

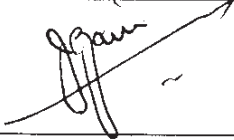
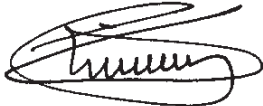


FORM -A .

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	SRG Housing Finance Limited
2.	Annual Financial Statements for the year ended	31 st MARCH, 2014
3.	Type of Audit Observations	Un- Qualified
4.	Frequency of Observation	NA
5	To be signed by-	
	• Managing Director	
	• CFO	
	• Auditor of the Company	
	• Audit Committee Chairman	



SRG HOUSING FINANCE LTD

■ Always with you

2013 - 14

Annual Report

SRG HOUSING FINANCE LIMITED

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A Message from our Chairman



DEAR SHAREHOLDERS,

I am honoured to welcome you to the company's **15th Annual General Meeting**. The global economy grappled with challenges for most of the financial year 2014. Although emerging economies are in better shape compared to their developed counterparts, growth rates are moderating globally. **AND IF WE TALK ABOUT THE INDIAN ECONOMY** India's GDP growth not only remained weak, but also continued to decline throughout FY2014. At SRG HFL, we believe that consistent performance, technology leadership and a strong focus on developing the potential of our people creates the foundation for long-term growth. Our performance in 2013-14 reinforces our belief. The credit for achieving our objectives for the past year goes to each and every member of the SRG HFL family.

During the year ended March 31, 2014, your Company recorded a gross total income of Rs. 474.05 lacs, Profit Before Tax (PBT) of Rs. 169.65 lacs and Profit After Tax (PAT) of Rs. 119.37 lacs. The Net Owned Fund (NOF) of the Company as on March 31, 2014 stood at Rs.1316.36 lacs. Earnings Per Share (EPS) as on that date was Rs. 1.48.

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 102 % to 474.05 Lacs in FY2013-14, Profit before tax grew by 102% to 169.65 Lacs, Profit after tax rose by 88 % to 119.37 lacs. Loan portfolio up by 40.18 % to ` 2639.87 lacs. SRG HFL ended the year with non-performing assets (NPA) accounting for LESS THEN 1% of its total loan book, Capital adequacy as on 31 March 2014 stood at 61.30%, which is well above the NHB norms.

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 analyse branch performance 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 FY 2014-15 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.

Being a BSE Listed Company, SRG HFL have shown its commendable performance on the SME Platform. Within few months of its listing, SRG Housing Finance Limited got awarded by BSE as **ONE OF THE TOP THREE PERFORMERS ON SME PLATFORM OF BSE.**

The scrip which got listed on BSE SME in the year 2012-2013 at Rs.20/- per share has given to its shareholders a return of Rs.90/- per share in just 12 months which is a remarkable achievement for SRG Housing Finance Limited . I, on behalf of whole SRG Team express my sincere gratitude towards all the Shareholders of SRG who acted as the backbone of SRG in this journey of growth. And in return to this trust , **SRG HFL had issued bonus shares to its valuable shareholders in the ratio of 2:5 amounting Rs.3,23,22,000 in the month of June, 2014.** I hope this trust and confidence which the shareholders reposed on our Company will continue to grow day by day.

I'm sure that the team will yet again rise to the challenge. Thank you for your support. May it continue as SRG HFL scales greater heights. I welcome your feedback and suggestions on what we can do to improve SRG HFL as a company. Feel free to send me your thoughts and comments at info@srghousing.com.

BEST WISHES

Sd/-

**VINOD K JAIN,
CHAIRMAN & MANAGING DIRECTOR
DIN: 00248843**



SRG HFL represents the true spirit of business excellence, encompassing facets of knowledge, human capital, trust & transparency, technology and responsibility.

We are a well recognized brand in Rajasthan, with excellence in rural housing Loan with an established track record, Strong senior management team backed by Experienced Promoters, , Robust risk management systems and processes, and an outstanding performer on BSE SME. Platform.

OUR VALUES

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

OUR OPERATIONAL HIGHLIGHTS

Despite a challenging environment, we Delivered a large scale growth and operations improvements by setting up improved marketing strategies and innovative planning of our management committee headed by our Managing Director Mr. Vinod K. Jain.

OUR VALUABLE LOANS

MAHADEV APARTMENT

KESHAV APARTMENT

DEV KIRTI APARTMENT



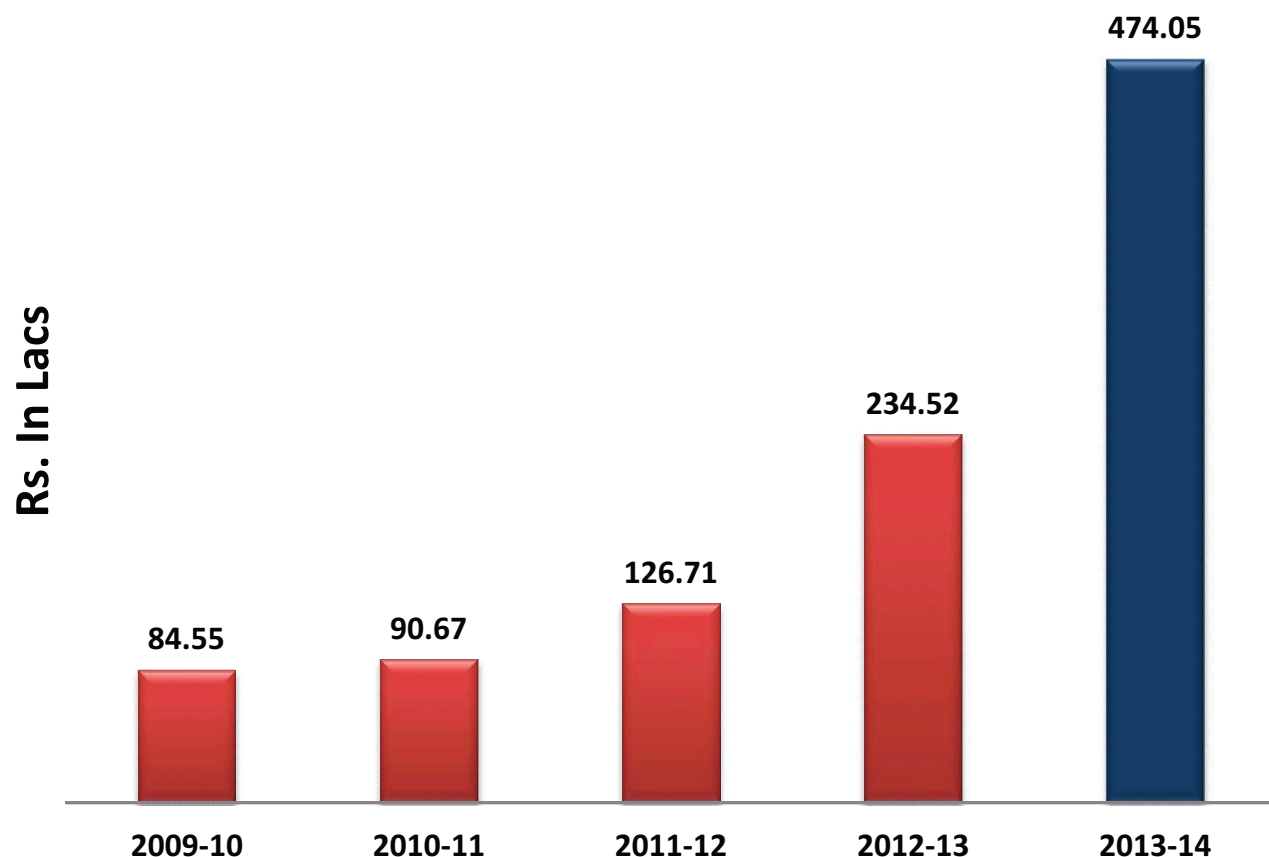
FINANCIAL HIGHLIGHTS		(Rs.In lacs)				
	2009 10	2010 11	2011 12	2012 13	2013 14	
Gross Revenues	84.55	90.67	126.71	234.52	474.05	
Profit After Tax	14.90	18.13	32.32	63.62	119.37	
Shareholders' Funds	264.47	305.65	491.33	1251.10	1367.78	
Share Capital	200.10	225.10	305.10	808.05	808.05	
Reserve and Surplus	64.37	80.55	186.23	443.05	559.73	
Borrowings from Banks	223.71	276.06	347.86	733.06	1552.28	
Loan Portfolio	451.64	500.83	757.13	1883.14	2639.87	
Disbursements during the year	254.60	154.65	410.50	1445.75	1610.72	
PBT	21.14	25.07	44.08	83.87	169.65	
EBIT	47.65	58.48	91.42	149.02	302.33	

Earning Per Share	0.74	0.81	1.06	0.98	1.48
GNPA	2.53%	6.32%	3.81%	1.03%	0.96%
NNPA	1.85%	5.25 %	2.56%	0.51%	0.73%

Gross Revenues

Current Year:

₹ 474.05 Lacs



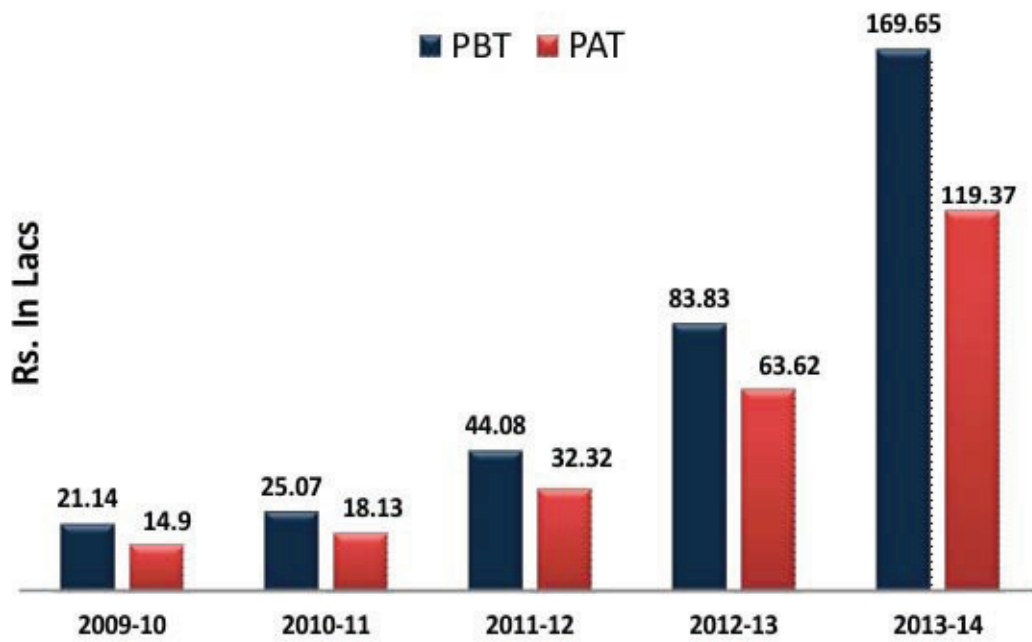
Profit Before Tax

₹ 169.65 Lacs

Current Year:

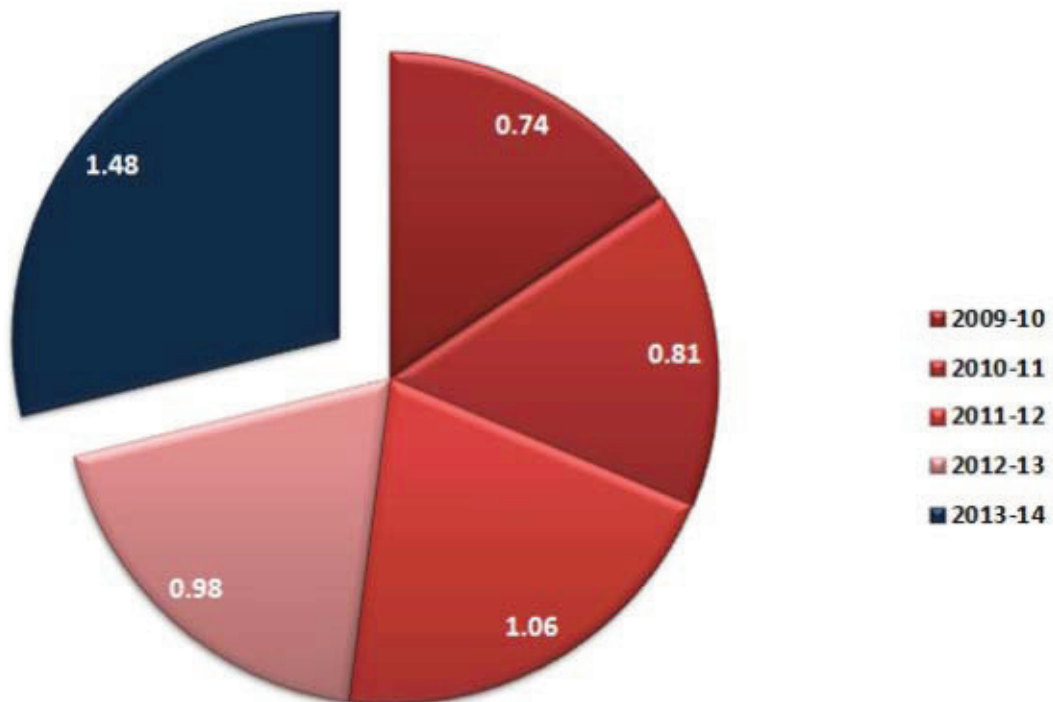
Profit After Tax

₹ 119.37 Lacs



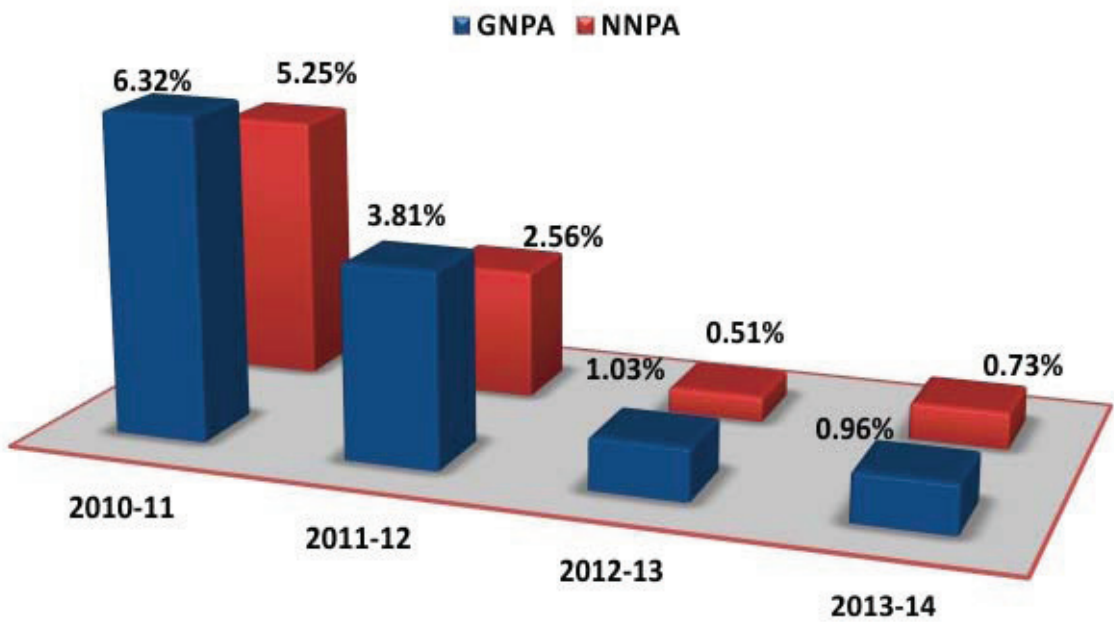
Earning Per Share

Current Year: 1.48



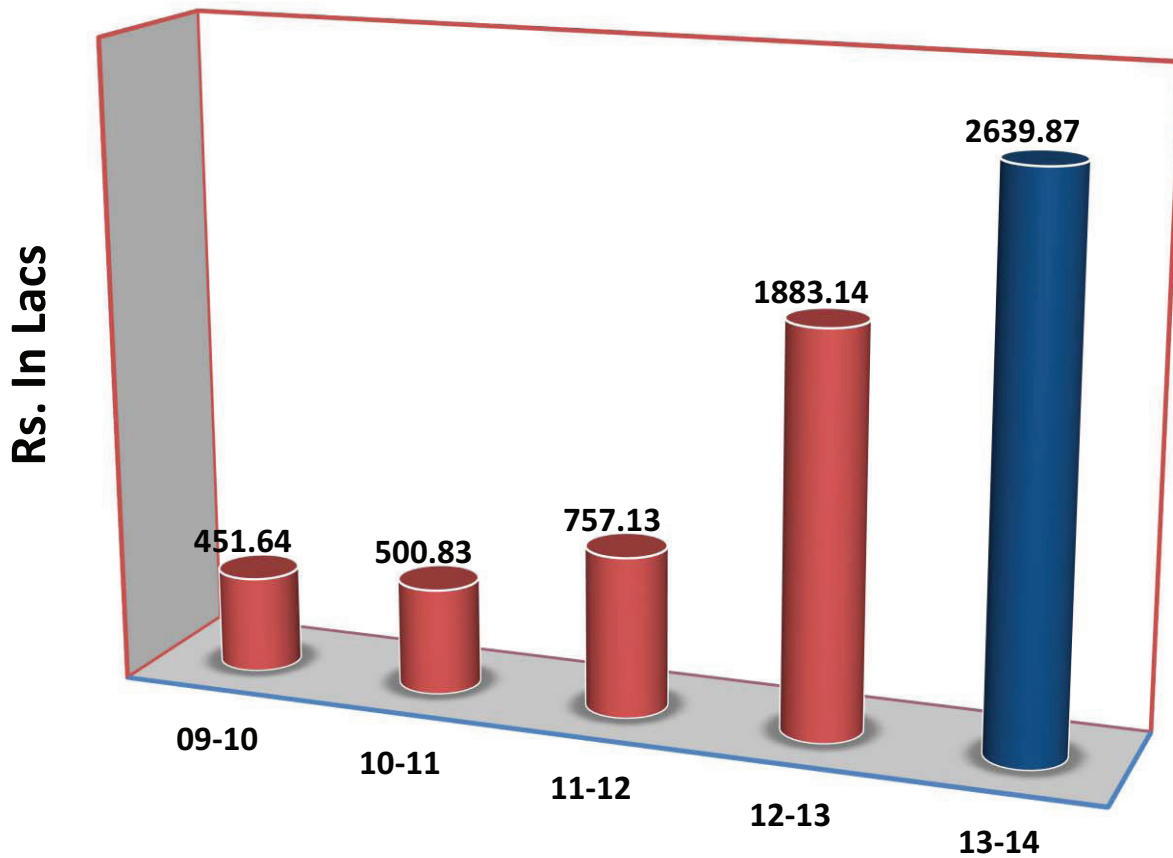
Gross non-performing Assets

Net non-performing Assets



Loan Portfolio

Current Year: ₹ 2639.87 Lacs





Corporate Information

1. Board of Directors	➤ Shri Vinod K. Jain Chairman & Managing Director
	➤ Shri Rajesh Jain Director
	➤ Smt. Seema Jain Director
	➤ Shri Ashok Kabra Independent Director
	➤ Shri Vikas Gupta Independent Director
	➤ CA Chirag Dharmawat Independent Director
2. Nomination & Remuneration Committee	➤ Shri Ashok Kabra Chairman
	➤ CA. Chirag Dharmawat Member
	➤ Shri Vikas Gupta Member
3. Shareholders/ Investors Grievance Committee	➤ Shri Vikas Gupta Chairman
	➤ Shri Ashok Kabra Member
	➤ Shri Rajesh Jain Member
4. Audit Committee	➤ CA. Chirag Dharmawat Chairman
	➤ Shri Vinod K. Jain Member
	➤ Shri Vikas Gupta Member
5. ALCO Committee	➤ Shri Vinod K. Jain Chairman
	➤ Shri Rajesh Jain Member
	➤ CA Ashok Kumar Member
6. Executive	➤ Mr. Hitesh Soni Company Secretary
7. Auditors	➤ M/s. Valawat Jha Pamecha & Co., Chartered Accountants
8. Principal Banker	➤ State Bank of India
9. Listed on Stock Exchanges	➤ SME BSE
10. Registrar & Share Transfer Agent	➤ Sharex Dynamic(India) Pvt. Ltd. Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri-East, Mumbai-400 072 Phones: 022-28515606, 28515644 Fax: (022) 28512885
11. Registered Office:	321, SM. Lodha Complex, Near Shastri Circle, Udaipur (Raj.) Phone: 0294-2561882, 2412609 Fax: 0294-5100098 Email-srghousing@gmail.com, Website: www.srghousing.com
12. CIN Number:	➤ L65922RJ1999PLC015440



To,
The Members
SRG Housing Finance Limited

Your Directors are pleased to present their Fifteenth Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended 31st March, 2014.

The Financial performance of the Company for year ended 31st March, 2014 is summarized below:

FINANCIAL RESULTS

Particulars	2013 14	2012 13
Gross Income	474.05	234.52
Less: Finance Cost	132.68	65.15
Overheads	166.43	79.33
Depreciation	5.29	6.17
Profit before Tax & Exceptional Items	169.65	83.87
Add : Exceptional Items	0.00	0.00
Profit before Tax	169.65	83.87
Less : Provision for taxation (Including deferred tax)	50.28	20.25
Profit after tax	119.37	63.62
Add : Balance b/d from the previous year	47.52	72.44
Surplus available for appropriations	166.89	136.06
Appropriations		
Transferred to Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	24.00	12.70
Provision for standard Assets	6.53	4.54
Provision for NPA	(3.48)	0.10
Bonus Issue	0.00	71.20
Excess provision	(0.35)	0.00
Balance carried over to Balance Sheet	140.19	47.52

PERFORMANCE

Lending Operations & Disbursement of Loans

Your Company registered a remarkable growth in its operations. The operating profit before charging depreciation and tax amounted to Rs.174.94 lacs as against Rs. 90.04 lacs in the preceding year; representing a rise of 94.29% Profit After Tax (PAT) before extraordinary items went up by 87.63% to Rs. 119.37 Lacs from Rs. 63.62 Lacs in the previous year.

As at 31st March, 2014, the loan book stood at Rs. 2639.87 Lacs as against Rs. 1883.14 Lac in the previous year an increase of 40.18%.

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, fresh term loans of Rs. 1250 Lacs were availed from the State Bank of India.

DIVIDEND

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

CAPITAL ADEQUACY

Particulars As on 31st March	2014	2013
Capital Adequacy Ratio	61.30%	67.40%.

Your Company's capital adequacy ratio was at 61.30% as on 31st March,2014, which we believe provides an adequate caution 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 unrealised.

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.

PARTICULARS OF EMPLOYEES

During the year under review, no employee of the Company was in receipt of the remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act,1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

TECHNOLOGY UPDATION

Regular updation of Systems and procedures is undertaken from time to time to provide checks and alerts for avoiding fraud arising out of misrepresentation given by borrower/s while availing loans.

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to section 217(1)(e) of the Companies Act,1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules,1988, as amended, the relevant information is given below :

A. CONSERVATION OF ENERGY :

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

B. 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.

C. TECHNOLOGY IMPORT AND ABSORPTION :

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

D. FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

CORPORATE GOVERNANCE:

Pursuant to the Clause 52 of the Listing Agreement with the Bombay Stock Exchange Limited, Report on Corporate Governance is annexed herewith .

MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to the Clause 52 of the Listing Agreement with the Bombay Stock Exchange Limited, Report on Management Discussion and Analysis Report is annexed herewith .

PUBLIC DEPOSIT:

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.

DIRECTORATE:

Mr. Rajesh Jain (DIN 00212393) and Mr. Chirag Dharmawat (DIN: 05281217), directors of the company liable to retire by rotation and being eligible have offered themselves for re-appointment. As per section 149(5) of the Companies Act, 2013 the Company is required to appoint Independent Directors under section 149(4) within a period of one year from 1.4.2014 i.e. the date of commencement of the said section and Rules made there under. Since the Company had already appointed Mr. Vikas Gupta (DIN: 05280808) and Mr. Ashok Kabra (DIN:00240618) as Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement with the stock exchanges. Mr. Vikas Gupta and Mr. Ashok Kabra offered themselves for re-appointment as Non-Executive Independent Directors within the meaning of section 149 and 152 [including section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years subject to approval of members in general meeting.

AUDITORS:

The Board of Directors of the Company have on the recommendation of the Audit Committee proposed that Pursuant to the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be, M/s Valawat Jha Pamecha & Co. Chartered Accountants (registration No. 008265 C), be reappointed as statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the Eighteenth Annual General Meeting (AGM) of the Company, subject to ratification by Members every year on a remuneration (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee. M/S Valawat Jha Pamecha & Co., Chartered Accountants, Udaipur have forwarded their certificates to the Company stating that their re-appointment, if made, will be within the limit specified in that behalf in section 141 of the Companies Act, 2013.

Your Directors request you to appoint the auditors and fix their remuneration.

AUDITORS' REPORT:

The Auditors' observations are self explanatory and hence do not call for any further clarification under section 217 of the Companies Act, 1956.

INVESTOR COMPLAINTS AND COMPLIANCE:

All the investor complaints duly resolved and as on date no complaints are pending.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (I) That in the preparation of the accounts for the financial year ended 31st March, 2014; the applicable accounting standards have been followed along with proper explanation relating to material departure

- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.

EARNINGS PER SHARE (EPS):

The Earnings Per Share (EPS) is Rs. 1.48 as at March 31, 2014 as against Rs.0.98 as at March 31, 2013.

REGULATORY GUIDELINES/AMENDMENTS:

The Company has also been following directions, guidelines, circulars issued by SEBI, BSE, MCA, NHB from time to time relating to listed companies.

HUMAN RESOURCES AND TRAINING:

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 Company had organised various training programmes 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 programmes conducted by various organizations and institutions including Training programmes 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.

CODES AND STANDARDS

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 organisation'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 For Prevention Of Insider Trading Practices:

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.

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 Counsellors for their continued support and patronage.

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Sd/-

Vinod K Jain

Chairman & Managing Director

Place: - Udaipur

Date: - 29th May 2014

DIN: 00248843



Management Discussion & Analysis Report

GENERAL: OVERVIEW OF THE ECONOMY

INDUSTRY STRUCTURE & DEVELOPMENTS / INDUSTRY OVERVIEW

The loan book of India's housing finance companies is increasing year by year. The growth was driven by several factors such as better demographics, rising affordability levels, lower interest rates, custom-made product offerings and increased real estate activities and rapid construction. Under this vertical, the loan against property market is still in an emerging stage. With increased focus and strategies in place to tap unfamiliar markets, the players are expected to experience high medium-term growth. Despite a high interest rate regime in India, home loan demand remained healthy during the year under review. India's dwelling unit shortage was most visible in its mid-income and low-income segments. The market for home loan demand in India is likely to sustain on the basis of extensive housing shortage coupled with historically low mortgage penetration. The importance of housing can be recognized as an engine of equitable and balanced growth for the country's development, the housing industry is one of the largest employment generators in India. From last many years there is a rise in the price of real estate including residential property which is out of reach of many families and to fulfill their needs housing finance is playing a very vital role. At present time banks and housing finance institutions are providing home loans at floating as well as on fixed rates for shorter or longer periods as per the needs of common people. The loan schemes were targeted for people in the low income and middle income groups of the country.

OPPORTUNITIES & THREATS

The growth in housing and housing finance activities in recent years reflects 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 a 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 a 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 a larger part in GDP as compared 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 loans 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.

FULFILLMENT OF NHB GUIDELINES:

Company has complied with the guidelines issued by NHB regarding accounting standards, , income recognition, , capital adequacy, concentration of credit, credit rating, "Know Your Customer" (KYC), Fair Practices Code, grievance redressal mechanism, recovery of dues, real estate and capital market exposures.

RISK MANAGEMENT AND PORTFOLIO QUALITY:

As a registered Housing Company with NHB, the company is exposed to credit risk, liquidity risk and interest rate risk. SRG HFL recognizes the importance of risk management. It has invested in people, processes and technologies to effectively mitigate risks posed by external environment and by its borrowers it has also put in place a strong risk management team, an effective credit operations structure, has invested in credit analytics, increased credit bureau usage and invested in technology up-grades to manage its risks.

The company's Asset-Liability Committee (ALCO), set up in line with the guidelines issued by the NHB, monitors asset-liability Mismatches, to ensure that there are no major imbalances or excessive concentrations on either side of the balance sheet.

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.

RISK MANAGEMENT

Liquidity risks and interest rate risks arising out of maturity mismatch of assets and liabilities are managed by your Company 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 directly impact on the company's profitability as if the rate is increased by RBI or lender bank the profitability of the company decreased 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 CONTROL SYSTEMS & ADEQUACY

An extensive internal control framework helps the company establish clear delegation of authority and SOP for all its businesses and functions. The company adopts a co-sourced model of internal audit. Both in-house internal audit department and, incessantly review the adequacy and effectiveness of existing internal controls. The critical audit observations are shared with the audit committee on a quarterly basis to effectively monitor controls and implement recommendations. On compliance matters, a methodical system of monthly self assessment exists In all functions. SRG HFL has a robust mechanism to control, detect and prevent fraud. The investigations are reviewed by a disciplinary committee comprising senior management members and chaired by the managing director. The company has a strong IT security system and audit to ensure information security. Clear segregation of duties exists between various functions. Key operational processes (finance and operations) are centralised at the head office for better control.

INSPECTION BY NATIONAL HOUSING BANK (NHB)

NHB inspected lending, resource raising and accounting activities of SRG HFL during the year the inspection report given by NHB was reviewed by the audit committee and board of director of the company.

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.

DISCUSSION ON FINANCIAL PERFORMANCE AND OPERATIONAL HIGHLIGHTS

The financial and other operational performance of the Company for the year under review has been discussed in detail in the Directors' Report. The Cash-Flow Statement and the Balance Sheet and Profit and Loss statement are annexed to the Annual Accounts of the Company.

MARKETING

SRG HFL has set-up 3 new SATELLITE CENTERS in addition to the existing 6 centers covering major cities and towns for soliciting business. It 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 walkin customers among others. Besides this, the Company is active in advertising and various marketing arrangements. The company's marketing is totally strategical and policy driven where the company's core moto is CUSTOMER IS KING.

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 inhouse, onjob training programme to staff members in executive development, leadership and management skills. The Company had organised various training programmes 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 programmes conducted by various organizations and institutions including Training programmes 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.

RELATED PARTY TRANSACTIONS

Transactions with related parties entered into by the Company in the normal course of business were placed before the Audit Committee. None of the transactions with any of the related parties were in conflict with the interests of the Company. The details of transactions with the Company and related parties are given for information under notes to accounts.

CAUTIONARY STATEMENT

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

For and on behalf of the board of directors

Sd/-

Vinod K Jain

Chairman & Managing Director

DIN:00248843

Place: - Udaipur

Date: - 29h May, 2014



In terms of Clause 52 of the Listing Agreement with BSE Limited (BSE) the report containing details of corporate governance systems and processes at SRG Housing Finance Limited is as under:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's Corporate Governance Philosophy is based on trusteeship, transparency, empowerment, control and ethical corporate citizenship. The Company believes that the practice of each of these create a right culture and fulfills the true purpose of Corporate governance. The Company remained committed towards protection and enhancement of overall long term value for its entire stakeholders – customer, lenders, employee and society.

Your company has consistently aimed at developing and internalizing such policies and implementing best-in-class actions that make it a good model of corporate governance. To that effect your Company has adopted practice mandated in Clause 52 of listing agreement & has established procedure & systems to be fully compliant with it.

BOARD OF DIRECTOR

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors as per Clause 52 of the listing agreement. The Board comprises of 6 Directors, out of which three Directors are Promoter-Directors and Three directors are non-executive Independent directors. The Independent Directors take active part at the Board and Committee meetings, which adds value in the decision making process. Half of the Board comprise of non-executive Independent directors.

As on 31st March 2014 the details of composition of Board, category of directors as well as their Directorship/membership in other companies/committees are given below.

The Board comprises of the following:

Sr. No	Name of the Director	Designation	Executive / Non Executive/Promoter	Independent / non Independent
1	Vinod K Jain	Chairman & Managing Director	Executive Director & Promoter	Non- Independent
2	Rajesh Jain	Director	Non Executive Director & Promoter	Non- Independent
3	Seema Jain	Director	Non Executive Director & Promoter	Non- Independent
4	Chirag Dharmawat	Director	Non Executive Director	Independent
5	Vikas Gupta	Director	Non Executive Director	Independent
6	Ashok Kabra	Director	Non Executive Director	Independent

Board Meetings and Attendance of Directors

During the year under review, six (6) Board meetings were held, on the following dates: 24/04/2013, 11/07/2013, 15/10/2013, 28/10/2013, 16/11/2013, 27/02/2014.

Attendance of directors at the board meetings and at the last Annual General Meeting held on 12/08/2013 is as under:

S r. N o	Name of the Director	Designation	Board Meetings during the year 2013-14		No of Directorship in other limited companies	Members of Committee		Attendance in last AGM held on 12/08/13
			Held	Attended		Member	Chairperson	
1	Vinod K Jain	Chairman & Managing Director	6	6	1	1	0	Yes
2	Rajesh Jain	Non Executive Director & Promoter	6	6	1	2	0	Yes
3	Seema Jain	Non Executive Director & Promoter	6	6	1	0	0	Yes
4	Chirag Dharmawat	Non Executive Independent Director	6	4	0	1	1	Yes
5	Vikas Gupta	Non Executive Independent Director	6	4	0	2	1	Yes
6	Ashok Kabra	Non Executive Independent Director	6	4	0	1	1	Yes

*Directorships and Committee member/Chairmanship in other companies mentioned above excludes directorships in private limited companies, unlimited companies, foreign companies and Companies incorporated under section 25 of the Companies Act, 1956.

While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership / Chairmanship of only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered pursuant to Clause 52 of the listing agreement. None of the Director is a member in more than ten committees and act as a Chairman in more than five committees across all companies in which he is a Director.

The role of independent director

The independent director play an important role in deliberation at the board meeting and to bring the company wide experience in field if finance, accounting, law and public policy.

GENERAL BODY MEETING:

1. Annual General Meetings

The last three Annual General Meetings of the Company were held within the statutory time period and the details of the same are as under:

PARTICULARS	DATE & TIME	VENUE
12 th AGM	28/07/2011 AT 11.30 AM	321, S M Lodha Complex, Near Shastri Circle, Udaipur
13 th AGM	04/06/2012 AT 11.00 AM	321, S M Lodha Complex, Near Shastri Circle, Udaipur
14 th AGM	12/08/2013 at 12.15 P.M.	At Hotel 'Q' 2-A New Flora Complex, Near New Pula Bridge, Fatehpura, Udaipur

2. Details of Extra Ordinary General Meetings:

NO EXTRA ORDINARY GENERAL MEETING HELD IN FINANCIAL YEAR 01/04/2013 TO 31/3/2014

Special Resolutions Passed At Previous AGM's / EGM's:

12 th Annual general Meeting held on 28/07/2011	No Special Resolution was passed
Extra ordinary general meeting held on 17/03/2012	Increase in authorized Share capital
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 th 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 th Annual general meeting held on 12/08/2013	Amendment in main object clause

3. Postal Ballot: -

The Company has not put any resolution for postal ballot in previous Annual General Meeting. In ensuing Annual General Meeting there is no business requiring postal ballot.

COMMITTEES OF BOARD

A. Audit Committee

The Audit Committee of SRG Housing Finance Limited consists of the two independent Directors and one Managing Director of the Company. All the Directors have good knowledge of Finance, Accounts and Company Law. CA. Chirag Dharmawat is the Chairman of the Committee. He is a practicing chartered accountant. Mr. Vikas Gupta is legal advisor in direct and indirect taxes. All members of the Committee are financially literate as per meaning of listing agreement. The Committee held 4 (Four) meetings during the year. The Audit Committee also advises the Management on the areas where internal control system can be improved. The Terms of reference of the Audit Committee are in accordance with all the items listed in Clause 52 (II)(D) and (E) of the Listing Agreement and Section 292 of the Companies Act, 1956.

Meetings and Attendance during the Year:

During the financial year 2013 -2014, Four meetings of the Audit Committee were held on 24/04/2013 , 10/07/2013 , 28/10/2013 , 14/02/2014 During these meetings, the Committee, inter alia, reviewed the financial statements including changes in accounting policies and practices before submission to the Board, recommended the appointment of statutory and internal auditors including fixation of audit fee, discussed the internal auditors findings and reviewed the company's financial and risk management policies. Generally all items listed in Clause 52 of the Listing Agreement are cover in the term of reference. The Audit Committee has been granted powers as prescribed under Clause 52.

Necessary information as required by Clause 52 of the Listing Agreement is also reviewed by the Audit Committee

Details of Attendance at the Audit Committee

Name Designation	Category	No. of Meeting Held	No. of Meeting Attend
CA. Chirag Dharmawat,	Chairman	4	4
Mr. Vikas Gupta,	Member	4	4
Mr. Vinod K Jain,	Member	4	4

B. Nomination & Remuneration Committee:

(i) Brief description of Terms of Reference

The Remuneration Committee has been constituted to recommend and review remuneration package of managing & Executive Directors by reference to performance, experience and responsibilities.

(ii) Composition of the Committee

The Remuneration Committee consists of three non-executive independent directors, to comply with and meets the requirements of the listing agreement and Schedule XIII of the Companies Act, 1956. Mr. Ashok Kabra is the Chairman and Mr. Chirag Dharmawat & Mr. Vikas Gupta are members of the Remuneration Committee.

(iii) Meetings and attendance

The Committee met twice during the financial year 2013- 2014 on dated 21/04/2013 & 10/07/2013.

(iv) Details of Remuneration of Directors

The details of remuneration paid to the directors during the financial year ended on 31st March, 2014 is as under:

Name	Remuneration	Commission	Sitting Fees	Total
Mr. Vinod K Jain	Rs. 25.50 Lacs	NIL	NIL	Rs. 25.50 Lacs
Mr. Rajesh Jain	NIL	NIL	NIL	NIL
Mrs. Seema Jain	NIL	NIL	NIL	NIL
Mr. Ashok Kumar Kabra	NIL	NIL	NIL	NIL
Mr. Vikas Gupta	NIL	NIL	NIL	NIL
Mr. Chirag Dharmawat	NIL	NIL	NIL	NIL

No Bonus , severance fees, performance linked incentives was paid during the period.

(V) Shares held by Non-Executive Independence Directors:

All Non-Executive Independent Directors hold Nil Shares in the SRG Housing Finance Ltd

C. Shareholder's / Investor's Grievances Committee

Terms of Reference

The terms of reference of Shareholders' / Investors' Grievances Committee includes the following:

- a) Allotment and listing of our shares in future;
- b) Redressing of shareholders and investors complaints such as non-receipt of declared dividend, annual report, transfer of equity shares and issue of duplicate/split/consolidated Share Certificate(s);
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of share and debentures;
- d) Reference to statutory and regulatory authorities regarding investors grievance; and
- e) To otherwise ensure proper and timely attendance and redressal of investor's queries and grievances;
- f) To do all such acts, deeds and things, as may be necessary or incidental to the exercise of the above powers.

Composition of the Shareholders' / Investors Grievance Committee:

As on 31st March 2014, the Composition of the Shareholders' / Investors Grievance Committee has been as under:

Mr. Vikas Gupta	Chairman
Mr. Rajesh Jain	Member
Mr. Ashok Kabra	Member

Compliance Officer: :

MR. HITESH SONI, Company Secretary & Compliance officer
SRG HOUSING FINANCE LIMITED, 321, S. M. Lodha Complex, Near Shastri Circle Udaipur- 313 001
Phone NO. : 0294 2412609 Fax: 0294 5100098, Email: info@srghousing.com

Details of Shareholders Complaints

The details of complaints received / solved / pending during the year are as under:

Number of Shareholders' Complaints received during the Year	NIL
Number of Complaints not solved to the satisfaction of share holders	NIL
Number of pending Complaints	NIL

DISCLOSURES

Related Party Transaction

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the company and related parties are given in notes to accounts.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

Whistle Blower Policy

The Company has framed a Code of Conduct for Directors and Senior Management. In consonance of provisions of Companies Act, 2013, Company have made a formal Whistle Blower Policy which provides detailed procedure to protect the interest of employees of the company.

Reconciliation of Share Capital Audit

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a Quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

Non-Mandatory Requirements

The Status of compliance with the non-mandatory requirements is as under:

The Board

No separate office for the Chairman is maintained, and hence no reimbursement is made towards the same.

No Specific tenure has been specified for the Independent Director. However, they are liable to retire by rotation and seek re-appointment by the Members.

Remuneration Committee

Details regarding Remuneration Committee are provided and forms part of this report.

Shareholders' Rights

The Company has posted its half yearly and Yearly financial results on its website i.e.- www.srghousing.com

Audit Qualification

There are no audit qualifications in the financial statements for the financial year 2013-14. Standard practices and procedures are followed to ensure unqualified financial statements.

Training to Board Members

The Board is equipped to perform its role through inputs from various sources from time to time. Directors are fully briefed on all matters concerning the business and operations of the Company and they regularly interact with the management in a free and open manner in order to obtain any information that they may require.

Means of Communication

The half yearly financial results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and also uploaded on the Company's website – www.srghousing.com

The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts will be posted on the Company's website – www.srghousing.com

Code of Conduct

The Company has a Code of Conduct for prevention of insider trading in place, as prescribed by the Securities and Exchange Board of India. All board members and senior management Personnel have affirmed compliance with the Code of Conduct.

The Annual Report of the Company contains a declaration to this effect signed by the Chairman & Managing Director of the Company.

GENERAL SHAREHOLDER INFORMATION

1. Financial Year : 1st April to 31st March
2. Annual General Meeting : Thursday, 18th Day of September 2014 at 12.15 p.m.
3. Venue : Hotel Q, 2 A, New Flora Complex, Fatehpura,
Near Celebration Mall Road, Udaipiur, Raj 313001
4. Book Closer Date (Both Day inclusive) : 16th September, 2014 to 18th September, 2014
5. Dividend : No Dividend Has Been Declared
6. Listing on Stock Exchange(s) : The Company's equity shares are listed on SME
Platform of BSE Limited
7. Stock Code / Symbol : 534680 SRGHFL
ISIN with NSDL & CDSL : INE559N01010

8. Financial Calendar:-

For the Financial Year 2014-15, Financial Results will be announced as per the following tentative schedule:

Half Year ending September, 2014	By 14th November, 2014
Year ending March, 2015	Within 60 days from 31st March, 2015
Annual General Meeting	By September, 2015

9. Market price data:

Market price data on SME Platform of Bombay Stock Exchange Limited (BSESME) for the listing date i.e. 01/04/2013 to 31/3/2014 are given below:

MONTH	OPEN	HIGH	LOW	CLOSE
APRIL	25.40	42.00	25.40	42.00
MAY	40.00	46.50	39.50	46.50
JUNE	48.00	59.00	48.00	54.00
JULY	53.00	79.00	53.00	79.00
AUG	75.00	94.00	68.00	90.95
SEP	94.00	107.75	91.00	107.75
OCT	108.00	110.00	101.00	102.00
NOV	98.00	110.00	96.00	110.00
DEC	110.00	110.00	104.00	105.05
JAN	102.00	102.00	58.00	59.00
FEB	55.00	55.00	42.50	44.00
MAR	44.00	49.00	33.00	46.75

10. Registrar and Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.

Unit No.1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri - East, Mumbai - 400 072.

Phones: 022-28515606, 28515644. Fax: (022) 22641348, Email: sharexindia@vsnl.com Website: www.sharexindia.com

11. Share Transfer System

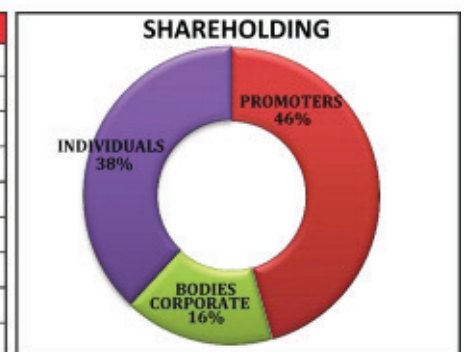
Share transfers have been normally processed and returned within 21 days from the date of lodgment, provided the necessary documents were in order.

12. Distribution of shareholding as on 31st March, 2014

Distribution schedule on no. of shares	Share Holders		Total Shares	
	Numbers	% of Total	Numbers	% of Total
Up to 5000	7	4.83	21600	0.27
5001 to 10000	57	39.31	348900	4.32
10001 to 100000	58	40.00	2093900	25.91
100001 and above	23	15.86	5616100	69.50
TOTAL	145	100	8080500	100

13. Category of Shareholders as on 31st March, 2014

Category	No of Shares Held	Shareholdings %
1. Promoter and Promoter group	3674850	45.478
2. Mutual Funds / UTI / Trusts	0	0
3. Banks/Financial Institutions	0	0
4. Foreign Institutional Investors	0	0
5. Bodies Corporate	1330800	16.469
6. NRIs	0	0
7. Clearing Members	0	0
8. Indian Public	3074850	38.053
Total	8080500	100



Note: None of the shares of the promoters/promoter group's are pledged or encumbered with any of the banks or any financial institutions.

14. Dematerialization of Shares & Facility of simultaneous transfer

100% of the paid-up equity share capital of the Company has been dematerialized as on 31st March, 2014. Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI.

15. Outstanding ADRs / GDRs

The company has not issued any ADRs / GDRs

16. Plant Location: - not applicable being a housing finance company.

Registered Office & Correspondence address:-

SRG HOUSING FINANCE LIMITED

321, S.M. Lodha Complex, Near Shastri Circle, Udaipur- 313 001

Phone No.: 91- 294 2412609 Fax: 0294 5100098, Email: info@srghousing.com, Website: www.srghousing.com

17. Investor's Correspondence may be addressed to:

Mr. Hitesh soni

Company Secretary & Compliance officer

SRG HOUSING FINANCE LIMITED

321, S.M. Lodha Complex, Near Shastri Circle

Udaipur- 313 001

Phone No: 0294 2412609 Fax: 0294 5100098

Email: info@srghousing.com

Or

Sharex Dynamic (India) Pvt. Ltd.

Unit No.1, Luthra Industrial Premises,

Andheri Kurla Road, Safed Pool,

Andheri - East, Mumbai - 400 072.

Phones: 022 - 28515606, 28515644.

Fax: (022) 22641349.

Email: sharexindia@vsnl.com

Website: sharexindia.com

18. Compliance Certificate of the Auditors

A Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause-52 of the Listing Agreement is attached to this report.

19. Transaction with Non Executive Director

The Non executive Director of the company do not have any material pecuniary relationship or transaction vis- a -vis company.

20. Risk Management Committee

The company has formulated risk Management framework, which lays the procedure for Risk assessment and mitigation . The risk Management Committee comprise managing director as the chairman and the member include the senior manager holding key position in the company . The risk management committee apprises the Audit committee of the key Risk associated with business of the company and measure to mitigate them.

Sd/-

Vinod K Jain

Chairman & Managing Director

DIN: 00248843

Place: UDAIPUR

Date 29th may, 2014

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company - www.srghousing.com

As the Chairman & Managing Director of the SRG Housing Finance Limited and as required by Clause 52(1)(D) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year 2013-14

Sd/-

Vinod K Jain

Chairman & Managing Director

DIN: 00248843



Ceo Certification To The Board

The Board of Directors

SRG housing finance Limited

Ref- Financial Statements for the period ended March 31, 2014:

I, Vinod K Jain, Managing Director, of the Company on the basis of the review of the financial statements for the year ended on 31st March, 2014 along with cash flow statement for that period and to the best of our knowledge and belief, certify under Clause 52 v of the Listing Agreement that:-

- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (3) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ending March 31, 2014, that are fraudulent, illegal or violate of the Company's Code of Conduct
- (4) We accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

We have indicated to the Auditors and the Audit Committee:

- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud, if any, of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Udaipur

Date: 29th may, 2014

Sd/-

Vinod K Jain

Chairman & Managing Director

DIN: 00248843



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 March 2014, as stipulated in clause 52 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. No investor grievance is pending for a period exceeding one month against the Company as per the records maintained by 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 52 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**

INDEPENDENT AUDITOR'S REPORT

To the Members of SRG Housing Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SRG Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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

Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2014;
- (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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In 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 Accounting Standards notified under the companies Act, 1956 (the act) read with the General Circular 15/2013 dated 13th September , 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act , 2013;
- (e) On the basis of written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274 (1)(g) of the Companies Act, 1956.

Place: Udaipur
Dated: 29/05/2014

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

(Jinendra Jain)
Partner
M.No. 072995

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on other legal and regulatory requirements" of our report of even date)

Having regard to the nature of the Company's business / Activities /results during the year , clauses (ii) , (viii) ,(xiii) of paragraph 4 of the order are not applicable to the Company . In respect of the other clauses, we report as under:

1. a) The company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, the assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such physical verification.
c) In our opinion, during the year, the company has not disposed off any substantial/major part of fixed assets.
2. The Company has not granted / taken any loan to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act,1956 . Consequently, requirement of clauses (iii , b to iii g) of paragraph 4 of the order are not applicable .
3. In our opinion and according to the information and explanations given to us, there exists adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
4. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements that needs to be entered in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses (v,a) and (v,b) of paragraph 4 of the order not applicable .
5. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public and therefore, the provisions of section 58AA of the companies Act, 1956 and Rules there under are not applicable.
6. In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
7. According to the records of the company and information and explanations given to us, the company is regular in depositing undisputed statutory dues.

8. The company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
9. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions and banks.
10. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. According to us the company is not dealing or trading in shares, securities debentures & other investments.
12. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
13. According to the records examined by us and information and explanations given to us, the company has availed term loan during the year and prima facie applied by the company during the year for the purposes for which the loan were obtained.
14. According to the records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long terms investment and vice versa.
15. According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year.
16. According to the information and explanations given to us, the company has not issued debentures during the year.
17. The company has not raised the money, by way of public issue during the year.
18. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

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 12th 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:-
 - a) The Board of Directors have passed resolution for not accepting public deposit.
 - b) The Company has not accepted any public deposit during the year of audit 2013-2014.
 - c) The Company have complied with prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it.
- v. The Other provisions of the para are not applicable to the Company.

Place: Udaipur
Dated: 29/05/2014

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

Sd/-
Jinendra Jain
Partner
M.No. 072995

SRG HOUSING FINANCE LIMITED

Balance Sheet as at 31st March, 2014

Particulars	Note No	As at 31st March,2014	As at 31 st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	80805000	80805000
(b) Reserves and Surplus	2	55972720	44305041
		136777720	125110041
(2) Non-Current Liabilities			
Long-term borrowings	3	155227946	38162580
(3) Current Liabilities			
(a) Short-term borrowings	4	0	35144045
(b) Other current liabilities	5	576321	373899
(c) Short-term provisions	6	7074087	3777035
Total		299656074	202567600
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(l) Tangible assets	7	1534752	1974442
(b) Deferred tax assets (net)	8	214376	195246
(c) Long Term Housing and Property Loans	9	211790008	161320794
(d) Other non-current assets	10	18932034	8364792
(2) Current assets			
(a) Short Term Housing and Property Loans	11	52197169	26993053
(b) Cash and cash equivalents	12	8454454	1668292
(c) Short-term loans and advances	13	6533281	2050981
Total		299656074	202567600

The accompanying notes are an integral part of these financial statements

In terms of our report attached

Page 1 - 31

As per Our Report of even date

For Valawat Jha Pamecha & Co.

For & On Behalf of the Board

Chartered Accountants

FRN : 008265 C

Sd/-

Vinod K. Jain

Chairman &

Managing Director

Sd/-

Seema Jain

Director

Sd/-

Jinendra Jain

Partner

Membership No. 072995

Date : 29.05.2014

Place : Udaipur

Sd/-

Rajesh Jain

Director

Sd/-

Hitesh Soni

Company Secretary

SRG HOUSING FINANCE LIMITED

Profit and Loss statement for the Year ended 31st March, 2014

Particulars	Note No	As at 31st March, 2014	As at 31 st March , 2013
I. Revenue from operations	14	47404935	23452222
Total Revenue		47404935	23452222
II. Expenses:			
Employee benefit expense	15	5808332	3549835
Financial costs	16	13268107	6514677
Depreciation and amortization expense	7	529240	617583
Other expenses	17	10833963	4382782
Total Expenses		30439642	15064877
III. Profit before tax (I-II)		16965293	8387345
IV. Tax expense:			
Current tax		5047171	2054713
Deffered Tax		-19130	-29295
V. Profit/(Loss) for the period (III-IV)		11937252	6361927
VI. Earning per equity share:			
Basic & diluted		1.48	0.98

The accompanying notes are an integral part of these financial statements

In terms of our report attached

Page 1 - 31

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

For & On Behalf of the Board

Sd/-
 Vinod K. Jain
 Chairman &
 Managing Director

Sd/-
 Seema Jain
 Director

Sd/-
 Jinendra Jain
 Partner
 Membership No. 072995
 Date : 29.05.2014
 Place : Udaipur

Sd/-
 Rajesh Jain
 Director

 Sd/-
 Hitesh Soni
 Company Secretary

SRG HOUSING FINANCE LIMITED

Cash Flow Statement for the year ended 31st March , 2014

(Amount in Rs.)

Particulars	Figures as at end of the current reporting period		Figures as at end of the previous reporting period	
A. Cash flow from operating activities				
Net Profit before tax		16965293		8387345
Adjustments for:				
Depreciation	529240		617583	
Provision for NPA	348728		(10182)	
Provision for Standard Assets	(653322)		(454209)	
Other Provision	35021	259667	0	153192
Operating profit / (loss) before working capital changes		17224960		8540537
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Loans and Advances (Housing & Property Loan)	(75673330)		(112601248)	
Short-term loans and advances	(4482300)		(342568)	
Other non-current assets	(10567242)	(90722872)	(6159792)	(119103608)
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities	202422		163949	
Short-term provisions	3297052	3499474	1331420	1495369
Cash generated from operations		(69998438)		(109067702)
Net income tax (paid) / refunds		5047171		2054713
Net cash flow from / (used in) operating activities (A)		(75045609)		(111122415)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(89550)	(89550)	(1417650)	(1417650)
Net cash flow from / (used in) investing activities (B)	(89550)	(89550)		(1417650)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	0		35040000	
Security Premium from issue of equity shares	0		35040000	
Proceeds from long-term borrowings	117065366		38162580	
Proceeds from Short-term borrowings	(35144045)	81921321	358039	108600619
Net cash flow from / (used in) financing activities (C)		81921321		108600619
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		6786162		(3939446)
Cash and cash equivalents at the beginning of the year		1668292		5607738
Cash and cash equivalents at the end of the year		8454454		1668292

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: 29.05.2014
Place: Udaipur

For & On Behalf of the Board
Sd/-
Vinod K. Jain
Chairman & Managing Director

Sd/-
Rajesh Jain
Director

Sd/-
Seema Jain
Director

Sd/-
Hitesh Soni
Company Secretary

SRG HOUSING FINANCE LTD.

AS AT 31.03.2014

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 of the Companies Act, 1956 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

- a. Fixed Assets are stated at cost, Depreciation on fixed assets is provided on pro-rata basis from the date of installation on written down value method in accordance with Schedule XIV of the Companies Act, 1956.
- b. Assets costing till 5000 are being depreciated fully in the year of acquisition.

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 of more than five years and 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 dividend 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.

SRG HOUSING FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March,2014

1. SHARE CAPITAL	As at 31 st March, 2014	As at 31 st March 2013
Authorised Share Capital :		
1,00,00,000 Equity Shares of Rs. 10 /- Each	100000000	100000000
Issued , Subscribed & Paid up :		
80,80,500 Equity shares of Rs. 10 /- Each	80805000	80805000
Total	80805000	80805000

THE RECONCILIATION OF THE NUMBER OF SHARE OUTSTANDING IS SET OUT BELOW:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	8080500	80805000	3051000	30510000
Share issued during the year	-	-	-	-
Bonus share issued during the year	-	-	1525500	15255000
Initial Public Offering (IPO)	-	-	3504000	35040000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	8080500	80805000	8080500	80805000

THE DETAILS OF SHAREHOLDING MORE THAN 5% SHARES

Name of the shareholder	As at 31 st March,2014		As at31 st March, 2013	
	No. of Shares Held	%	No. of Shares Held	%
Vinod Jain	432915	5.36	601515	7.44
Pushpa Jain	429765	5.32	429765	5.32
Hriday Credit Cooperative Society Ltd.	726000	8.99	750000	9.28

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.

2. RESERVE AND SURPLUS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Special Reserve		
(in accordance with section 36(1)(viii) of Income tax act,1961 and Section 29 (C) of NHB Act 1987)		
As per Last Balance Sheet	4513400	3243400
Add : Transferred from Profit and Loss Account	2400000	1270000
Total	6913400	4513400
Securities Premium Reserve		
As per Last Balance Sheet	35040000	8135000
Add: Received during the year	0	35040000
Less: Utilized for issue of bonus shares	0	8135000
Total	35040000	35040000
Surplus		
As per last Balance Sheet	4751641	7244105
Add : Profit for the year	11937252	6361927
Total	16688893	13606032
Less : Appropriations		
Transfer to Special Reserve *	2400000	1270000
Provisions for NPA	-348728	10182
Provisions for standard Assets	653322	454209
Utilised for issue of Bonus Shares	0	7120000
Excess Prov.	35021	
	2669573	8854391
	14019320	4751641
Total	55972720	44305041

* 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.24.00 Lacs (Previous Year Rs. 12.70 Lacs) to special reserve in terms of Section 36 (1) (Viii) of the the income Tax Act, 1961. The Company doesn't anticipate any withdrawal from special reserve in foreseeable future.

3. LONG TERM BORROWINGS :		
Secured		
From : State Bank of India		
Term Loan	155227946	38162580
	155227946	38162580

(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 guarantee 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. 290.70 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.1261.58 lacs

4. SHORT TERM BORROWINGS :		
Secured		
Loans repayble on Demand (From Bank)		
From : State Bank of India		
Working Capital Loan	0	35144045
	0	35144045

(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 guarantee of the director)

5. OTHER CURRENT LIABILITIES :		
Expenses Payable	309728	181914
Other Current Liabilities	266593	191985
Total	576321	373899

6. SHORT TERM PROVISIONS		
Provision for Taxation	5047171	2054713
Provision for NPA	628068	976796
Provision for standard Assets	1398848	745526
Total	7074087	3777035

SRG HOUSING FINANCE LIMITED								
7. FIXED ASSETS								
PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01.04.13	ADD/ -DELE	AS AT 31.03.14	AS AT 01.04.13	FOR THE YEAR	AS AT 31.03.14	AS AT 31.03.14	AS AT 31.03.13
TANGIBLE ASSETS								
Computers	448800	13000	461800	253112	81652	334764	127036	195688
Office Equipments	308851	76550	385401	115411	48641	164052	221349	193440
Car Civic	1205562	0	1205562	1011031	50364	1061395	144167	194531
Car CRV	1864875	0	1864875	1455379	106019	1561398	303477	409496
Car Safari	1104960	0	1104960	271183	215865	487048	617912	833777
Franking Machine	180110	0	180110	32600	26699	59299	120811	147510
Total	5113158	89550	5202708	3138716	529240	3667956	1534752	1974442
Previous Year	3695508	1417650	5113158	2521133	617583	3138716	1974442	1174375

8. DEFERRED TAX ASSETS		
	As at 31 st March, 2014	As at 31 st March, 2013
Deferred Tax Assets (Timing difference of depreciation under Co. Act and Income Tax Act)	214376	195246
Total	214376	195246

9. LONG TERM HOUSING & PROPERTY LOANS :		
Housing Loans	143180980	117733383
Property Loans (LAP)	68609028	43587411
Total	211790008	161320794

10. OTHER NON CURRENT ASSETS :		
Advance against Office Booking	14000000	1500000
Deposit For Mobile	5000	5000
Deposit with BSE	0	701000
Deferred Expenses	4927034	6158792
Total	18932034	8364792

11. SHORT TERM HOUSING & PROPERTY LOANS :		
Secured		
Housing Loans	29519894	20646713
Property Loans (LAP)	22677275	6346340
Total	52197169	26993053

12. CASH & CASH EQUIVALENTS :		
Cash on Hand	889369	1576224
Balance With Banks	7565085	92068
Total	8454454	1668292

13. SHORT TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Advance Tax and TDS	4917325	2038121
Interest Accrued but not due	1607771	0
Others-Stock of Stamps	8185	12860
Total	6533281	2050981

14. REVENUE FROM OPERATIONS:		
Interest on Housing loans	34050938	16290450
Interest on Property Loans	13353997	7091772
Processing charges	0	70000
Total	47404935	23452222

15. EMPLOYEE BENEFIT EXPENSES :		
Salaries to Employees	3258332	2249835
Directors Remuneration	2550000	1300000
Total	5808332	3549835

16. FINANCIAL COST:		
Interest on working Capital loan	3077539	3148343
Interest on term loan	8561203	2332033
Other Interest	27425	99850
Bank Charges	1601940	934451
Total	13268107	6514677

17. OTHER EXPENSES :		
Advertisement Expenses	626240	52858
Audit Fees	65000	50000
Internal Audit Fees	30000	0
Vehicle Running & Maintenance Expenses	403677	75857
Computer Maintenance Expenses	43537	211243
Electricity Expenses	53032	56098
Insurance Expenses	43911	31080
Legal & Professional Fees	375701	186873
Office Expenses	87847	144326
Postage and Telegramme Expenses	20327	15603
Printing and Stationery Expenses	142878	45645
Donation	2100	500000
Rent	306310	204600
Telephone Expenses	78016	42572
Travelling Expenses	243373	128700
Commission	1382425	1361550
Consultancy Fees	415360	150000
Bad Debts written off	997952	997952
Business Promotion Exp.	790535	0
Recovery and Inspection	299350	0
Sattelite Centre	791000	0
Market Maker Fees	2247200	0
Miscellaneous Exp. Written Off	1231758	0
Other Expenses	156434	127825
Total	10833963	4382782

18. Auditors Remuneration Includes: - Rs. In lakh

Audit Fees	0.40
Taxation Fees	0.10
R.O.C. Matters & Certification	0.15

	0.65

19. Related Party Disclosures : Disclosures as required by the accounting standard 18 of ICAI in respect of related party transactions for the year ended on 31/03/2014 :-

Key Managerial Personnel (KMP) on the Board

Mr. Vinod K Jain, Managing Director

Particulars of Related Party Transactions:-

Directors Remuneration- (Salary)	Rs. 25.50 Lakh (Previous year Rs 13.00 Lakh)
Office Rent	Rs. 2.25 Lakh (Previous year Rs 2.05 Lakh)

20. 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.
21. None of the employees were getting more than Rs. 60, 00,000/-p.a. or 5, 00,000/p.m. during the year.
22. All the balances of Sundry Creditors, Loans and Advances are subject to confirmation.
23. The previous year figure have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.
24. 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 .
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. NHB vide its letter dated 09.04.2014 has levied under section 52A of the National Housing Bank Act,1987 a penalty of Rs 5000/- (Rupees Five thousand), which has been paid by the company, in relation to section 29C of the National Housing Bank Act 1987 on the company for the year 2012-13.
27. As required by the revised guidelines dated 11th 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 :

27.1 Capital to Risk Assets Ratio (CRAR)

ITEMS	31 ST MARCH , 2014	31 ST MARCH , 2013
i) CRAR (%)	61.30	67.40
ii) CRAR - Tier I Capital (%)	61.30	67.40
iii) CRAR - Tier II Capital (%)	00.00	00.00

27.2 Asset Liability Management

Maturity Pattern of certain items of assets and liabilities

	(RS. IN LAKH)										
	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
Liabilities											
Borrowing from banks	7.50	30.50	30.50	91.50	183.00	732.00	477.28	0.00	0.00	0.00	1552.28
Market borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets											
Advances	37.87	38.19	39.18	106.45	300.28	1220.53	766.82	80.23	46.81	3.52	2639.87
Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

27.3 Exposure to Real Estate Sector

CATEGORY		CURRENT YEAR	PREVIOUS YEAR
a)	Direct exposure		
	(I) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	1171.90	1131.32
	Individual Housing Loan up to Rs. 15 Lakh	660.27	375.07
	(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;	807.70	376.75
	(iii) Investment in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential	0	0
	b. Commercial Real Estate	0	0
b)	Indirect Exposure		
	Fund based and non-fund based exposure on national Housing Bank (NHB) and Housing Finance Companies(HFCs)	0	0

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

Particulars	FOR THE YEAR ENDED 31-3-2014					FOR THE YEAR ENDED 31-3-2013				
	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Housing Loan	1716.51	5.81	4.69	0.00	1727.01	1374.46	2.14	5.00	2.20	1383.80
Property Loan	897.96	14.90	0.00	0.00	912.86	489.36	0.00	9.98	0.00	499.34
Total loans	2614.47	20.71	4.69	0.00	2639.87	1863.82	2.14	14.98	2.20	1883.14
Provision- Housing Loan	8.71	0.87	3.17	0.00	12.75	5.50	0.32	3.25	2.20	11.27
Property Loan	5.28	2.24	0.00	0.00	7.52	1.95	0.00	3.99	0.00	5.94
Total Provision	13.99	3.11	3.17	0.00	20.27	7.45	0.32	7.24	2.20	17.21

29. Details of movement in provisions

PARTICULARS	OPENING AS ON 1.04.2013	PROVISIONS MADE DURING THE YEAR	PROVISIONS REVERSED/ADJUSTED	CLOSING AS ON 31.03.2014
Bad & Doubtful Debts	9.76	3.29	6.77	6.28
Taxation	20.55	50.47	20.55	50.47
Standard Assets	7.45	6.54	0.00	13.99

30. 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

RS. IN LAKHS

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Balance at the beginning of the year		
a) Statutory Reserve u/s 29c of the National Housing Bank Act,1987	5.21	2.29
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	39.92	30.14
c) Total	45.13	32.43
Addition/Appropriation/Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act,1987	9.01	2.92
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	14.99	9.78
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act,1987	0.00	0.00
b) Amount withdrawn from the Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act,1987	0.00	0.00
Balance at the end of the year		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	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 29C of NHB Act,1987	54.91	39.92
c) Total	69.13	45.13

31. Notes on Financial statements 1 to31 are annexed and forming part of the Balance Sheet and Profit & Loss account.

For VALAWAT JHA PAMECHA & CO.

Chartered Accountant

FRN: 008265 C

Sd/-

JINENDRA JAIN

Partner

M.No. 072995

For & on behalf of the Board

Sd/-

(VINOD K. JAIN)

Managing Director

Sd/-

(RAJESH JAIN)

Director

Sd/-

(SEEMA JAIN)

Director

Sd/-

(HITESH SONI)

Company Secretary

PLACE: UDAIPUR

DATE: 29.05.2014

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UDAIPUR (RAJ.) 313001

