st</sup> March, 2015 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the information and explanations given to us and records of the Company examined by us the company has not defaulted in repayment of dues to any financial institution or bank at the Balance Sheet date.

10. In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year;
11. The Term loans obtained during the year were applied by the Company for the purpose for which they were obtained.
12. Based on the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.
13. As per the Housing Finance Companies (NHB) Directions 2010, we report that:
  - i) The company is registered with NHB under section 29 of NHB Act, 1987 before 12<sup>th</sup> June, 2000 vide registration no. 02.0032.02 dated 24.05.2002 /02.0056.04 dated 15.04.2004.
  - ii ) The company has complied with the provisions of section 29 c of the National Housing Bank Act, 1987.
  - iii) The capital adequacy ratio has been shown in the notes of the accounts and which is as per the norms.
  - iv) In case of housing finance company, not accepting public deposit: -
    - The Board of Directors has passed resolution for not accepting public deposit.
    - The Company has not accepted any public deposit during the year of audit 2014-2015.
    - The Company has complied with prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it.

For Valawat Jha Pamecha & Co.  
Chartered Accountants  
(FRN 008265 C)

Place: Udaipur  
Dated: 25/05/2015

Sd/-  
(Jinendra Jain)  
Partner  
M.No. 072995

# Balance Sheet

## As at 31<sup>st</sup> March , 2015

Particulars	Note No	As at 31st March, 2015	As at 31st March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	113127000	80805000
(b) Reserves and Surplus	2	34007650	55972720
		<b>147134650</b>	<b>136777720</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	247002524	155227946
(b) Deferred Tax Liabilities (net)	8	796327	0
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	4	1906932	0
(b) Other current liabilities	5	2431858	576321
(c) Short-term provisions	6	9886586	7074087
<b>Total</b>		<b>409158877</b>	<b>299656074</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	7		
(i) Tangible assets		1304337	1534752
(b) Deferred tax assets (net)	8	0	214376
(c) Long Term Portion Housing and Property Loans	9	299493462	211790008
(d) Other non-current assets	10	8400276	18932034
<b>(2) Current assets</b>			
(a) Short Term Portion Housing and Property Loans	9	87258631	52197169
(b) Cash and cash equivalents	11	2730392	8454454
(c) Short-term loans and advances	12	9971779	6533281
<b>Total</b>		<b>409158877</b>	<b>299656074</b>

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 Valawat Jha Pamecha & Co.**

Chartered Accountants

FRN : 008265 C

Sd/-

Vinod K. Jain

Managing Director

DIN: 00248843

Sd/-

Seema Jain

Director

DIN: 00248706

Sd/-

(Jinendra Jain)

Partner

Membership No. 072995

Date : 25.05.2015

Place : Udaipur

Sd/-

Rajesh Jain

Director

DIN: 00212393

Sd/-

Ashok Kumar

CFO

Sd/-

Hitesh Soni

Company Secretary

M.NO. A32401

# Profit and Loss Statement

## For the Year ended 31<sup>st</sup> March, 2015

Particulars	Note No	As at 31st March, 2015	As at 31st March, 2014
<b>I. Revenue from operations</b>	<b>13</b>	<b>68736136</b>	<b>47404935</b>
Total Revenue		68736136	47404935
<b>II. Expenses:</b>			
Employee benefit expense	14	7502254	5808332
Financial costs	15	23914586	13268107
Depreciation and amortization expense	7	786326	529240
Other expenses	16	13841775	10833963
Total Expenses		46044941	30439642
<b>III. Profit before tax (I-II)</b>		<b>22691195</b>	<b>16965293</b>
<b>IV. Tax expense:</b>			
Current tax		6746285	5047171
Deferred Tax		-110082	-19130
Deferred Tax Liabilities on Special I.T. Reserve		696628	0
<b>V. Profit/(Loss) for the period (III-IV)</b>		<b>15358364</b>	<b>11937252</b>
<b>VI. Earning per equity share:</b>			
Basic & diluted		1.43	1.48

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 Valawat Jha Pamecha & Co.**  
Chartered Accountants  
FRN : 008265 C

**For & On Behalf of the Board**

Sd/-	Sd/-
Vinod K. Jain Managing Director DIN: 00248843	Seema Jain Director DIN:00248706

Sd/-  
(Jinendra Jain)  
Partner  
Membership No. 072995  
Date : 25.05.2015  
Place : Udaipur

Sd/-	Sd/-
Rajesh Jain Director DIN: 00212393	Ashok Kumar CFO

Sd/-  
Hitesh Soni  
Company Secretary  
M. NO. A32401

# Cash Flow Statement

## For the year ended

### 31st March , 2015

(Amount in Rs.)

Particulars	Figures as at end of the current reporting period		Figures as at end of the previous reporting period	
<b>A. Cash flow from operating activities</b>				
Net Profit before tax		22691195		16965293
<i>Adjustments for:</i>				
Depreciation	786326		529240	
Provision for NPA	(457047)		348728	
Provision for Standard Assets	(656338)		(653322)	
Other Provision	(42339)	(369398)	35021	259667
Operating profit / (loss) before working capital changes		22321797		17224960
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Loans and Advances (Housing & Property Loan)	(122764916)		(75673330)	
Short-term loans and advances	(3438498)		(4482300)	
Other non-current assets	10531758	(115671656)	(10567242)	(90722872)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Other current liabilities	1855537		202422	
Short-term provisions	2812499	4668036	3297052	3499474
Cash generated from operations		(88681823)		(69998438)
Net income tax (paid) / refunds		6746285		5047171
<b>Net cash flow from / (used in) operating activities (A)</b>		(95428108)		(75045609)
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(583788)	(583788)	(89550)	(89550)
<b>Net cash flow from / (used in) investing activities (B)</b>	(583788)	(583788)	(89550)	(89550)
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	0		0	
Security Premium from issue of equity shares	0		0	
Dividend & Dividend Distribution Tax	(3393676)		0	
Proceeds from long-term borrowings	91774578		117065366	
Proceeds from Short-term borrowings	1906932	90287834	(35144045)	81921321
<b>Net cash flow from / (used in) financing activities (C)</b>		90287834		81921321
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		(5724062)		6786162
Cash and cash equivalents at the beginning of the year		8454454		1668292
<b>Cash and cash equivalents at the end of the year</b>		2730392		8454454

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

As per Our Report of even date  
For Valawat Jha Pamecha & Co.  
Chartered Accountants  
FRN : 008265 C

Sd/-  
(Jinendra Jain)  
Partner

Membership No. 072995  
Date : 25.05.2015  
Place : Udaipur

For & On Behalf of the Board

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

Sd/-  
Rajesh Jain  
Director  
DIN: 00212393

Sd/-  
Hitesh Soni  
Company Secretary  
M.NO.- A32401

Sd/-  
Seema Jain  
Director  
DIN: 00248706

Sd/-  
Ashok Kumar  
CFO

# SRG HOUSING FINANCE LIMITED

## AS AT 31.03.2015

### SIGNIFICANT ACCOUNTING POLICIES:

- 1. Basic 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 Sec 133 of the Companies Act, 2013, and accounting standards issued by the Institute of Chartered Accountants of India (ICAI) as Applicable. The Company also follows the directions prescribed by the National Housing Bank (NHB) for housing finance Companies.
- 2. Income Recognition** Interest income on housing / other loans and other dues are accounted on accrual basis. Housing / other loans are classified into "Performing and non- performing assets in terms of the directions issued by the NHB from time to time". Income recognition on non-performing advances are made in accordance with the NHB guidelines. Fees and additional interest income on delayed EMI/ Pre-EMI are recognized on receipt basis.
- 3. Interest on Housing Loans** Repayment of the Housing Loans is by way of equated monthly installments (EMIs) comprising principal and interest. The interest is calculated on the outstanding balances at the beginning of the month. EMI's commence once the entire loan is disbursed. Pending commencement of EMI, pre-equated monthly installment interest (PEMI) is payable every month.
- 4. Fixed Assets and Depreciation** Fixed Assets are stated at cost, Depreciation on fixed assets is provided on pro-rata basis on "Written Down Value Method" from the date of installation based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.
- 5. Provision on Non-Performing Assets** Non- performing assets are identified and categorized into Sub-standard, Doubtful and Loss Category based on the guidelines and direction issued by NHB. Provisions for non-performing assets are made in the accordance with the said guidelines.
- 6. Investments** The Company do not have Investments
- 7. Retirement Benefits** :-Liability for employee benefits, both short and long term, for present and past services which are due as per terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" as notified by the Companies (Accounting Standards) Rules,2006.

(i). **Gratuity** The management is of the opinion that since none of the employees of the company were in continuous service as provided in the act accordingly making provision of the gratuity does not arise. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of the law, the same will be accounted for on cash basis.

ii) **Pension :**

The management is also of the opinion that the payment under Pension Act is not applicable to the Company

## 8. Accounting For Taxes On Income

Income tax expenses is the aggregate amount of current tax and deferred tax charge, Taxes on income are accrued in the same period as the revenue and expenses to which they relate. Current Tax is determined in accordance with the income Tax Act 1961, on the amount of tax payable in respect of income for the year.

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

## 9. 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.

<b>a) Earnings per share (EPS) is calculated as follows:</b>		
<b>Particulars</b>	<b>2014-15</b>	<b>2013-14</b>
Net profit after tax	15358364	11937252
Weighted Average Number of Equity Shares (No's)	10763669	8080500
Earnings Per Share- Basic and Diluted	1.43	1.48



# NOTES ON FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>st</sup> March 2015

1. SHARE CAPITAL	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Authorised Share Capital :</b>		
1,20,00,000 Equity Shares of Rs. 10 /- Each	120000000	100000000
(P.Y. 1,00,00,000 Equity Shares of Rs. 10/-Each)		
<b>Issued , Subscribed &amp; Paid up :</b>		
(1,13,12,700 Equity shares of Rs. 10 /- Each)	113127000	80805000
(P.Y. 80,80,500 Equity shares of Rs. 10 /- Each )		
<b>Total</b>	<b>113127000</b>	<b>80805000</b>

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

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	8080500	80805000	8080500	80805000
Share issued during the year	-	-	-	-
Bonus share issued during the year	3232200	32322000	-	-
Initial Public Offering (IPO)	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>11312700</b>	<b>113127000</b>	<b>8080500</b>	<b>80805000</b>

The details of Shareholding more than 5 % shares

Name of the shareholder	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	No. of Shares Held	%	No. of Shares Held	%
Vinod Jain	1050201	9.28	464715	5.75
Pushpa Jain	601671	5.32	429765	5.32
Hriday Credit Cooperative Society Ltd.	-	-	726000	8.99

### Terms/Rights attached to Equity Shares

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

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>2. RESERVE AND SURPLUS :</b>		
<b>Special Reserve</b>		
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	6913400	4513400
Add : Transferred from Profit and Loss Account	3100000	2400000
<b>Total</b>	<b>10013400</b>	<b>6913400</b>
<b>Securities Premium Reserve</b>		
As per Last Balance Sheet	35040000	35040000
Add: Received during the year	0	0
Less: Utilized for issue of bonus shares	32322000	0
<b>Total</b>	<b>2718000</b>	<b>35040000</b>
<b>Surplus</b>		
As per last Balance Sheet	14019320	4751641
Add : Profit for the year	15358364	11937252
<b>Total</b>	<b>29377684</b>	<b>16688893</b>

Less : Appropriations		
Transfer to Special Reserve *	3100000	2400000
Provisions for NPA	457047	-348728
Provisions for standard Assets	656338	653322
Assets W/o as per co. act 2013	27877	0
Def. Tax Liab. On special I.T. Reserve	424157	0
Excess Prov.	42339	-35021
Interim Equity Dividend**	2828210	0
Dividend Distribution Tax	565466	0
	8101434	2669573
	21276250	14019320
<b>Total</b>	<b>34007650</b>	<b>55972720</b>

\* As per section 29C of the NHB Act, 1987, the company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under section 36 (1) (VIII) of The income Tax Act, 1961 is considered to be an eligible transfer. The Company has transferred an amount of Rs.31.00Lacs (Previous Year Rs. 24.00Lacs) 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.

\*\* During the year company has paid an interim dividend on equity shares of Rs.10/- each @ Rs. 0.25 per share.

<b>3. LONG TERM BORROWINGS :</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
<b>Secured</b>		
<b>From : State Bank of India</b>		
Term Loan	247002524	155227946
	247002524	155227946

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

Term Loan-1 Rs 400.00 Lacs -Repayable in 54 months @ Rs.7.50 lacs for 53 months and last installment being 2.50 lacs. Outstanding at the year end Rs. 199.71 lacs

Term Loan-2 Rs 1250.00 Lacs -Repayable in 54 months @ Rs.23 lacs for 53 months and last installment being 31 lacs. Outstanding at the year end Rs.1008.14 lacs

Term Loan-3 Sanction Rs. 3000.00 Lacs , Loan Availed Rs.1250.00, Loan Outstanding at the year end Rs.1262.17 Repayable in 60 months @ Rs 50.00 lacs PM w.e.f. May-2016.

<b>4. SHORT TERM BORROWINGS :</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
<b>Secured</b>		
<b>Loans repayable on Demand ( From Bank)</b>		
<b>From : State Bank of India</b>		
Working Capital Loans	1906932	0
	1906932	0

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

#### **5. OTHER CURRENT LIABILITIES :**

Expenses Payable	689226	309728
Unclaimed Dividend	435963	0
Other Current Liabilities	1306669	266593
<b>Total</b>	<b>2431858</b>	<b>576321</b>

#### **6. SHORT TERM PROVISIONS :**

Provision for Taxation	6746285	5047171
Provision for NPA	1085115	628068
Provision for standard Assets	2055186	1398848
<b>Total</b>	<b>9886586</b>	<b>7074087</b>

## 7. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS AT 01.04.14	ADD	Trans- fer*	AS AT 31.03.2015	AS AT 01.04.14	FOR THE YEAR	AS AT 31.03.2015	AS AT 31.03.2015	AS AT 31.03.14
<b>TANGIBLE ASSETS</b>									
Computers	461800	0	(16268)	445532	334764	81052	415816	29716	127036
Office Equipments	385401	24000	(11609)	397792	164052	126088	290140	107652	221349
Vehicles	4175397	319098	0	4494495	3109841	478886	3588727	905768	1065556
Franking Machine	180110	0	0	180110	59299	69967	129266	50844	120811
Furniture & Fixture	0	240690	0	240690	0	30333	30333	210357	0
<b>Total</b>	<b>5202708</b>	<b>583788</b>	<b>(27877)</b>	<b>5758619</b>	<b>3667956</b>	<b>786326</b>	<b>4454282</b>	<b>1304337</b>	<b>1534752</b>
Previous Year	5113158	89550	0	5202708	3138716	529240	3667956	1534752	1974442

\* Representing the carrying value of assets, whose remaining useful life is NIL and has been charged to opening balance of retained earnings as per the transitional provision prescribed in note 7 (b) of schedule II of the companies act, 2013

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>8. DEFERRED TAX LIABILITIES/(ASSETS) NET :</b>		
Deferred Tax Assets (Timing difference of depreciation under Co. Act and Income Tax Act)	(324458)	214376
Deferred Tax Liability Special Reserve u/s 36(1) (viii) of Income Tax Act,1961	1120785	0
<b>Total</b>	<b>796327</b>	<b>214376</b>

## 9. LONG TERM HOUSING & PROPERTY LOANS :

Secured considered good unless stated otherwise		
Housing Loans	300211684	172700874
<b>Current Portion</b>	69690727	29519894
<b>Non Current Portion</b>	230520957	143180980
Property Loans (LAP)	86540409	91286303
<b>Current Portion</b>	17567904	22677275
<b>Non Current Portion</b>	68972505	68609028
<b>Total</b>	<b>386752093</b>	<b>263987177</b>

## 10. OTHER NON CURRENT ASSETS :

Advance against Office Booking	1500000	14000000
Security Deposit	5000	5000
Deferred Expenses	5895276	4927034
Rent Deposit	1000000	0
<b>Total</b>	<b>8400276</b>	<b>18932034</b>

## 11. CASH & CASH EQUIVALENTS :

Cash on Hand	1620887	889369
Balance With Banks	1109505	7565085
<b>Total</b>	<b>2730392</b>	<b>8454454</b>

As at 31<sup>st</sup> March, 2015

As at 31st March, 2014

**12. SHORT TERM LOANS AND ADVANCES :****Unsecured Considered Good**

Advance Tax and TDS	6862325	4917325
Interest Accrued but not due	2956813	1607771
Others-Stock on Stamps	12628	8185
Prepaid Exp.	38889	0
Other Advance	101124	0
<b>Total</b>	<b>9971779</b>	<b>6533281</b>

**13. REVENUE FROM OPERATIONS**

Interest on Housing loans	50475482	34050938
Interest on Property Loans	17960189	13353997
Other Income	300465	0
<b>Total</b>	<b>68736136</b>	<b>47404935</b>

**14. EMPLOYEE BENEFIT EXPENSES :**

Salaries to Employees	3992254	3258332
Directors Remuneration	3510000	2550000
<b>Total</b>	<b>7502254</b>	<b>5808332</b>

**15. FINANCIAL COST :**

Interest on working Capital loan	2903776	3077539
Interest on term loan	19376680	8561203
Other Interest	64125	27425
Bank Charges	1570005	1601940
<b>Total</b>	<b>23914586</b>	<b>13268107</b>

**16. OTHER EXPENSES :**

Advertisement	533996	626240
Audit Fees	65000	65000
Internal Audit Fees	30000	30000
Vehicle Running & Maintenance	571009	403677
Computer Maintenance	444668	43537
Electricity	64202	53032
Insurance	5984	43911
Legal & Professional Fees	700542	375701
Office Expenses	95796	87847
Postage and Telegramme	7564	20327
Printing and Stationery	106512	142878
Donation	1500	2100
Rent	427560	306310
Telephone	81405	78016
Travelling	278845	243373
Commission	4425250	1382425
Consultancy Fees	112360	415360
Bad Debts written off	0	997952
Business Promotion Exp.	1385612	790535
Recovery and Inspection	301760	299350
Satellite Centre	350059	791000
Market Maker Fees	2247200	2247200
Miscellaneous Exp. Written Off	1281758	1231758
Other Expenses	323193	156434
<b>Total</b>	<b>13841775</b>	<b>10833963</b>

17	<b>Auditors Remuneration Includes: -</b>	<b>Rs. In lakh</b>
	Audit Fees	0.40
	Taxation Fees	0.10
	R.O.C. Matters & Certification	0.15
		-----
		0.65
		=====

18 **Related Party Disclosures** : Disclosures as required by the accounting standard 18 of ICAI in respect of related party transactions for the year ended on 31/03/2015 :-

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

Mr. Vinod K Jain, Managing Director

Vinod Jain HUF

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

Directors Remuneration- (Salary)	Rs. 35.10 Lakh (Previous year Rs 25.50 Lakh)
Office Rent	Rs. 2.78 Lakh (Previous year Rs 2.25 Lakh)

19 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.

20 None of the employees were getting more than Rs. 60,00,000/-p.a. or 5,00,000/p.m. during the year.

21 All the balances of Sundry Creditors, Loans and Advances are subject to confirmation.

22 The previous year figure have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

23 The Company have complied all the prudential norms prescribed by National Housing Bank on income recognition , accounting standards, assets classification , provisions for Bad & doubtful debts , capital adequacy and credit / investment Concentration .

24 The company does not have any exposure in foreign currency at the year end.

25 The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation. etc. of houses to Individuals, Corporate Bodies, Builders and Co-operative Housing Societies and or loan against properties and has its operations within India. Accordingly, there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting' (AS 17) issued by the Institute of Chartered Accountants of India / notified under the Companies (Accounting Standards) Amendment Rules, 2011.

26 As per the provisions of new Companies Act, 2013 ( Act), the Company has applied the new rates of depreciation based upon the useful life of fixed assets specified in Part C of schedule II of the Act.

During the Current year , the Company has revised remaining useful lives of certain fixed as specified in Part C of schedule II of the Act, accordingly, the carrying value of fixed assets as on 1<sup>st</sup> April,2014 has been depreciated over the revised remaining useful lives. As a result of this change, the net depreciation charge for the year ended on 31<sup>st</sup> March, 2015 is higher by Rs.3.25 Lakh as compared to provisions if made under earlier companies Act. Further , an amount of Rs.0.28 Lakh representing the carrying value of assets , whose remaining useful life is NIL, as at 1<sup>st</sup> April,2014 has been charged to opening balance of retained earnings as per the transitional provision prescribed in note 7(b) of part c Schedule II of the Companies Act, 2013.

27. National Housing Bank (NHB) vide its circular no NHB(ND)DRS/Policy circular 62/2014 dated 27<sup>th</sup> May 2014 directed Housing Finance Companies to provide for deferred tax liability in respect of the balance in the Special reserve created under section 36(i)(viii) of the Income Tax Act,1961 further NHB vide its policy circular dated 22<sup>nd</sup> August 2014, has clarified that such contingent deferred tax liability in respect of opening balance in the Special Reserve as at 1<sup>st</sup> April,2014 may be created by adjusting the opening reserves of the Company over a period of three years . Accordingly, Company has adjusted its opening general reserve as at 1<sup>st</sup> April, 2014 with an amount of Rs.4.24 Lakhs as contingent deferred tax liability and the unamortized amount against the same is Rs.12.72 Lakhs.

The contingent deferred tax liability of Rs 6.97 Lacs in respect of the amount appropriated to Special Reserve during the year ended on 31<sup>st</sup> March, 2015 has been charged to Statement of Profit & Loss and deferred tax liability on Special reserve created under section 36(i)(viii) of the Income Tax Act,1961 has been created as per NHB Direction. For comparability, DTL charged to statement of Profit & Loss has been separately disclosed in the above a/c.

**28. As required by the revised guidelines dated 11<sup>th</sup> October, 2010 by NHB read with additional requirements/guidelines with reference to the interpretation of various terms/ classifications, the following additional disclosures are given as under :**

### 28.1 Capital to Risk Assets Ratio (CRAR)

Items		31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
i)	CRAR (%)	50.34	61.30
II)	CRAR - Tier I Capital (%)	50.34	61.30
iii)	CRAR - Tier II Capital (%)	0	0

### 28.2 Asset Liability Management

#### Maturity Pattern of certain items of assets and liabilities

(Rs. In Lakhs)

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 month to 6 months	Over 6 month to 1 years	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 year to 7 years	Over 7 year to 10 years	Over 10 years	Total
<b>Liabilities</b>											
Borrowing from banks	75.09	30.50	30.50	91.50	183.00	1138.67	668.92	270.91	0.00	0.00	2489.09
Market borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Assets</b>											
Advances	71.74	61.82	70.47	219.84	448.71	1726.93	1078.45	125.88	41.51	22.16	3867.52
Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## 28.3 Exposure to Real Estate Sector

Category	Current Year	Previous Year
a ) <b>Direct exposure</b>		
(I) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; Individual Housing Loan up to Rs. 15 Lakh	1362.64	1171.90
(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;	1152.49	660.27
(iii) Investment in Mortgage Backed Securities (MBS) and other securitised exposures -	1352.39	807.70
a. Residential	0.00	0.00
b. Commercial Real Estate	0.00	0.00
b ) <b>Indirect Exposure</b>		
Fund based and non-fund based exposure on national Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00

## 29. Classification of Loans and Provisions made for Non Performing Assets are as under:

(Rs in Lakh)

Particulars	For the year ended 31-3-2015					For the year ended 31-3-2014				
	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Housing Loan	2976.98	14.64	10.50	0.00	3002.12	1716.51	5.81	4.69	0.00	1727.01
Property Loan	850.50	0.00	14.90	0.00	865.40	897.96	14.90	0.00	0.00	912.86
<b>Total loans</b>	<b>3827.48</b>	<b>14.64</b>	<b>25.40</b>	<b>0.00</b>	<b>3867.52</b>	<b>2614.47</b>	<b>20.71</b>	<b>4.69</b>	<b>0.00</b>	<b>2639.87</b>
Provision-Housing Loan	15.93	2.19	4.93	0.00	23.05	8.71	0.87	3.17	0.00	12.75
Property Loan	4.62	0.00	3.73	0.00	8.35	5.28	2.24	0.00	0.00	7.52
<b>Total Provision</b>	<b>20.55</b>	<b>2.19</b>	<b>8.66</b>	<b>0.00</b>	<b>31.40</b>	<b>13.99</b>	<b>3.11</b>	<b>3.17</b>	<b>0.00</b>	<b>20.27</b>

### 30. Details of movement in provisions

Particulars	Opening as on 1.04.2014	Provisions made during the year	Provisions re- versed/adjusted	Closing as on 31.03.2015
Bad & Doubtful Debts	6.28	4.57	0.00	10.85
Taxation	50.47	67.46	50.47	67.46
Standard Assets	13.99	6.56	0.00	20.55

31. In terms of requirement of NHB's Circular No. NHB(ND)/DRS/Pol.Circular.61/2013-14 dated April 7, 2014 following information on Reserve Fund under Section 29C of the NHB Act, 1987 is provided

Particulars	(Rs. In Lakh)	
	As at 31.03.2015	As at 31.03.2014
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987.	14.22	5.21
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 29 C of the NHB Act, 1987	54.91	39.92
c) Total	69.13	45.13
<b>Addition/Appropriation/Withdrawal during the year</b>		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	8.46	9.01
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 29 C of the NHB Act, 1987	22.54	14.99
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
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	22.68	14.22
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	77.45	54.91
c) Total	100.13	69.13

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

For VALAWAT JHA PAMECHA & CO.  
Chartered Accountant  
FRN: 008265 C

For & on behalf of the Board

Sd/-  
(JINENDRA JAIN)  
Partner  
M.No. 072995

Sd/-  
(VINOD K. JAIN)  
Managing Director  
DIN: 00248843

Sd/-  
(RAJESH JAIN)  
Director  
DIN: 00212393

Sd/-  
(SEEMA JAIN)  
Director  
DIN: 00248706

PLACE: UDAIPUR  
DATE: 25.05.2015

Sd/-  
(ASHOK KUMAR)  
CFO

Sd/-  
(HITESH SONI)  
Company Secretary  
M.NO. A32401



## BOOK POST



TO,

IF UNDELIVERED PLEASE RETURN TO:-  
**SRG HOUSING FINANCE LIMITED**  
**321, S. M. LODHA COMPLEX, NEAR SHASTRI CIRCLE**  
**UDAIPUR , RAJASTHAN-313 001**  
**CIN: L65922RJ1999PLC015440**