

**Ref: SCRIP ID- SRGSFL, SCRIP CODE-536710, ISIN NO - INE326P01019**

Date: 13.10.2017

To,  
Department of Corporate Affairs  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

Respected Sir,

**Subject: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2016-17**

**Ref: Regulation 35 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

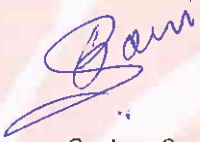
With respect to above mentioned subject, please find herewith enclosed Annual Report for the financial year 2016-17 in compliance with SEBI (LODR) Regulations.

Kindly take the same on your record.

Thanking You,

With Regards,

For S R G Securities Finance Limited



Garima Soni  
Company Secretary  
M.No: A38351



**Enclosed: ANNUAL REPORT 2016-17**



## **ANNUAL REPORT**

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CORPORATE  
**OVERVIEW**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS & THEIR BRIEF PROFILE

### ● **Mr. Vinod K. Jain,** Managing Director (DIN: 00248843)

An Experienced Director with strong direction & control & effective team builder. Proven capability in strategic work; successful deliverer of profitable growth. It has thereon successfully risen through the ranks by handling multidimensional assignments and heading all the major functions in the company at various points in time and ensuring compliance with regulatory requirements. In addition to his 20 years of corporate experience, his vast and rich experience and entrepreneur skills provides operational excellence to the company and a capability to drive innovation. His working style is an indicator of our continuous efforts to develop the core team to help achieve the goal of the Company.

### ● **Mrs. Seema Jain** (DIN: 00248706)

A resident of Udaipur (Rajasthan) actively involved as Director of S R G Securities Finance Limited with the strong business acumen and rich experience into the field of loan and advances will lead to great success in Finance Industry. A very understanding person who creates an environment that meets employee's need and enables them to excel.

### ● **Mr. Rajesh Jain,** (DIN: 00212393)

A Resident of Udaipur (Rajasthan) completed his B.COM, M.COM, MBA, LLB, AIII and ADMAS, along with this also done a two-year diploma in sales and marketing from NIS Sparta. Joined S R G Securities Finance Ltd as an Executive Director and is actively involved in the operations & management of the company. An Experienced Director with strong leadership and communication skills & effective team builder having more than 13 years of experience in Finance and Insurance sector. He has contributed significantly to the growth and success of company by his advisory experience on issues of strategy, driving performance improvement, change management, organization building and human Capital development.

**Mr. Arjun Lal Jain, (DIN: 00147912)**

Aged 57 years, resident of Udaipur (Rajasthan), is a non-executive independent director of S R G Securities Finance Limited. He holds bachelor of commerce from Mohan Lal Sukhadia University of Udaipur (MLSU).

He is engaged in the business of manufacturing and mining of Soap Stone, Dolomite and Other minerals and actively involved in the operational activities of business.

He has over a decade experience in the field of manufacturing and mining business of Soap Stone, dolomite etc. He has a quality of leadership and achieves excellence through efficiency in execution of work. He is a positive and proactive approach. He was appointed on our board in month of June, 2013.

**Mr. Nishant Badala, (DIN: 06611795)**

Aged 28 Years, is the Independent Director of our Company. He has completed his Masters in Commerce from University of Udaipur. He is a Chartered Accountant & Company Secretary by profession. He is a Young and Dynamic person and is an associated member of ICAI & ICSI.

Further, he is having expertise in the field of accounting legal and taxation. Looking to his expertise in the field of legal, taxation, finance, audit and accounts he is appointed as Chairman of Audit committee. He was appointed as an Independent Director of our Company on June 24, 2013.

**Mr. Bhupesh Kumar Jain, (DIN: 06611787)**

Aged 27 years, resident of Udaipur (Rajasthan), is a non-executive Independent Director of S R G Securities Finance Ltd. He holds a Bachelor of Commerce and completed MBA in Finance and Marketing. He has diverse exposure in finance due diligence, supervision, and trading houses etc. He has a vast knowledge and experience in the field of Marketing, finance and accounts. He has a quality of good communication skill and leadership. He is a dynamic and resourceful person. He believes in speed and efficiency in execution of work. His exposure in terms of studies has lent credence to his high profile in the marketing and finance field. He was appointed on our board in the Month of June, 2013.

Mr. Bhupesh resigned from the post of Independent Directorship of the Company and Board accepted the same with effect from May 13, 2017.

**CFO**

Mrs. Aarti Jain

*Resigned w.e.f. 01.05.2017*

**COMPANY SECRETARY**

Ms. Garima Soni

**AUDITOR**

M/s Valawat & Associates

Chartered Accountant

*\* Change in name from M/s Valawat Jha Pamecha & Co to M/s Valawat & Associates with effect from 01.01.2017.*

**SECRETARIAL AUDITOR**

M/S Deepak Vijaywargye & Associates  
Practicing Company Secretary

**INTERNAL AUDTOR**

M/s Ketan & Co.

Chartered Accountants

**PRINCIPAL BANKER**

State Bank of India

**LISTED ON**

BSE SME (Bombay Stock Exchange)

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Sharex (Dynamic) India Pvt. Ltd

Unit-1, Luthra Ind. Premises, 1st floor, 44-E, M,  
Vasanti Marg, Andheri, Kurla Road, Safed Pool,  
Andheri (E), Mumbai - 400072 (Maharashtra)

Tel: 022-28515606; Fax No. 022-28512885,

E-Mail- sharexindia@vsnl.com

**BOARD COMMITTEES****AUDIT COMMITTEE**

Mr. Nishant Badala	- Chairman of the Committee
Mr. Bhupesh Kumar Jain*	- Member
Mr. Vinod K. Jain	- Member
Mr. Arjun Lal Jain**	- Member

*Note :*

*\* Resigned w.e.f 13.05.2017 | \*\* Appointed w.e.f. 19.07.2017*

**STAKEHOLDER'S RELATIONSHIP COMMITTEE**

Mr. Bhupesh Kumar Jain*	- Chairman of the Committee
Mr. Nishant Badala**	- Chairman of the Committee
Mr. Arjun Lal Jain	- Member
Mr. Rajesh Jain	- Member

*Note: \* Resigned w.e.f 13.05.2017 | \*\* Appointed w.e.f. 19.07.2017*

**NOMINATION & REMUNERATION COMMITTEE**

Mr. Arjun Lal Jain	- Chairman of the Committee
Mr. Bhupesh Kumar Jain*	- Member
Mr. Nishant Badala	- Member
Mr. Rajesh jain**	- Member

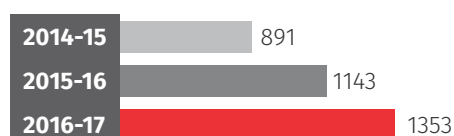
*Note: \* Resigned w.e.f 13.05.2017 | \*\* Appointed w.e.f. 19.07.2017*

**RISK MANAGEMENT COMMITTEE**

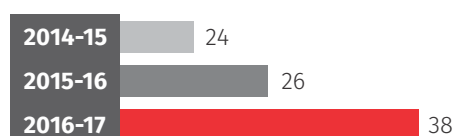
Mr. Vinod K. Jain	- Chairman of the Committee
Mr. Arjun Lal Jain	- Member
Mr. Nishant Badala	- Member

# PERFORMANCE HIGHLIGHTS

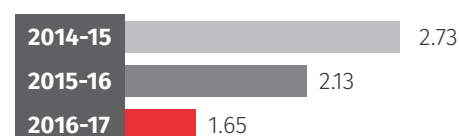
## RECEIVABLES UNDER FINANCING ACTIVITIES (₹ in Lakhs)



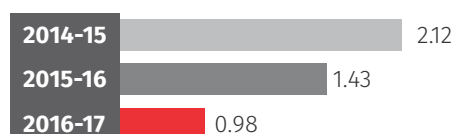
## PROFIT AFTER TAX (₹ in Lakhs)



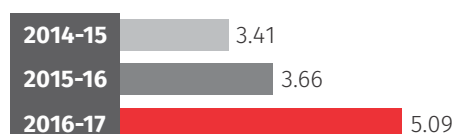
## GROSS NON PERFORMING ASSETS (in %)



## NET NON PERFORMING ASSETS (in %)



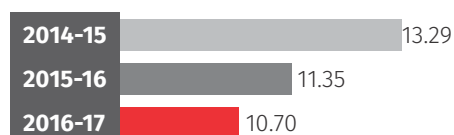
## RETURN ON EQUITY (in %)



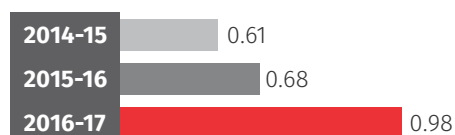
## RETURN ON AVERAGE ASSETS (in %)



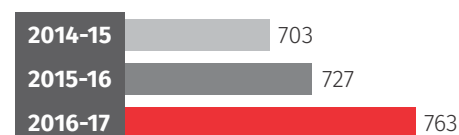
## NET INTEREST MARGIN TO AVERAGE ASSET (in %)



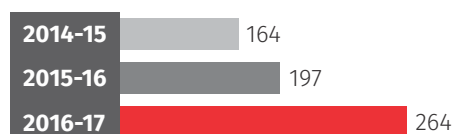
## EARNINGS PER SHARE (in ₹)



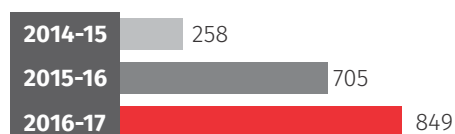
## SHAREHOLDER'S FUND (₹ in Lakhs)



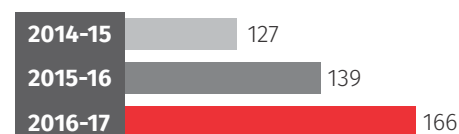
## GROSS REVENUE (₹ in Lakhs)



## BORROWING FROM BANK (₹ in Lakhs)



## NET INTEREST INCOME (NII) (₹ in Lakhs)



## YIELD ON PORTFOLIO (in %)





(Rs. In Lakhs)

	2014-15	2015-16	2016-17
Share Capital	388	388	388
Reserve and Surplus	316	339	375
Borrowings from Banks	258	705	849
Receivables under financing activities	891	1143	1353
Disbursements during the period	285	512	378
GNPA (in %)	2.73	2.13	1.65
NNPA (in %)	2.12	1.43	0.98

(Rs. In Lakhs)

	2014-15	2015-16	2016-17
Gross Interest Income	164	192	262
Interest Cost	38	53	96
Net Interest Income(NII)	127	139	166
Net Interest Margin To Average Asset (In %)	13.29	11.35	10.70
Yield on Portfolio %	15.28	13.65	13.33
Cost to Income Ratio	73.03	76.65	68.45
PBT	34	38	54
PAT	24	26	38
Earnings Per Share (In ₹)	0.61	0.68	0.98
Capital Adequacy Ratio %	72.51	53.49	48.69
Return on Assets %	2.48	2.14	2.44
Return of Equity %	3.41	3.66	5.09

## ABOUT S R G SECURITIES FINANCE LIMITED

### OVERVIEW

S R G Securities Finance Ltd. is a BSE SME listed Non-Banking Finance Company (NBFC), incorporated on 6th March, 1995. The company started its operations after getting registered with RBI in year 1999. It has completed its 18 years of journey as a fastest growing NBFC.

S R G Securities Finance Ltd is a part of SRG Group of Companies, one of the most respected organizations in South Rajasthan with over 18 Years of robust customer focused approach and a continuous quest for being the most preferred when it comes to financial assistance.

The Company is engaged in providing financial assistance to people through various loan products like Business Loans- Micro Finance and Enterprise Loans, Vehicle finance, equipment finance.

### VISION

We aim to be the most respected financial services provider that reaches out to the millions of people pan-India. We aspire to live up the expectations of our clients, our people, our investors, and the society.

### STRENGTHS

- High Capital Adequacy Ratio
- Diversified Product & Customer Profile
- Adequate Internal Control System
- Experienced Promoters
- Brand Name of SRG Group in Rural Sector
- Flexible repayment options.
- Speedy processing and sanctioning of loan within 48 hours
- Loan eligibility for the widest range of customer profiles
- Convenient repayment of loans with easy EMIs
- Our Loan Plans allow you to choose a plan that suits your needs
- Competitive Interest rates for all loan products
- Hassle-free documentation process offering you maximum flexibility
- Dealings are transparent

TO BE **UNIVERSALLY**  
**RESPECTED** FINANCIAL  
 SERVICE **ORGANISATION**

## BUSINESS STRATEGY

The company has been operating since past 18 years and has a large market base. The company has created brand name over the years in Rajasthan. The management has decided to expand the size of the company. The business strategy proposed by management for expansion contains:

1. Increase in scale of operations and expanding branch network
2. Fund base to be expanded by arranging term loans from number of banks / financial institutions.
3. Stringent credit policy & policy for faster collections.
4. Digital Initiatives to be introduced

## BUSINESS MODEL

- Loan amounts range from Rs. 50 thousand - 150 Lacs.
- Maximum loan size Rs. 150.00 Lacs.
- No hidden cost.
- Loan tenure 1-15 years
- Reasonable amount up to 80% of realizable value as per the merit of the case
- The Realizable value shall be as arrived by the approved panel valuer of the company

## HIGHLIGHTS OF THE YEAR

- Total Income rose by 33.73% from Rs. 197.34 Lacs in previous year to Rs. 263.91 Lacs in year 2017.
- Profit Before tax rose by 42.43% from Rs. 37.92 Lacs in previous year to Rs. 54.01 Lacs in year 2017.
- Profit After tax grew by 44.63% from Rs.26.19 Lacs in previous year to Rs. 37.88 Lacs in year 2017.
- Capital adequacy as on 31st march 2017 was 48.69%, which is well above the RBI norms.
- EPS grew by 44.12% from Rs. 0.68 in previous year to Rs. 0.98 in current year 2017.

## CORPORATE HISTORY

- 1995 : Incorporation of our Company
- 1999 : Change in management- Company acquired by current Promoters.
  - : Company obtained the NBFC License from the Reserve Bank of India (RBI) to function as a NBFC ND-NSI.
- 1999 : Our Company approved and disbursed its first vehicle loan.
- 2000 : Introduction of new loan products- Construction and Equipment Financing.
- 2009 : Introduction of new loan products- Business Loan.
- 2013 : Listed on BSE SME Platform with an IPO of Rs. 501.60 Lacs.

## ACHIEVEMENTS

- 2015: AUM crossed Rs. 10 Crore
- 2016: Credit Rating Assigned CARE BB (CARE Double B): Outlook: Stable by CARE Ratings
- 2016: Got Sanctioned Credit Facilities from SBI worth Rs. 9 Crore.

## CHAIRMAN'S MESSAGE

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**Vinod K. Jain**  
Managing Director

Dear Shareholders,

I am delighted to present the 22nd Annual report of the company. The year gone was a year of some major developments on economic front. Where we witnessed one of the boldest moves taken by the government in recent times: Demonetisation. I believe it will prove to be a positive development bringing a greater share of financial transactions to the formal system, strengthening credit growth and enabling wider financial inclusion.

The financial service sector has a tremendous upside to capture from the move, especially for business like ours which focuses on providing financial credit to unbanked.

India's GDP grew 7.1% in full financial year 2016-17 slower than that of the Previous Year. The decrease in growth of GDP in the FY 2016-17 was due to the impact of Demonetisation. However, such impact

of Demonetisation is only temporarily as the growth of GDP would rebound to 7.6% to 7.8% in FY-2017-18. India's unemployed rate declined to 4.8% in February 2017 compared to 9.5% in August 2016.

At S R G Securities we are making our efforts in increasingly filling the gaps left by banks in rural/semi-rural and urban markets and we are also trying to develop small and micro businesses through our local presence and strong customer relationships.

We have led financial product innovation through meeting financing needs of the under-served segments of society such as small enterprises. We are also leading in providing small ticket personal loans, financing for working capital requirements along with Business Loans- Micro Finance and Enterprise Loans, Vehicle finance, equipment finance etc.

Let me now share with you all the financial highlights of the company for the FY. ended March 31, 2017.

- Profit After tax grew by 44.64% from Rs.26 Lacs in previous year to Rs. 38 Lacs in year 2017.
- Profit Before Tax grew by 42.43% from Rs. 38 Lacs as on March, 2016 to Rs. 54 Lacs as on March, 2017.
- Loan Portfolio grew by 18.38% from Rs. 1143 Lacs in previous year to Rs. 1353 Lacs in year 2017.
- Gross Revenue grew by 33.73% from Rs. 197 Lacs in previous year to Rs. 263 Lacs in 2017.
- Net Interest Income grew by 19.85% from Rs. 139 Lacs as on March, 2016 to Rs. 166 Lacs as on March, 2017.
- The Compounded Annual Growth Rate of Profit After Tax reached at 27.45% and of the Revenue from Operations reached at 26.14%
- Capital Adequacy Ratio of the Company reached at 48.69% as on March 31st, 2017.
- Earnings per share increased from Rs. 0.68 in 2015-16 to Rs. 0.98 in 2016-17.
- EBIT grew by 67% to Rs. 154 Lacs in 2016-17 from Rs. 92 Lacs in 2015-16.
- The Gross NPA of the Company reduced to 1.65% as on March, 2017 from 2.13 % as on March 2016.

- The Net NPA of the Company reduced to 0.98% as of March, 2017 from 1.43% as of March 2016.
- Return on Equity rose from 3.66% as of March, 2016 to 5.09% as of March, 2017.
- Return on Average Assets rose from 2.14% as of March, 2016 to 2.44% as of March, 2017.

I firmly believe that the developments of past year will change the way Indians spends and live in the future. This will lead to an accelerated evolution and transformational business landscape wherein SRGSFL will continue its contribution in the nation's growth.

I would like to thank each one of you for contributing to our vision and building SRGSFL a successful and meaningful entity. With government making financial inclusion a priority, your company will continue to deliver profitable growth and contribute to nation building by aligning to larger cause of the country.

Yours sincerely,

Sd/-

**Vinod K. Jain**

Managing Director

DIN: 00248843

# STATUTORY **REPORTS**

# DIRECTOR'S REPORT

To

The Members,

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

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

(Rs. In Lakhs)

Particulars	2016-17	2015-16
<b>Gross Income</b>	<b>263.91</b>	<b>197.34</b>
Less: Finance Cost	100.46	54.01
Overheads	97.58	92.71
Depreciation	11.86	12.70
<b>Profit before Tax &amp; Exceptional Items</b>	<b>54.01</b>	<b>37.92</b>
Add : Exceptional Items	0.00	0.00
<b>Profit before Tax</b>	<b>54.01</b>	<b>37.92</b>
Less : Provision for taxation (Including Deferred tax)	16.13	11.73
<b>Profit after tax</b>	<b>37.88</b>	<b>26.19</b>
Add : Balance b/d from the previous year	54.60	36.57
Excess provision for Income Tax	0.00	0.19
<b>Surplus available for appropriations</b>	<b>92.48</b>	<b>62.95</b>
<b>Appropriations</b>		
Transferred to Special Reserve	7.58	5.25
Provision for Standard Assets	0.53	0.63
Provision for NPA	1.25	2.47
Excess Provision for Income Tax	0.06	0.00
Balance carried over to Balance Sheet	83.06	54.60

## LENDING OPERATIONS & DISBURSEMENT OF LOANS:

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

- The Operating Profit before charging depreciation and tax amounted to Rs. 65.87 Lakhs in the year 2016-17 as against Rs. 50.62 Lakhs in the preceding year; representing a rise of 30.12%.
- Profit after Tax (PAT) before extraordinary items went up by 44.64% to Rs. 37.88 Lakhs in the year 2016-17 from Rs. 26.19 Lakhs in the previous year.
- As at 31st March, 2017, the loan portfolio stood at Rs. 1353.25 Lakhs as against Rs. 1143.18 Lakhs in the previous year representing an increase of 18.38%.
- Disbursements during the year amounted to Rs. 3.78 Crores in 2016-17.
- As a 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.

**DIVIDEND:**

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

**CHANGES IN SHARE CAPITAL:**

During the year under review, there were no changes in the share capital of the Company.

**BORROWINGS:**

Loan from Banks and FIs: During the year, SRGSFL availed credit facilities from State Bank of India aggregating to Rs. 9 Crores. The loan outstanding as at 31st March, 2017 was Rs. 8.49 Crore.

**UNCLAIMED DIVIDEND:**

Under the provisions of section 125 of Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As at March 31st, 2017 there are no unpaid/ Unclaimed Dividend to be transferred to Investor Education and Protection Fund.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

As required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Circular/ Notifications/Directions issued by RBI from time to time, the Management Discussion and Analysis of the financial condition is presented in ANNEXURE IV forming part of the Annual Report.

**SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the

Company as at March 31st, 2017 and of the profit of the Company for the year ended on that date;

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(d) The annual accounts of the Company have been prepared on a going concern basis.

(e) Internal controls have been laid down to be followed by the Company and such internal controls were adequate and were operating effectively.

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

**CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in SEBI (LODR) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report in ANNEXURE V.

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 is attached to this report.

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

**RELATED PARTY TRANSACTIONS:**

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

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link (<http://srgfin.com/BestPracticesSub/26/Policy%20on%20Related%20Party>).

Your Directors draw attention of the members to Note 20 to the financial statement which sets out related party disclosures



## **RISK MANAGEMENT POLICY:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & SEBI (LODR) Regulations, 2015, the company has in place a risk management framework approved by the board of Directors. SRGSFL's Risk Management framework provides the mechanism for risk assessment and mitigation. Company has in place Risk Management Committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

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

## **CORPORATE SOCIAL RESPONSIBILITY POLICY:**

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

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

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

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

Based on the report of internal auditor, respective heads undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board and/or to the Managing Director.

## **DIRECTORS:**

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

Necessary Resolutions for the re-appointment of the aforesaid director have been included in the notice convening the ensuing AGM and details of the proposal for re-appointment are

mentioned in the explanatory statement of the notice. Your Directors recommend their appointment/ re-appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

Board of Directors of the Company in their meeting held on 1st May, 2017 accepted resignation of Mrs. Aarti Jain from the Post of CFO of the Company and further Board of Directors in their meeting held on 13th May, 2017 accepted the resignation of Mr. Bhupesh Kumar Jain from the post of Independent Director of the Company.

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

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

## **AUDITORS:**

### **STATUTORY AUDITORS**

In accordance with the requirement of Companies Act, 2013 the current Statutory Auditor M/s Valawat & Associates, Chartered Accountants (Firm Registration No.003623C), hold office up to the conclusion of the ensuing AGM. As per the provision of Section 139 of the Companies Act, 2013, M/s Valawat & Associates, Chartered Accountants are not eligible for re-appointment for a fresh term.

The Board of Director places on record its appreciation for the services rendered by M/s Valawat & Associates, as the Statutory Auditors of the company.

The Board of directors of the Company on the recommendation of the Audit Committee, has considered and recommended the appointment of M/s. PKJ & Co., Chartered Accountants (FRN: 124115W) as Statutory Auditors for a term of five years beginning from the conclusion of the 22nd AGM till the conclusion of 27th AGM subject to approval of members at the ensuing AGM.

The statutory Auditors have not made any adverse comment or given any qualifications, reservation or adverse remarks or disclaimer in their Audit report.

### **Secretarial Auditors:**

M/s Deepak Vijaywargey & Associates, Practicing Company Secretary, Udaipur was appointed as the Secretarial Auditor of the

Company for the financial year 2016-17 by the Board of Directors pursuant to provisions of Companies Act, 2013 and rules there under. Secretarial audit report as provided by M/s Deepak Vijaywargey & Associates, Practicing Company Secretary is annexed to this Report as ANNEXURE II.

### **QUALIFICATIONS IN AUDIT REPORTS:**

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

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

### **DISCLOSURES:**

#### **BOARD MEETINGS:**

The Board of Directors met 9 (nine) times during this financial year 2016-17.

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

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

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

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

#### **COMPOSITION OF STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

The Stakeholder's Relationship Committee consists of adequate composition of Non- Executive and Independent Directors. The details of which are mentioned in the Corporate Governance Report.

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

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, apart from the loans made, guarantee given or security provided by the Company in the ordinary course of business, are given in the Notes

to accounts forming part of the Audited Financial Statements for the year ended March 31, 2017.

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

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

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

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

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

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

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

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

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

### **EXTRACT OF ANNUAL RETURN:**

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

### **PARTICULARS OF EMPLOYEES:**

In accordance with the provisions of Section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, as at March 31st, 2017, there were no employees in SRGSFL throughout the year who were in receipt of remuneration of Rs. 1.02 Crores or more per annum or Rs. 8.50 Lakhs or more per month if appointed for the part of the year.

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

There are no material changes and commitments affecting financial position of the company between 31st March and the

date of Board's Report.

## CHANGE IN THE NATURE OF BUSINESS:

There are no changes in the Nature of Business.

## DETAILS RELATING TO DEPOSITS:

Your Company has not accepted any deposits from the public during the year under review. The Company has been granted registration by the Reserve Bank of India, as a non-deposit taking NBFC. Being so, the Company has neither accepted in the past nor has any future plans to accept any public deposits.

## SIGNIFICANT & MATERIAL ORDERS

### PASSED BY THE REGULATORS:

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

## DISCLOSURES ON MANAGERIAL

### REMUNERATION:

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

## LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to BSE SME where the Company's Shares are listed.

## INVESTOR COMPLAINTS AND COMPLIANCE:

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

## EARNINGS PER SHARE (EPS):

The Earnings Per Share (EPS) is ₹ 0.98 as at March 31st, 2017 as against ₹ 0.68 as at March 31st, 2016.

## CAPITAL ADEQUACY:

Particulars as on 31st March	2017	2016
Capital Adequacy Ratio	48.69%	53.49%

Your Company's capital adequacy ratio was at 48.69% as on 31st March, 2017, which we believe provides an adequate cushion to

withstand business risks and is above the minimum requirement of 15% stipulated by the RBI.

## NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY:

Your Company adhered to the prudential guidelines for Non performing Assets (NPAs), issued by Reserve Bank of India, as amended from time to time. As per the prudential norms, the income on such NPAs is not to be recognised if unrealized.

As per the prudential norms prescribed by the Reserve Bank of India, the Company has made provision for contingencies on standard as well as non-performing assets.

## A NOTE OF APPRECIATION:

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

Best Wishes

Sd/-

**Vinod K. Jain**

Managing Director

DIN: 00248843

Date: 27.05.2017

Place: Udaipur

Sd/-

**Rajesh Jain**

Director

DIN: 00212393

**ANNEXURE-I****POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION****CRITERIA OF SELECTION OF NON-EXECUTIVE DIRECTORS:**

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

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

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

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

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

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

**REMUNERATION:**

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

**EXECUTIVE DIRECTOR - CRITERIA FOR SELECTION / APPOINTMENT:**

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

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

**REMUNERATION FOR THE EXECUTIVE DIRECTOR:**

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

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

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

**REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES:**

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

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

## ANNEXURE - II

# FORM NO. MR-3

# SECRETARIAL AUDIT REPORT

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### FOR THE FINANCIAL YEAR ENDED 31st March, 2017

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

To,  
The Members,  
S R G Securities Finance Limited,  
322, S.M. Lodha Complex, Near Shastri Circle,  
Udaipur-313001, Rajasthan, India

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by S R G Securities Finance Limited (CIN:L67120RJ1995PLC009631) ("the Company") having its Registered Office at 322, S.M. Lodha Complex, Near Shastri Circle, Udaipur-313001, Rajasthan, India for the financial year ended on 31st March, 2017 according to the provisions of:

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

Company during the Audit Period)

- h. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- VI. The Company has complied with the following specifically other applicable laws to the Company:
  - i. Reserve Bank of India Act, 1934, as applicable.
  - ii. Master Direction: Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
  - iii. Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.

### **WE HAVE ALSO EXAMINED COMPLIANCE WITH THE APPLICABLE CLAUSES OF THE FOLLOWING:**

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

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

### **WE FURTHER REPORT THAT:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

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

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

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

Sd/-

**Deepak Vijaywargey**

Proprietor

ACS No: 18221

C P No: 6321

Udaipur

May 27, 2017

## ANNEXURE-III EXTRACT OF ANNUAL RETURN

### FORM NO. MGT-9

#### AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L67120RJ1995PLC009631
Registration Date:	06.03.1995
Name of the Company:	S R G Securities Finance Limited
Category / Sub-Category of the Company:	Public Company Limited by Shares
Address of the registered office and Contact details:	322, S.M. Lodha Complex, Near Shastri Circle, Udaipur, Rajasthan-313001; Phone: 0294-2561882, 2412609; Fax:0294-5100098; Email srgsecurities@gmail.com; website-www.srgfin.com
Whether listed company:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Sharex Dynamic (India) Pvt. Ltd. Unit- 1, Luthra Ind. Premises. Ist Flr, 44-E, M Vasanti Marg, Andheri- Kurla Rd, Safed Pool, Andheri (E) - Mumbai 400072 Tel. No. 022-28515606; Fax No.022-28512885 E-mail: sharexindia@vsnl.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Financial Services	Section K - Group 649 - Other Financial Service activities, except insurance and pension funding activities	99.94%

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

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

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## I) CATEGORY-WISE SHARE HOLDING

Category code	Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>1</b>	<b>Indian</b>									
a	Individual/HUF	1869150	-	1869150	48.23	1959150	-	1959150	50.55	2.32
<b>b</b>	<b>Central Govt./ State Govt.(s)</b>	-	-	-	-	-	-	-	-	-
c	Fins / Banks	-	-	-	-	-	-	-	-	-
d	Any Other specify	-	-	-	-	-	-	-	-	-
	Bodies Corporate	150000	-	150000	3.87	258000	-	258000	6.66	2.79
	<b>Sub Total (A)(1)</b>	<b>2019150</b>	<b>-</b>	<b>2019150</b>	<b>52.10</b>	<b>2217150</b>	<b>-</b>	<b>2217150</b>	<b>57.21</b>	<b>5.11</b>
<b>2</b>	<b>Foreign</b>									
a	Individuals/ NRI/ Foreign Ind.	-	-	-	-	-	-	-	-	-
b	Government	-	-	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-	-	-
d	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e	Any Other Specify	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(A)</b>	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>2019150</b>	<b>-</b>	<b>2019150</b>	<b>52.10</b>	<b>2217150</b>	<b>-</b>	<b>2217150</b>	<b>57.21</b>	<b>5.11</b>
	<b>Total (A)= (A)(1)+(A)(2)</b>									
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Venture Capital Funds	-	-	-	-	-	-	-	-	-
c	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
f	Fin Inst/ Banks	-	-	-	-	-	-	-	-	-
g	Insurance Companies	-	-	-	-	-	-	-	-	-
h	Provident Fund/ Pension Fund	-	-	-	-	-	-	-	-	-
i	Any Other Specify	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Central Government/State Government/ President of India -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Sub-Total (B)(2)</b>									
<b>3</b>	<b>Non-institutions</b>									
a	Individuals									
	i) Individual shareholders holding nominal share capital up to Rs-2lac	800250	-	800250	20.65	752250	-	752250	19.41	-1.24
	ii) Individual shareholders holding nominal share capital in excess of Rs-2lac	492000	-	492000	12.70	384000	-	384000	9.91	-2.79
b	NBFCs registered with RBI									
c	Employee Trusts									



d	Overseas Depositories (holdings DRs)(balancing figure)									
e	Any Other (Specify)									
i.	Bodies Corporate	564000	-	564000	14.55	420000	-	420000	10.84	-3.71
ii.	Clearing Member	-	-	-			-			
iii.	HUF	-	-	-	-	102000	-	102000	2.63	2.63
iv.	NRI- Non-Repat	-	-	-	-		-			
v.	NRI -Repat	-		-	-					
	<b>Sub-Total (B)(3)</b>	<b>1856250</b>	<b>-</b>	<b>1856250</b>	<b>47.90</b>	<b>1658250</b>	<b>-</b>	<b>1658250</b>	<b>42.79</b>	<b>-5.11</b>
<b>(B)</b>	<b>Total (B)= (B)(1)+(B)(2)+ (B)(3)</b>	<b>1856250</b>	<b>-</b>	<b>1856250</b>	<b>47.90</b>	<b>1658250</b>	<b>-</b>	<b>1658250</b>	<b>42.79</b>	<b>-5.11</b>
<b>(C)</b>	<b>Non- Promoter Non- Public</b>									
1	Custodian/ DR Holders	-	-	-	-	-	-	-	-	-
2	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014	-	-	-	-	-	-	-	-	-
<b>(C)</b>	<b>Total (C)= (C)(1)+(C)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3875400</b>	<b>-</b>	<b>3875400</b>	<b>100.00</b>	<b>3875400</b>	<b>-</b>	<b>3875400</b>	<b>100.00</b>	<b>-</b>

## II) SHAREHOLDING OF PROMOTERS

Sl	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vinod Kumar Jain	476700	12.30	-	494700	12.77	-	0.47
2	Rajesh Jain	364200	9.40	-	364200	9.40	-	-
3	Seema Jain	294900	7.61	-	294900	7.61	-	
4	Vinod Jain HUF	156750	4.04	-	156750	4.04	-	-
5	Genda Lal Jain	130200	3.36	-	130200	3.36	-	-
6	Aarti Prakash Jain	127500	3.29	-	127500	3.29	-	-
7	Pushpa Jain	103500	2.67	-	103500	2.67	-	-
8	Genda Lal Jain HUF	86250	2.23	-	86250	2.23	-	-
9	Jikisha Jain	85650	2.21	-	85650	2.21	-	
10	Sulochana Devi Jain	37500	0.97	-	37500	0.97	-	-
11	Ravi Parasmal Jain	6000	0.15	-	6000	0.15	-	-
12	SRG Housing Finance Limited	150000	3.87	-	150000	3.87	-	
13	Ambitious Associates Pvt. Ltd*	-	-	-	60000	1.55	-	1.55
14	Rhythm Consultants Private Limited**	-	-	-	48000	1.24	-	1.24
15	Archis Jain	0	0	-	72000	1.85	-	1.85
	<b>Total</b>	<b>2019150</b>	<b>52.10</b>	<b>-</b>	<b>2217150</b>	<b>57.21</b>		<b>5.11*</b>

\*Included in the Promoters' Group w.e.f from Dec, 2016. | \*\* Included in the Promoters' Group w.e.f from March, 2017.

**(III) CHANGE IN PROMOTERS' SHAREHOLDING**

Sl	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016			Share holding at the end of the Year 31/03/2017			
		No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	Vinod Kumar Jain	476700	12.30	17.03.2017 24.03.2017	17700 300	transfer transfer	494400 494700	12.76 12.77
2	Rajesh Jain	364200	9.40	-	-	-	364200	9.40
3	Seema Jain	294900	7.61				294900	7.61
4	Vinod Jain HUF	156750	4.04	-	-	-	156750	4.04
5	Genda Lal Jain	130200	3.36	-	-	-	130200	3.36
6	Aarti Prakash Jain	127500	3.29	-	-	-	127500	3.29
7	Pushpa Jain	103500	2.67	-	-	-	103500	2.67
8	Genda Lal Jain HUF	86250	2.23	-	-	-	86250	2.23
9	Jikisha Jain	85650	2.21	-	-	-	85650	2.21
10	Sulochana Devi Jain	37500	0.97	-	-	-	37500	0.97
11	Ravi Parasmal Jain	6000	0.15	-	-	-	6000	0.15
12	SRG Housing Finance Limited	150000	3.87	-	-	-	150000	3.87
13	Ambitious Associates Pvt Ltd*	-	-	-	-	-	60000	1.55
14	Rhythm Consultants Private Limited**	-	-	-	-	-	48000	1.24
15	Archis Jain	0	0	21.10.2016 28.10.2016	36000 36000	Transfer Transfer	36000 72000	0.93 1.85

\* Included in the Promoters' Group w.e.f from Dec, 2016. | \*\* Included in the Promoters' Group w.e.f from March, 2017.

**(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

Sr. No.	Name	No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	Cumulative No. of Shares	% of total Shares of the company)
1	ARYAMAN CAPITAL MARKETS LIMITED	252000	6.50	10.06.2016 17.06.2016 17.03.2017 31.03.2017	-192000 -60000 192000 -	Transfer Transfer Transfer -	60000 0 192000 192000	1.55 0.00 4.95 4.95
2	HRIDAY CREDIT COOPERATIVE SOCIETY LTD.	162000	4.18	-	-	-	162000	4.18
3	E TRICKS ENTERPRISES PRIVATE LIMITED	0	0.00	17.06.2016 31.03.2017	60000 -	Transfer -	60000 60000	1.55 1.55
4	DINESH JAIN	60000	1.55	-	-	-	60000	1.55
5	AMBITIOUS ASSOCIATES PVT LTD*	60000	1.55	-	-	-	-	-
6	DEEPAK KUMAR JAIN	54000	1.39	08.04.2016 31.03.2017	-36000 -	Transfer -	18000 18000	0.46 0.46
7	RHYTHM CONSULTANTS PRIVATE LIMITED**	48000	1.24	-	-	-	-	-
8	DHARMESH CHANDRA JAIN	48000	1.24	-	-	-	48000	1.24
9	REKHA NAWLAKHA	42000	1.08	-	-	-	42000	1.08

10	NEELIMA BODANA	30000	0.77	-	-	-	30000	0.77
11	BHANWAR LAL PACHORI HUF	30000	0.77	-	-	-	30000	0.77
12	SHANTI LAL SHARMA	30000	0.77	-	-	-	30000	0.77
13	NEETA JAIN	30000	0.77	-	-	-	30000	0.77

\* Included in the Promoters' Group w.e.f from Dec, 2016. | \*\* Included in the Promoters' Group w.e.f from March, 2017.

## V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNELS:

1. VINOD K. JAIN		MANAGING DIRECTOR			
Sr.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
No.		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	476700	12.30	476700	12.30
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Transfer- 24.03.2017	17700	0.46	494400	12.76
	Transfer- 31.03.2017	300	0.01	494700	12.77
3(1+2)	At the End of the year	494700	12.77	494700	12.77

2. RAJESH JAIN		DIRECTOR			
Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares of the company	% of total shares	No. of shares	% of total shares of the company
1	At the beginning of the year	364200	9.40	364200	9.40
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
3(1+2)	At the End of the year	364200	9.40	364200	9.40

3. SEEMA JAIN		DIRECTOR			
Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	294900	7.61	294900	7.61
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
3(1+2)	At the End of the year	294900	7.61	294900	7.61

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

## V. INDEBTEDNESS

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

	Secured Loans excluding Deposits (Rs. In crores)	Unsecured Loans	Deposits	Total Indebtedness (Rs. In crores)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6.99	-	-	6.99
ii) Interest due but not paid	0.06	-	-	0.06
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7.05</b>			<b>7.05</b>
Change in Indebtedness during the financial year				
Addition	3.50	-	-	3.50
Reduction	2.06	-	-	2.06
<b>Net Change</b>	<b>1.44</b>	<b>-</b>	<b>-</b>	<b>1.44</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8.43	-	-	8.43
ii) Interest due but not paid	0.06	-	-	0.06
ii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8.49</b>	<b>-</b>	<b>-</b>	<b>8.49</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	SEEMA JAIN (Whole Time Director)	Total Amount (Rs in Lacs)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.00	36.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - Others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	36.00	36.00
	Ceiling as per the Act	84.00*	84.00*

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

### B. Remuneration to other directors:

Company does not pay any remuneration to other Directors except Whole Time Director Mrs. Seema Jain.

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

SL. No.	Particulars of Remuneration	Key Managerial Personnel		
		Garima Soni (Company Secretary) Rs. In Lacs	Aarti Jain (CFO) Rs. In Lacs	Total Rs. In Lacs
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.40	9.00	11.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>2.40</b>	<b>9.00</b>	<b>11.40</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

## ANNEXURE - IV

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****ECONOMIC OVERVIEW**

The growth rate of the economy during the first half of the FY16-17 was estimated at 7.2%, making India one of the fastest growing major economies in the world. At the sectoral level, the growth rates for agriculture and allied sectors, industry and services sectors for the first half of the FY16-17 were estimated at 2.5%, 5.6%, and 9.2%, respectively. Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetize the two highest denomination notes. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism. Demonetization has had short-term costs but holds the potential for long term benefits. Follow-up actions to minimize the costs and maximize the benefits include: fast, demand-driven, remonetization; further tax reforms, including bringing land and real estate into the GST, reducing tax rates and stamp duties; and acting to allay anxieties about over-zealous tax administration. These actions would allow growth to return to trend in 2017-18, following a temporary decline in 2016-17. Looking further ahead, societal shifts in ideas and narratives will be needed to overcome three long-standing meta-challenges: inefficient redistribution, ambivalence about the private sector and property rights, and improving but still-challenged state capacity. In the aftermath of demonetization, and at a time of gathering gloom about globalization, articulating and embracing those ideational shifts will be critical to ensuring that India's sweet spot is enduring not evanescent.

(Source: <http://indiabudget.nic.in/es2016-17/echapter.pdf>)

**INDUSTRY OVERVIEW**

So far, non-banking finance companies (NBFCs) have scripted a great success story. Their contribution to the economy has grown in leaps and bounds from 8.4% in 2006 to above 14% in March 2015.<sup>1</sup> In terms of financial assets, NBFCs have recorded a healthy growth—a compound annual growth rate (CAGR) of 19% over the past few years—comprising 13% of the total credit and expected to reach nearly 18% by 2018-19.<sup>2</sup> With the ongoing stress in the public

sector banks due to mounting bad debt, their appetite to lend (especially in rural areas) is only going to deteriorate, thereby providing NBFCs with the opportunity to increase their presence. The success of NBFCs can be clearly attributed to their better product lines, lower cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and better understanding of their customer segments. Not only have they shown success in their traditional bastions (passenger and commercial vehicle finance) but they have also managed to build substantial assets under management (AUM) in the personal loan and housing finance sector which have been the bread and butter for retail banks. Going forward, the latent credit demand of an emerging India will allow NBFCs to fill the gap, especially where traditional banks have been wary to serve. Additionally, improving macroeconomic conditions, higher credit penetration, increased consumption and disruptive digital trends will allow NBFC's credit to grow at a healthy rate of 7-10% (real growth rate)<sup>3</sup> over the next five years. Clearly, NBFCs are here to stay.

Source: <https://www.pwc.in/assets/pdfs/publications/2016/non-banking-finance-companies-the-changing-landscape.pdf>

**OPPORTUNITIES & THREATS**

SRG SFL has been able to explore new areas for its business. With the innovative marketing strategies, the Company is able to add new customers and retain existing clientele. There has been increased competition from the scheduled banks and other NBFCs operating in the field of finance.

Company has always maintained sufficient liquid funds, so that its operations are not affected. Constantly sticking on to the traditional values and ethics and with the support of efficient and dedicated resources, we are able to phase out any difficulties in our area of operation.

**SEGMENT REPORTING**

The Company is exclusively engaged in the 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

Your Company is exposed to internal and external risks. The internal risks relates to the risks within the Company due to change in management, personnel and policies, lapses / inadequacy in existing infrastructure facilities, delinquencies on the part of employees, staff attrition, misfeasance etc. The external risks can be associated to those factors which are not within the control of the Company like change in interest rates, government regulations, competition from others operating in similar business, etc.

## RISK MANAGEMENT

Comprehensive risk management practices form an integral part of the operations at SRG SFL. 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 organization becomes increasingly risk focused to achieve its strategic objectives. SRG SFL 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

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

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

## INFORMATION TECHNOLOGY

Your Company is developing new in house accounting software which is a step towards aligning technology to the projected business growth. All our operations will be in the "central data base platform" from the coming financial year. The steps taken to upgrade Information Technology platform will facilitate your Company to serve the customer (s) in an efficient manner and which is an integral part of the control mechanism.

## 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 are annexed to this Annual Report.

## HUMAN RESOURCES

Human resource development is considered vital for effective implementation of business plans. The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Productive high performing employees are vital to the company's success. The Board values and appreciates the contribution and commitment of the employees towards performance of your Company during the year. In pursuance of the Company's commitment to develop and retain the best available talent, the Company continued to offer in house 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 programs conducted by various organizations and institutions 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. SRGSFL's staff strength as at March 31, 2017 was 11.

## 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.

## LOAN PRODUCTS AND PROCESS:

SRGSFL is primarily engaged in the business of providing Vehicles, construction and mining equipments and Business Loan by offering: (i) Equipment Finance (ii) Vehicle Finance (iii) Business Loan and (iv) Loan Against Property. Entire operations of the Company are handled in the Registered Office in Udaipur along with the branch/Satellite offices of Associate Companies.

Company has a well established and streamlined credit appraisal process. The loan approval & Disbursement process mainly

consists of four simple steps - (i) Appraisal (ii) Security Evaluation (iii) Loan Sanction (iv) Loan Disbursement.

## MARKETING EFFORTS:

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

Presently, it has a Head office in Udaipur and works from its head office. Further, the company is targeting to expand its market and open new satellite centers which are to be located in various states of the Country to cover the target market. SRGSFL has a strong marketing team, and is active in advertising and various marketing arrangements. The company's marketing is totally strategic and policy driven where the company's core moto is "CUSTOMER IS KING".

## DISBURSEMENTS:

SRGSFL disbursed Rs. 3.78 Crores during the year 2016-17.

## RBI DIRECTIONS:

SRGSFL has complied with the directions issued by RBI regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, "Know Your Customer" (KYC), Fair Practices Code, grievance Redressal mechanism, recovery of dues, etc.

SRGSFL's Capital Adequacy Ratio as at March 31st, 2017 was 48.69% as against RBI's prescribed limit of 15%.

## CAUTIONARY STATEMENT:

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. These statements are based on certain assumptions and expectations of future events over which the Company has no direct control. Important factors that could make

a difference to the Company's operations include performance of the overall economy; rate of interest position in the economy; performance of the real estate market and other relevant external and internal factors.

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. SRGSFL assumes no responsibility in case the actual results differ materially due to change in internal or external factors.

Place: - Udaipur  
Date: - May 27, 2017

For and on behalf of the  
Board of Directors

Sd/-	Sd/-
<b>Vinod K. Jain</b>	<b>Rajesh Jain</b>
Managing Director	Director
DIN: 00248843	DIN: 00212393



## ANNEXURE - V

# REPORT ON CORPORATE GOVERNANCE

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

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

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

## BOARD OF DIRECTORS

### COMPOSITION & CATEGORY OF DIRECTORS:

As at 31st March, 2017 the Board of Directors comprises of Six directors, who bring in a wide range of skills and experience to the board. Out of the Six Directors, Three are Independent Directors, One Whole Time Director, One Non-Executive Director and One Managing Director. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in the provisions of Section 149(6) of the Companies Act, 2013. All directors are appointed by the members of the Company.

The directors bring to the board a wide range of experience and skills.

The composition of the board is in conformity with (Listing Obligations and Disclosure Requirements) Regulations, 2015

Category	Name of Directors
<b>Promoter Directors</b>	Mr. Vinod K. Jain, Managing Director
	Mr. Rajesh Jain, Non- Executive Director
	Mrs. Seema Jain, Whole Time Director
<b>Independent Directors</b>	Mr. Arjun Lal Jain
	Mr. Nishant Badala
	Mr. Bhupesh Kumar Jain

### DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

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

None other directors are related to each other.

## RESPONSIBILITIES:

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

## ROLE OF INDEPENDENT DIRECTORS:

Independent directors play an important role in deliberations at the board meetings and bring to the Company their wide experience in the fields of finance, Marketing and accountancy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction. The Audit Committee, the Nomination & Remuneration Committee and the Stakeholder's Relationship Committee have a majority of

independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and as approved by the board, from time to time. Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as directors of the Company.

### APPOINTMENT OF INDEPENDENT DIRECTORS:

As on March 31, 2017, the Company had 3 (three) Independent Directors on its Board. All the Directors viz. Mr. Arjun Lal Jain, Mr. Nishant Badala and Mr. Bhupesh Kumar Jain were appointed at the 19th AGM of the Company for a period of 5 years with effect from September 18th, 2014 and are not liable to retire by rotation.

*\*Mr. Bhupesh Kumar Jain resigned from the post of Independent Director due to some prior commitments. Board accepted the resignation in their meeting held on May 13, 2017.*

Formal letters of appointment were issued to the independent directors in terms of the provisions of the Companies Act, 2013. A copy of the letter detailing the terms and conditions of appointment of the independent directors is placed on the Company's website- [www.srgfin.com](http://www.srgfin.com).

All Independent Directors of the Company, at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year, give a declaration that they meet with the criteria of independence as provided in section 149 of the Companies Act, 2013. In the opinion of the Board, each independent director possesses appropriate balance of skills, experience and knowledge, as required.

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

### EVALUATION OF DIRECTORS AND BOARD:

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

the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

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

### MEETINGS OF INDEPENDENT DIRECTORS:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. The Independent Directors of the Company met once during the year on March 29th, 2017 to review the performance of Non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and access the quality, quantity and timeliness of flow of information between the company management and the Board.

### BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES

#### NUMBER OF BOARD MEETINGS ALONG WITH DATES:

The meetings of the Board of Directors are generally held at the Registered Office of the Company. During the year, Board met 9 (Nine) times. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

The details of Board meetings are given below:

Date	Board Strength	No. of Directors present
12-04-2016	6	6
16-05-2016	6	6
13-07-2016	6	5
11-10-2016	6	6
19-10-2016	6	6
10-01-2017	6	6
19-01-2017	6	6
10-03-2017	6	6
20.03.2017	6	6

The company places before the Board all those details as considered necessary under SEBI (LODR) Regulations, 2015. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Board takes on record the actions taken by the company on all its decisions periodically.

## ATTENDANCE OF EACH DIRECTOR AT BOARD MEETINGS AND AT THE PREVIOUS ANNUAL GENERAL MEETING (AGM) AND THE DETAILS OF OTHER CHAIRMANSHIP / DIRECTORSHIP / COMMITTEE MEMBERSHIP OF EACH DIRECTOR AS ON 31ST MARCH 2017 IS GIVEN BELOW:

Name of Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM	Number of Directorships in other companies	Number of Committee Memberships in other companies	
					Chairman	Member
Mr. Vinod K. Jain	9	8	Yes	2	1	1
Mr. Rajesh Jain	9	9	Yes	1	0	1
Mrs. Seema Jain	9	9	Yes	1	0	0
Mr. Arjun Lal Jain	9	9	Yes	0	0	0
Mr. Nishant Badala	9	9	Yes	1	0	1
Mr. Bhupesh Kumar Jain	9	9	Yes	0	0	0

Notes:

Other directorships exclude foreign companies, private limited companies and Companies under section 8. In accordance with SEBI (LODR) Regulations, 2015 membership/ Chairpersonship of only Audit Committee and Stakeholders' Relationship Committee have been reckoned in all other public limited Companies.

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

## BOARD COMMITTEES

**Composition of Board Committees:** (As on 31st March, 2017)

### STAKEHOLDER'S RELATIONSHIP COMMITTEE

Mr. Bhupesh Kumar Jain	-	Chairman of the Committee
Mr. Arjun Lal Jain	-	Member
Mr. Rajesh Jain	-	Member

### RISK MANAGEMENT COMMITTEE

Mr. Vinod K. Jain	-	Chairman of the Committee
Mr. Nishant Badala	-	Member
Mr. Arjun Lal Jain	-	Member

### NOMINATION AND REMUNERATION COMMITTEE

Mr. Arjun Lal Jain	-	Chairman of the Committee
Mr. Bhupesh Kumar Jain	-	Member
Mr. Nishant Badala	-	Member

### AUDIT COMMITTEE

Mr. Nishant Badala	-	Chairman of the Committee
Mr. Vinod K. Jain	-	Member
Mr. Bhupesh Kumar Jain	-	Member

## COMMITTEE MEETINGS AND ATTENDANCE OF THE MEMBERS:

BOARD COMMITTEES	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	STAKEHOLDER'S RELATIONSHIP COMMITTEE	RISK MANAGEMENT COMMITTEE
Meetings Held	8	5	4	4
<b>Director's Attendance</b>				
Vinod K. Jain	8	N.A.	N.A.	4
Rajesh Jain	N.A.	N.A.	4	N.A.
Nishant Badala	8	5	N.A.	4
Bhupesh Kumar Jain	8	5	4	N.A.
Arjun Lal Jain	N.A.	5	4	4

\* Mrs. Seema Jain is not a member or Chairman of any of the committee.

## PROCEDURE AT COMMITTEE MEETINGS:

### AUDIT COMMITTEE

#### Compositions:

The Composition of Audit Committee as on 31st March, 2017 comprises as follows:

Mr. Nishant Badala - Chairman of the Committee

Mr. Vinod K. Jain - Member

Mr. Bhupesh Kumar Jain - Member

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015. Members of the Audit Committee are financially literate and have relevant finance / audit exposure. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 22nd August, 2016.

### POWERS AND ROLES OF THE COMMITTEE:

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in SEBI (LODR) Regulations, 2015 and also those specified in section 177 of the Companies Act, 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the half yearly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The committee also looks into those matters specifically referred to it by the Board.

### MEETINGS:

The audit committee met 8(Eight) times during the year on 09.04.2016, 16.05.2016, 09.07.2016, 08.10.2016, 19.10.2016, 10.01.2017, 10.03.2017, 18.03.2017.

The details of the meetings and attendance are given on page no 34.

### NOMINATION AND REMUNERATION COMMITTEE

#### Compositions:

The Composition of Nomination & Remuneration committee as on 31st March, 2017 comprises as follows:

Mr. Arjun Lal Jain - Chairman of the Committee

Mr. Bhupesh Kumar Jain - Member

Mr. Nishant Badala - Member

The Committee's composition meets with the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (LODR), Regulations, 2015.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board.

The role of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

### MEETINGS:

During the financial year 2016-2017, the committee met 5(Five) Times on 09.04.2016, 14.05.2016, 09.07.2016, 08.10.2016, 18.03.2017.

The details of the meetings and attendance are given on page no 34.

### STAKEHOLDER'S RELATIONSHIP COMMITTEE

#### Compositions:

The Composition of Stakeholder's Relationship Committee as on 31st March, 2017 comprises as follows:

Mr. Bhupesh Kumar Jain - Chairman of the Committee

Mr. Arjun Lal Jain - Member

Mr. Rajesh Jain - Member

The Committee's composition meets with the requirements of Regulation 20 of SEBI (LODR), Regulations, 2015 and provisions of the Companies Act, 2013.

Ms. Garima Soni is the Company Secretary cum Compliance Officer of the Company.

### TERMS OF REFERENCE OF THE COMMITTEE:

The committee met regularly to redress investor grievances like

non receipt of dividend warrants, non receipt of share certificates, etc. The terms of reference of the committee meet with the requirements of SEBI (LODR) Regulations, 2015 and provisions of the Companies Act, 2013.

### **INVESTOR GRIEVANCE REDRESSAL:**

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. During the year company did not receive any complaints from investors.

### **MEETINGS:**

The committee met 4 (Four) times during the year 2016-2017 on 08.04.2016, 09.07.2016, 11.10.2016, 09.01.2017. The details of the meetings and attendance are given on page no 34.

### **REMUNERATION POLICY:**

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

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. A copy of the said policy is available at the website [www.srgfin.com](http://www.srgfin.com).

### **DIRECTOR'S REMUNERATION**

#### **NON-EXECUTIVE DIRECTORS:**

During the financial year 2016-17, no payment is made to Non Executive Directors.

#### **EXECUTIVE DIRECTOR:**

Detail of the remuneration paid to the Whole Time Director during the year is provided in MGT-9.

#### **TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS:**

There was no pecuniary relationship or transactions of the non-

executive directors vis-à-vis the company during the Financial Year ended 31st March, 2017.

### **DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH, 2017:**

The shareholding details of the directors as at March 31st, 2017 are included in MGT-9 forming part of the Director's Report.

### **CODES AND STANDARDS**

#### **VIGIL MECHANISM:**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Regulation 22 of SEBI (LODR) Regulations, 2015, Company have made a formal Vigil Mechanism Policy which provides detailed procedure to protect the interest of employees of the company. The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Audit Committee. The same can be read from the link (<http://www.srgfin.com/BestPracticesSub/20/Vigil%20Mechanism%20Policy>).

#### **PREVENTION OF INSIDER TRADING:**

Your Company has formulated and adopted a Code for Prevention of Insider Trading Practices in accordance with the model code of conduct as prescribed under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, 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. The said policy is available on the website of the company [www.srgfin.com](http://www.srgfin.com).

#### **FAIR PRACTICE CODE:**

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

#### **CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT:**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available

on the website [www.srgfin.com](http://www.srgfin.com). As provided under Regulation 5 of SEBI (LODR) Regulations, 2015, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2016-2017.

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

### **DECLARATION UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

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

### **DECLARATION BY BOARD:**

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

### **DISCLOSURES**

#### **RELATED PARTY TRANSACTION:**

There have been no materially significant related party

transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large accordingly information in Form AOC-2 is not annexed. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT and the Related Party Transactions Policy are disseminated on the website of the Company ([www.srgfin.com](http://www.srgfin.com))

### **ACCOUNTING TREATMENT:**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

### **GENERAL MEETINGS:**

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

#### **ANNUAL GENERAL MEETINGS OF THE COMPANY:**

Venue	Financial Year	Date & Time
Hotel Q, 2-A New Flora Complex, Near New Pula Bridge, Fatehpura, Udaipur	2013-2014	18/09/2014 at 10:00 AM
Hotel Ambience, Plot No 8, Near Mahila Police Thana, 100 ft Rd, Roop Nagar, Bhuvana Opposite The Occasion Wedding & Special Event Garden, Udaipur Rajasthan	2014-2015	10/09/2015 at 10:00 AM
Hotel Ambience Plot No. 8, Near Mahila Police Thana, 100 Feet Road, Roop Nagar, Bhuvana Opposite The Occasion Wedding & Special Event Garden, Udaipur, Rajasthan 313001	2015-2016	22/08/2016 at 10:00 AM

#### **THE DETAILS OF SPECIAL RESOLUTIONS PASSED IN AGM/EGM IN THE LAST 3 YEARS ARE AS FOLLOWS:**

AGM/EGM	Subject
19th Annual general Meeting held on 18/09/2014	Appointment of Independent Directors Borrowing Powers Power to create Charge Re-appointment of Managing Director
20th Annual General Meeting held on 10/09/2015	Re-appointment of Whole Time Director Approval of related party transaction Adoption of new set of Article of Association.
21ST Annual General Meeting held on 22/08/2016	Re-appointment of Managing Director Approval of Related Party Transaction



## **POSTAL BALLOT:**

No resolution was passed by postal ballot and there is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## **DEMATERIALISATION OF SHARES:**

SRGSFL's shares are available for trading with National Securities Depository Ltd. (NSDL) and with Central Depository Services (India) Limited (CDSL). The ISIN allotted to SRGSFL's equity shares is INE326P01019.

As at March 31st, 2017, 100 % of equity shares of SRGSFL have been dematerialised by members through NSDL and CDSL.

## **MEANS OF COMMUNICATION:**

The main source of information for the shareholders is the Annual Report that includes inter alia, the Director's Report, the shareholder's information and the audited financial results. SRGSFL recognizes the importance of regular dialogue with its shareholders to ensure that the Company's strategy is clearly understood.

Shareholders are intimated through the press, email and SRGSFL's website [www.srgfin.com](http://www.srgfin.com) of the half yearly performance and financial results of the company. Shareholders have an opportunity to attend the Annual General Meeting at which the business outlook is presented and relevant aspects of the company's operations are discussed. In addition, the registered office as well as the Registrar's office (RTA), serves as a contact point for shareholders on issues such as share transfers, dividends and announcements. Along with the financial results, other information as per the listing regulations such as Annual Report and Shareholding Pattern, are being uploaded on BSE website under "BSE Listing Centre". The Company does not make any presentation to analysts or to institutional investors. The half yearly and annual financial results of the Company are published in leading newspapers and are communicated to the stock exchanges as per the provisions of SEBI (LODR) Regulations, 2015 and uploaded on Company's website.

The Ministry of Corporate Affairs (MCA) and the Companies Act, 2013, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 permits companies to send soft copies of the annual report to all those shareholders who has registered their e-mail addresses with the Company/Depository participant. The

Company has been requesting the shareholders holding shares in demat form to register/update their e-mail addresses to the company/depository participants. Accordingly, the annual report for 2015-16, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.

The annual report also contains a section on "Shareholder's Information" which inter alia provides information relating to the AGM date, time and venue, shareholding pattern, distribution of shareholding, top shareholders, monthly high and low quotations of the equity share during the year and other corporate governance information as required under SEBI (LODR) Regulations, 2015, The Company has designated the e-mail id [srgsecurities@gmail.com](mailto:srgsecurities@gmail.com) to enable the shareholders to register their grievances.

## **MD AND CFO CERTIFICATION:**

The Managing Director / Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of SEBI (LODR) Regulations, 2015. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report. (Annexure- VII)

## **SUBSIDIARY COMPANIES:**

The company has no Subsidiary Companies.

## **GENERAL SHAREHOLDER INFORMATION:**

Outstanding ADRs/GDRs/ Warrants

The company does not have any GDRs/ ADRs/ Warrants or any convertible instruments.

## **COMMODITY PRICE RISK/ FOREIGN EXCHANGE RISK/ HEDGING ACTIVITIES**

Company does not have any Commodity Price Risk or Foreign Exchange Risk and Hedging activities.

## **ANNUAL GENERAL MEETING:**

Date and time	: Saturday, 30th Day of September, 2017 at 12:25 P.M.
Venue	: Udaipur Chamber Of Commerce & Industry, Chamber Bhawan, Chamber Marg, M.I.A., Udaipur – 313001
Book Closure Date	: From 24.09.2017 to 30.09.2017
Financial Year	: 1st April to 31st March

**FINANCIAL CALENDAR 2017-18 (TENTATIVE):****Financial Results will be announced as per the following tentative schedule:**

Half Year ending September, 2017	By 15 November, 2017
Half Year/ Year ending March, 2018	Within 60 Days from 31st March, 2018
Annual General Meeting	By September, 2018

**PARTICULARS OF DIVIDEND FOR THE YEAR ENDED 31.03.2017:**

No dividend has been declared by the Company during the financial year 2016-17.

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited, Mumbai (BSE- SME)	536710
ISIN allotted by Depositories (Company ID Number)	INE326P01019

**LISTING OF SHARES:**

(Note: Annual Listing fees for the year 2017-18 was duly paid to the above stock exchange)

**STOCK MARKET DATA:**

The Bombay Stock Exchange Limited

Month	Open Price	High Price	Low Price	Close Price	BSE Sensex (Monthly Close)
Apr-16	25	25	24.50	24.50	25606.62
May-16	24.50	24.50	24.50	24.50	26667.96
Jun-16	25.0	25	24.50	24.50	26999.72
Jul-16	24.50	24.50	24.50	24.50	28051.86
Aug-16	-	-	-	-	28452.17
Sep-16	24.00	26.00	24.00	26.00	27865.96
Oct-16	25.50	25.70	24.50	25.70	27930.21
Nov-16	-	-	-	-	26652.81
Dec-16	-	-	-	-	26626.46
Jan-17	-	-	-	-	27655.96
Feb-17	-	-	-	-	28743.32
Mar-17	20.65	21.15	16.00	21.15	29620.50

No Trading during the month of Aug, Nov, Dec, 2016 and Jan &amp; Feb, 2017.

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2017:**

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a % of Total No. of Shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
a	Individual/HUF	12	1959150	1959150	50.55	50.55	-	-
b	Central Govt./ State Govt.(s)		-	-	-	-	-	-
c	Fins / Banks		-	-	-	-	-	-



d	Any Other specify		-	-	-	-	-	-
	Bodies Corporate	3	258000	258000	6.66	6.66	-	-
	<b>Sub Total (A)(1)</b>	<b>15</b>	<b>2217150</b>	<b>2217150</b>	<b>57.21</b>	<b>57.21</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals/ NRI/ Foreign Ind.		-	-	-	-	-	-
b	Government		-	-	-	-	-	-
c	Institutions		-	-	-	-	-	-
d	Foreign Portfolio Investor		-	-	-	-	-	-
e	Any Other Specify		-	-	-	-	-	-
	<b>Sub Total (A)(2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(A)</b>	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>15</b>	<b>2217150</b>	<b>2217150</b>	<b>57.21</b>	<b>57.21</b>	<b>-</b>	<b>-</b>
	<b>Total (A)= (A)(1)+(A)(2)</b>							
<b>(B)</b>	<b>Public shareholding</b>						<b>-</b>	<b>-</b>
<b>1</b>	<b>Institutions</b>						<b>-</b>	<b>-</b>
a	Mutual Funds		-	-	-	-	-	-
b	Venture Capital Funds		-	-	-	-	-	-
c	Alternate Investment Funds		-	-	-	-	-	-
d	Foreign Venture Capital Investors		-	-	-	-	-	-
e	Foreign Portfolio Investors		-	-	-	-	-	-
f	Fin Inst/ Banks		-	-	-	-	-	-
g	Insurance Companies						-	-
h	Provident Fund/ Pension Fund		-	-	-	-		
i	Any Other Specify		-	-	-	-		
	<b>Sub-Total (B)(1)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Central Government /State Government/ President of India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	<b>Sub-Total (B)(2)</b>							
<b>3</b>	<b>Non-institutions</b>							
<b>a</b>	<b>Individuals</b>							
	i) Individual shareholders holding nominal share capital up to Rs-2lac	71	752250	752250	19.41	19.41	-	-
	ii) Individual shareholders holding nominal share capital in excess of Rs-2lac	12	384000	384000	9.91	9.91	-	-
b	NBFCs registered with RBI						-	-
c	Employee Trusts						-	-
d	Overseas Depositories (holdings DRs) (balancing figure)							
e	Any Other (Specify)							
i.	Bodies Corporate	4	420000	420000	10.84	10.84		
ii.	Clearing Member							
iii.	HUF	8	102000	102000	2.63	2.63	-	-
iv.	NRI- Non-Repat							
v.	NRI - Repat							
	<b>Sub-Total (B)(3)</b>	<b>95</b>	<b>1658250</b>	<b>1658250</b>	<b>42.79</b>	<b>42.79</b>	<b>-</b>	<b>-</b>
<b>(B)</b>	<b>Total (B)= (B) (1)+(B)(2)+ (B)(3)</b>	<b>95</b>	<b>1658250</b>	<b>1658250</b>	<b>42.79</b>	<b>42.79</b>	<b>-</b>	<b>-</b>
<b>(C)</b>	<b>Non- Promoter Non- Public</b>							
1	Custodian/ DR Holders	-	-	-	-	-	-	-
2	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014	-	-	-	-	-	-	-
<b>(C)</b>	<b>Total (C)= (C)(1)+(C)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>110</b>	<b>3875400</b>	<b>3875400</b>	<b>100.00</b>	<b>100.00</b>		

**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2017:**

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
UPTO TO 100	-	-	-
101 TO 200	-	-	-
201 TO 500	-	-	-
501 TO 1000	-	-	-
1001 TO 5000	-	-	-
5001 TO 10000	45	270000	6.97
10001 TO 100000	55	1429650	36.89
100001 TO ABOVE	10	2175750	56.14
<b>Total</b>	<b>110</b>	<b>3875400</b>	<b>100.00</b>

**REGISTRAR AND SHARE TRANSFER AGENTS:**

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

**CORPORATE BENEFITS TO INVESTORS:**

Dividend Declared : NIL

**BONUS ISSUE OF FULLY PAID UP EQUITY SHARES:**

Financial Year	Ratio
2013-14	1:2

**INFORMATION IN RESPECT OF UNCLAIMED DIVIDENDS DUE FOR REMITTANCE INTO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) IS GIVEN BELOW:**

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. There are no Unpaid/ Unclaimed Dividend as on 31.03.2017.

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

**UNCLAIMED SHARES:**

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company will be arranging to transfer the corresponding shares to IEPF, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders. The concerned shareholders however may claim the dividend and shares from IEPF. There are no unclaimed shares as on March 31, 2017.

**REQUEST TO INVESTORS:**

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

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

**RECONCILIATION OF SHARE CAPITAL:**

A quarterly audit was conducted by a practicing company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2017, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 3875400 equity shares representing 100% of the paid up equity capital have been dematerialized as on 31st March 2017.

## INFORMATION TO SHAREHOLDERS:

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

## ADDRESS FOR CORRESPONDENCE:

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

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

## NOMINATION FACILITY:

Since all the shares of the Company are in demat for, shareholders are requested to contact their Depository Participants for availing nomination facility.

## PLANT LOCATIONS:

Not Applicable being an NBFC registered with RBI.

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

Ms. Garima Soni  
Company Secretary and Compliance Officer  
S R G Securities Finance Limited  
322, SM Lodha Complex, Near Shastri Circle,  
Udaipur, Rajasthan-313001  
Tel : 0294-2561882  
Fax : 0294-5100098  
E-mail : srgsecurities@gmail.com

## WEBSITE LINKS:

As required under the various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the web link of some of the important documents placed on the website of the company is prescribed below:

### Policy on Determination of Materiality

<http://srgfin.com/BestPracticesSub/6/Others>

### Archival Policy

<http://srgfin.com/BestPracticesSub/6/Others>

## COMPLIANCE CERTIFICATE OF THE AUDITORS:

Certificate from the Company's Auditors, M/s Valawat & Associates, confirming compliance with conditions of Corporate Governance as stipulated in SEBI(LODR) Regulations, 2015, is attached to this Report.

## NON MANDATORY REQUIREMENTS:

The Company is moving towards a regime of unqualified financial statements. The Company shall endeavour to adopt the non-mandatory requirements as and when necessary.

## COMPLIANCE:

The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit, as and when required.

## GOING CONCERN:

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

## RISK MANAGEMENT COMMITTEE:

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

**THE COMPOSITION OF RISK MANAGEMENT COMMITTEE  
COMPRISES AS FOLLOWS:**

Mr. Vinod K. Jain	-	Chairman of the Committee
Mr. Arjun Lal Jain	-	Member
Mr. Nishant Badala,	-	Member

The Committee's composition meets with the requirements of provisions of the Companies Act, 2013 and Regulation 21 of SEBI (Listing obligation Disclosure Requirement) 2015.

**THE BOARD:**

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

**NOMINATION & REMUNERATION COMMITTEE:**

A Nomination & remuneration committee as on 31st March, 2017 has been set up under the chairmanship of Mr. Arjun Lal Jain and Mr. Bhupesh Kumar Jain and Mr. Nishant Badala are the other members of the committee. All the three members are Non-Executive directors with Chairman and a member being Independent Director.

**AUDIT QUALIFICATIONS:**

The statutory financial statements of the company are unqualified.

**SEPARATE POSTS OF CHAIRMAN AND MD:**

The Company has appointed only MD of the Company.

**REPORTING OF INTERNAL AUDITOR:**

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

**DECLARATION BY MANAGING DIRECTOR ON CODE  
OF CONDUCT UNDER REGULATION 18(3) OF SEBI  
(LODR) REGULATIONS, 2015**

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31st, 2017.

Date: 27.05.2017

Place: Udaipur

Best Wishes

Sd/-

**Vinod K. Jain**

Managing Director

DIN: 00248843

Sd/-

**Rajesh Jain**

Director

DIN: 00212393

**ANNEXURE- VI****CERTIFICATE BY MANAGING DIRECTOR (MD)  
AND CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD**

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We, Vinod K. Jain, Managing Director and Aarti Jain, Chief Financial Officer of S R G Securities Finance Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and that we have disclosed to the statutory auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any of which we are aware and the

steps we have taken or propose to take to rectify these of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.

4. We indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Sd/-

**Vinod K. Jain**

Managing Director  
DIN: 00248843

Place: Udaipur

Date : 27.05.2017

Sd/-

**Aarti Jain**

Chief Financial Officer

## ANNEXURE- VII

**DETAILS OF MANAGERIAL REMUNERATION**

SL. NO.	REQUIREMENTS	DISCLOSURES
(i)	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2016-17.	<b>Executive Director</b> Mrs. Seema Jain- Whole Time Director- 15.38x
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	<b>Executive Director</b> Mrs. Seema Jain- Whole Time Director- NIL <b>KMPs</b> Mrs. Aarti Jain-CFO- NIL Ms. Garima Soni-CS-14.29%
(iii)	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 2.63%
(iv)	The number of permanent employees on the rolls of company	There were 11 permanent employees on the rolls of the Company, as on March 31, 2017.
(v)	The explanation on the relationship between average increase in remuneration and company performance;	The average increase in remuneration of the employees of the Company was in line with the increase in the profitability of the Company. The Company, inter-alia, considers the following factors for deciding upon the increase in the remuneration of the employees:  A. Individual performance/ contribution of the Employee vis-à-vis Company Performance. B. Industry Benchmarking C. Balance between fixed and incentive pay reflecting short and long term performance objectives.
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	For the Financial year 2016-17, the total remuneration paid to the KMPs were approx 30.23% of the net profit for the year.
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The Market capitalisation of the Company went from Rs. 11.43 crores as of March 31, 2016 to Rs. 8.19 crores as of March 31, 2017. Over the same period, the price to earnings ratio moved from 43.38x to 21.94x. The Company's stock price as at March 31, 2017 has increased by 5.75% to Rs. 21.15/- (BSE) over the last public offering, i.e. IPO as on the date of allotment i.e. 23.10.2013 at the price of Rs. 20/- per share.
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in the remuneration of all employees other than the managerial personnel: 0.00% Average increase in the remuneration of managerial remuneration: 3.36%

		Justification: managerial remuneration increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.								
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	<p>The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under:</p> <table><tr><td>Particulars</td><td>% of the Net Profit for the FY 2016-17</td></tr><tr><td>Whole Time Director</td><td>95.05%</td></tr><tr><td>CFO</td><td>23.76%</td></tr><tr><td>CS</td><td>6.47%</td></tr></table>	Particulars	% of the Net Profit for the FY 2016-17	Whole Time Director	95.05%	CFO	23.76%	CS	6.47%
Particulars	% of the Net Profit for the FY 2016-17									
Whole Time Director	95.05%									
CFO	23.76%									
CS	6.47%									
(x)	The key parameters for any variable component of remuneration availed by the directors;	Any variable component of remuneration payable to the Directors (if any), is based on the parameters, as approved by the Board of Directors, on the basis of the recommendation of the Nomination & Remuneration Committee of the Board. The said parameters are set considering the provisions of applicable laws, Remuneration Policy of the Company and the respective resolution(s) of the Members of the Company, as applicable								
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	During the financial year 2016-17, there is no employee in the Company who is not a Director but receives remuneration in excess of the highest paid director i.e. Whole Time Director of the Company.								
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company.								

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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To  
The Members of  
S R G SECURITIES FINANCE LIMITED,

We have examined the compliance of conditions of Corporate Governance by S R G Securities Finance Limited ("the Company"), for the year ended on 31st March, 2017, as stipulated in Chapter IV of SEBI (LODR) Regulations, 2015 of the said Company with stock exchanges.

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

In our opinion and to the best of my information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (LODR) Regulations, 2015.

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

For M/s Valawat & Associates,  
Chartered Accountants,  
(FRN: 003623C)

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

Place: Udaipur  
Date: 27.05.2017



# FINANCIAL **STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

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To  
The Members  
S R G Securities Finance Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of S R G Securities Finance Limited ("the Company") which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and

matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

## OPINION

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

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31<sup>st</sup>, 2017.
- 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, 2016 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we hereby give in the "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2017, and taken on record by the Board of Directors, none of the director's is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013;
  - f. With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**;
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our

opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. As represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company- Refer Note 29.

For M/s Valawat & Associates,  
Chartered Accountants,  
(FRN: 003623C)

Sd/-  
**Jinendra Jain**  
Partner  
M. No. 072995

Place: Udaipur  
Date: 27.05.2017

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

**[REFERRED TO IN PARAGRAPH PERTAINING TO “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF S R G SECURITIES FINANCE LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017]**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year and no discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) The company does not have any immoveable property.
2. According to the information and explanations given to us, the Company is not having any Inventory and therefore paragraph 2 of the Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3 of the Order is not applicable.
4. The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act, except in the ordinary course of business. Consequently, requirements of clause (iv) of paragraph 3 of the order are not applicable.
5. According to information and explanations given to us, the Company has not accepted any deposits during the year.
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
7. a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, value added tax, service tax, cess and any other statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31<sup>st</sup> March, 2017.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, value added tax as at 31<sup>st</sup> March 2017, which has not been deposited on account of dispute.
8. According to the information and explanations given to us and records of the Company examined by us the company has not defaulted in repayment of loans or borrowing to any financial institution, bank & Government. Further, Company has not issued Debentures.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The Term loans obtained during the year were applied by the Company for the purpose for which they were obtained.
10. According to the information and explanations given to us, we have not noticed or reported any fraud by the Company or any fraud on the Company by its officer or employees during the year.
11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The company is not a Nidhi Company; hence this clause of the Caro, 2016 is not applicable to the Company.

13. According to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him under provisions of section 192 of Companies Act, 2013.

16. According to the information and explanations given to us, we report that the Company has registered as required under section 45-IA of the Reserve Bank of India Act, 1934.

For M/s Valawat & Associates,  
Chartered Accountants,  
(FRN: 003623C)

Sd/-  
**Jinendra Jain**  
Partner  
M. No. 072995

Place: Udaipur

Date: 27.05.2017

**ANNEXURE-A**

# **TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF S R G SECURITIES FINANCE LIMITED**

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## **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of S R G Securities Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of

internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

For M/s Valawat & Associates,  
Chartered Accountants,  
(FRN: 003623C)

Sd/-  
**Jinendra Jain**  
Partner  
M. No. 072995

Place: Udaipur  
Date: 27.05.2017

# S R G SECURITIES FINANCE LIMITED AS AT 31.03.2017

## SIGNIFICANT ACCOUNTING POLICIES:

### 1. BASIS OF PREPARATION

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), and provisions referred to in Sec. 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 and Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) as applicable. The Company also follows the directions prescribed by the Reserve Bank of India (RBI) for Non-Banking Finance Companies.

### 2. INCOME RECOGNITION

Interest income on loans are accounted on accrual basis. Loans are classified into "Performing and Non- Performing Assets in terms of the directions issued by the RBI from time to time". Income recognition on non-performing advances are made in accordance with the RBI guidelines. Additional Finance Charges, Cheque bounce charges, Field visit charges and other penal / servicing charges are recognised as income on realization due to uncertainty in their collection.

### 3. INTEREST ON LOANS

Repayment of the Loans are 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. EMIs commence once the entire loan is disbursed. Pending commencement of EMI, pre-equated monthly installment interest (PEMI) is payable every month. Interest on loan assets classified as "Non-Performing" is recognized only on actual receipt.

### 4. INCOME FROM INVESTMENT

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

### 5. SEGMENT REPORTING

The Company is primarily engaged in the business of financing. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting".

### 6. FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost, Depreciation on fixed assets is provided on pro-rata basis on "Written Down Value Method" from the date of installation based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

### 7. PROVISION ON NON-PERFORMING ASSETS & FOR DIMINUTION IN INVESTMENT VALUE

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

### 8. CONTINGENT LIABILITIES

All the known liabilities where ever Material are provided for.

### 9. INVESTMENTS

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

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

On sale of an investment, the difference between its carrying value and net sale proceeds is charged or credited in the statement of profit and loss.



## 10. RETIREMENT BENEFITS:-

Liability for employee benefits, both short and long term, for present and past services which are due as per terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" as notified by the Companies (Accounting Standards) Rules, 2006.

### I. GRATUITY

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

### II. PENSION

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

## 11. ACCOUNTING FOR TAXES ON INCOME

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

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.

## 12. EARNINGS PER SHARE

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

### a) Earnings per share (EPS) is calculated as follows:

(Amount in Rs.)

Particulars	2016-17	2015-16
Net profit after tax	3787600	2619057
Weighted Average Number of Equity Shares (No's)	3875400	3875400
Earnings Per Share-Basic and Diluted	0.98	0.68

## 13. NET PROFIT

The Company calculates Net Profit or Loss for the Period and Changes in Accounting Policies, if any, in accordance with (AS) 5, issued by the Institute of Chartered accountants of India and other applicable laws.

# BALANCE SHEET AS AT 31ST MARCH, 2017

(Amt. In Rs.)			
Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	38754000	38754000
(b) Reserves and Surplus	2	37515261	33911650
<b>Total Shareholder's Funds</b>		<b>76269261</b>	<b>72665650</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	81326426	56545855
<b>Total Non-Current Liabilities</b>		<b>81326426</b>	<b>56545855</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	4	3551239	13923160
(b) Other Current Liabilities	5	782280	359644
(c) Short-Term Provisions	6	2981766	2425583
<b>Total Current Liabilities</b>		<b>7315285</b>	<b>16708387</b>
<b>Total</b>		<b>164910972</b>	<b>145919892</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	7	2396901	3526683
(b) Non-Current Investments	8	0	1000
(c) Deferred Tax Assets (net)	9	523377	408551
(d) Other Non-Current Assets	10	2402160	2402160
<b>Total Non-Current Assets</b>		<b>5322438</b>	<b>6338394</b>
<b>(2) Current Assets</b>			
(a) Current Investment	8	9373064	9373064
(b) Receivables under Financing Activity	11	135324782	114318485
(c) Cash and Cash Equivalents	12	9734318	11211910
(d) Other current assets	13	5156370	4678039
<b>Total Current Assets</b>		<b>159588534</b>	<b>139581498</b>
<b>Total</b>		<b>164910972</b>	<b>145919892</b>

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 & Associates**

Chartered Accountants

FRN : 003623 C

Sd/-

**Jinendra Jain**

Partner

Membership No. 072995

Place : Udaipur

Date : 27.05.2017

1 to 32

**For & On Behalf of the Board**

Sd/-

**Vinod K. Jain**

Managing Director

(DIN:00248843)

Sd/-

**Rajesh Jain**

Director

(DIN: 00212393)

Sd/-

**Seema Jain**

Director

(DIN:00248706)

Sd/-

**Garima Soni**

Company Secretary

(M.No. A38351)

# PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amt. In Rs.)

Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016
I. Revenue from Operations	14	26374923	19730633
Other Income	15	16421	3535
<b>Total Revenue</b>		<b>26391344</b>	<b>19734168</b>
<b>II. Expenses:</b>			
Employee Benefit Expense	16	6217673	6076148
Financial Costs	17	10046317	5401418
Depreciation and Amortization Expense	7	1186181	1270319
Other Expenses	18	3540345	3194461
<b>Total Expenses</b>		<b>20990516</b>	<b>15942346</b>
<b>III. Profit Before Tax (I-II)</b>		<b>5400828</b>	<b>3791822</b>
<b>IV. Tax Expense:</b>			
Current Tax		1728054	1350240
Deferred Tax		-114826	-177475
<b>V. Profit/(Loss) for the Period (III-IV)</b>		<b>3787600</b>	<b>2619057</b>
<b>VI. Earning Per Equity Share:</b>			
Basic & Diluted		0.98	0.68

The accompanying notes are an integral part of these Financial Statements.

In terms of our report attached

1 to 32

As per our report of even date

**For & On Behalf of the Board**

**For Valawat & Associates**

Chartered Accountants

FRN : 003623C

Sd/-

**Jinendra Jain**

Partner

Membership No. 072995

Place : Udaipur

Date : 27.05.2017

Sd/-

**Vinod K. Jain**

Managing Director

(DIN:00248843)

Sd/-

**Rajesh Jain**

Director

(DIN: 00212393)

Sd/-

**Seema Jain**

Director

(DIN:00248706)

Sd/-

**Garima Soni**

Company Secretary

(M.No. A38351)

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2017

(Amt. In Rs.)

Particulars	Figures as at end of the current reporting period		Figures as at end of the previous reporting period	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit Before Tax		5400828		3791822
<b>Adjustments for:</b>				
Depreciation	1186181		1270319	
Provision for NPA	(125347)		(246692)	
Provision for Standard Assets	(53022)		(63068)	
Profit on sale of Car	0		(3535)	
Other Provision	(5620)	1002192	19276	976300
Operating Profit/(Loss) before Working Capital Changes		6403020		4768122
<b>Changes in Working Capital:</b>				
<b>Adjustments for (increase) / decrease in Operating Assets:</b>				
Loans and Advances	(21006297)		(25227101)	
Other Current Assets	(478331)		(1052720)	
Other Non-Current Assets	0	(21484628)	(398400)	(26678221)
<b>Adjustments for increase / (decrease) in Operating Liabilities:</b>				
Other Current Liabilities	422636		(279559)	
Short-Term Provisions	556183	978819	535407	255848
Cash generated from Operations		(14102789)		(21654251)
Net Income Tax (paid) / refunds		1728054		1350240
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>		<b>(15830843)</b>		<b>(23004491)</b>
<b>B. Cash Flow from Investing Activities</b>				
Capital Expenditure on Fixed Assets, including Capital Advances	(56399)	(56399)	(2125699)	(2125699)
Net Addition/ Deletion from Investment	1000	1000	(9373064)	(9373064)
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>		<b>(55399)</b>		<b>(11498763)</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from Issue of Equity Shares	0		0	
Security Premium from Issue of Equity Shares	0		0	
Proceeds from Long-Term Borrowings	24780571		56545855	
Proceeds from Short-Term Borrowings	(10371921)	14408650	(11836776)	44709079
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>		<b>14408650</b>		<b>44709079</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(1477592)</b>		<b>10205825</b>
Cash and Cash Equivalents at the beginning of the year		11211910		1006085
<b>Cash and Cash Equivalents at the end of the year</b>		<b>9734318</b>		<b>11211910</b>

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 & Associates**

Chartered Accountantsq  
FRN : 003623 C

Sd/-

**Jinendra Jain**

Partner

Membership No. 072995

Place : Udaipur

Date:10.05.2017

1 to 32

**For & On Behalf of the Board**

Sd/-

**Vinod K. Jain**

Managing Director  
(DIN:00248843)

Sd/-

**Seema Jain**

Director  
(DIN:00248706)

Sd/-

**Rajesh Jain**

Director  
(DIN: 00212393)

Sd/-

**Garima Soni**

Company Secretary  
(M. No. A38351)

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

1. SHARE CAPITAL	As at 31st March, 2017	As at 31st March, 2016
<b>Authorised Share Capital :</b> 50,00,000 Equity Shares of Rs. 10/- Each (P.Y. 50,00,000 Equity Shares of Rs. 10/- Each)	50000000	50000000
<b>Issued , Subscribed &amp; Paid up :</b> 38,75,400 Equity Shares of Rs. 10/- Each (P.Y. 38,75,400 Equity Shares of Rs. 10/- Each)	38754000	38754000
<b>Total</b>	<b>38754000</b>	<b>38754000</b>

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3875400	38754000	3875400	38754000
Shares issued during the year	-	-	-	-
Bonus share issued during the year	-	-	-	-
Initial Public Offering (IPO)	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3875400	38754000	3875400	38754000

## THE DETAILS OF SHAREHOLDING MORE THAN 5 % SHARES

Name of the shareholder	As at 31st March, 2017		As at 31 st March, 2016	
	No. of Shares Held	%	No. of Shares Held	%
Shri Vinod K. Jain	494700	12.77%	476700	12.30%
Smt. Seema Jain	294900	7.61%	294900	7.61%
Shri Rajesh Jain	364200	9.40%	364200	9.40%
Aryaman Capital Market Ltd.	-	-	252000	6.50%

## 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 :**

	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>SPECIAL RESERVE</b>		
(In terms of Section 45IC(1) of the Reserve Bank of India Act,1934)		
As per Last Balance Sheet	3371500	2846500
Add : Transferred from Profit and Loss Account	758000	525000
<b>Total</b>	<b>4129500</b>	<b>3371500</b>
<b>SECURITIES PREMIUM RESERVE</b>		
As per Last Balance Sheet	25080000	25080000
Add: Received during the year	0	0
Less: Utilized for Issue of Bonus Shares	0	0
<b>Total</b>	<b>25080000</b>	<b>25080000</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>		
As per last Balance Sheet	5460150	3656577
Add : Profit for the period	3787600	2619057
Add: Excess provision for Income Tax	0	19276
<b>Total</b>	<b>9247750</b>	<b>6294910</b>
Less : Appropriations:		
Transfer to Special Reserve	758000	525000
Provisions for Standard Assets	53022	63068
Provisions for NPA	125347	246692
Excess Provision for Income Tax	5620	0
	<b>941989</b>	<b>834760</b>
	<b>8305761</b>	<b>5460150</b>
<b>Total</b>	<b>37515261</b>	<b>33911650</b>

**3. LONG TERM BORROWINGS :**

	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>SECURED</b>		
Term Loan From State Bank of India	80615068	55581568
(Secured against Hypothecation of specific 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 directors)		
Term Loan Rs 600.00 Lacs -Repayable in 24 Quarters @ Rs.25.00 lacs per quarter w.e.f. 1st Dec. 2015		
Term Loan Rs 900.00 Lacs -Repayable in 60 Months @ of Rs.15.00 lacs per month w.e.f. 1st July. 2017		
Term Loan From Volkswagen Finance Private Ltd.	711358	964287
(Secured against Hypothecation of Car repayable in 48 EMIs of Rs. 27769 PM w.e.f. Sep.2015)		
<b>Total</b>	<b>81326426</b>	<b>56545855</b>

#### 4. SHORT TERM BORROWINGS:

<b>SECURED</b>		
From : State Bank of India Working Capital Loans	3551239	13923160
<i>(Secured against Hypothecation of Advances (Book-Debts) an irrevocable power of attorney in favor of bank to create mortgage / hypothecation charge in favor of bank over the specific assets and to collect the book debts directly from individual borrowers in the event of default by the company and personal guarantees of the directors)</i>		
<b>Total</b>	<b>3551239</b>	<b>13923160</b>

#### 5. OTHER CURRENT LIABILITIES :

Expenses Payable	640895	190761
Other Current Liabilities	141385	168883
<b>Total</b>	<b>782280</b>	<b>359644</b>

#### 6. SHORT TERM PROVISIONS :

Provision for Taxation	1728054	1350240
Provision for NPA	920984	795637
Provision for Standard Assets	332728	279706
<b>Total</b>	<b>2981766</b>	<b>2425583</b>

#### 7. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS AT 01.04.2016	ADDITION	DELETION	TRANSFER	AS AT 31.03.2017	AS AT 01.04.2016	FOR THE YEAR	DEDUCTION	AS AT 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
<b>TANGIBLE ASSETS</b>											
Computers	286730	0	0	0	286730	192875	58154	0	251029	35701	93855
Furniture and Fixtures	1728545	0	0	0	1728545	421053	335105	0	756158	972387	1307492
Cars	1995422	0	0	0	1995422	733288	396455		1129743	865679	1262134
Scooter	39702	0	0	0	39702	39701	0	0	39701	1	1
Kinetic Deo	52946	0	0	0	52946	19415	8681	0	28096	24850	33531
Office Equipments	1234155	56399	0	0	1290554	404485	387786	0	792271	498283	829670
<b>Total</b>	<b>5337500</b>	<b>56399</b>	<b>0</b>	<b>0</b>	<b>5393899</b>	<b>1810817</b>	<b>1186181</b>	<b>0</b>	<b>2996998</b>	<b>2396901</b>	<b>3526683</b>
Previous Year	5008441	2925700	2596641	0	5337500	2340673	1270319	1800175	1810817	3526683	2667768

#### 8. INVESTMENT :

				As at 31 st March, 2017	As at 31 st March, 2016
<b>NON CURRENT INVESTMENT:</b>					
Investment in share-Unquoted				0	1000
SRG Global Solution Pvt. Ltd.					
<b>Total</b>				<b>0</b>	<b>1000</b>
<b>CURRENT INVESTMENT:</b>	<b>31st March, 2017</b>			<b>31st March, 2016</b>	
	<b>Face Value</b>	<b>Nos.</b>	<b>Amount</b>	<b>Nos.</b>	<b>Amount</b>
Trade Investment					
Investment in Equity Instruments-Quoted					
SRG Housing Finance Ltd.	10	200000	9373064	200000	9373064
<b>Total</b>			<b>9373064</b>		<b>9373064</b>
<b>Aggregated Market Value of Quoted Investment</b>			<b>24320000</b>		<b>14000000</b>

**9. DEFERRED TAX ASSETS :**

Opening Balance				408551	231076
Add: For the Year				114826	177475
			<b>Total</b>	<b>523377</b>	<b>408551</b>

**10. OTHER NON CURRENT ASSETS :**

Advance against Office Booking				1500000	1500000
Security Deposit				902160	902160
			<b>Total</b>	<b>2402160</b>	<b>2402160</b>

**11. RECEIVABLES UNDER FINANCING ACTIVITY**

	<b>31st March, 2017</b>	<b>31 st March, 2016</b>
Secured Considered good		
Loan and Advances (Including Loans against Hypothecation)	135324782	114318485
<b>Total</b>	<b>135324782</b>	<b>114318485</b>

**12. CASH & CASH EQUIVALENTS :**

Cash on Hand	374674	3350362
Balance With Banks		
A. In Current Account	1071801	105143
B. Deposits having balance maturity of more than 12 months (Deposits amounting to Rs.75.00 Lakh Under lien with State Bank of India)	8287843	7756405
<b>Total</b>	<b>9734318</b>	<b>11211910</b>

**13. OTHER CURRENT ASSETS :**

Prepaid Expenses		
Advance Tax and TDS	921752	14610
Deffered Expenses	1878250	1592992
Interest Accrued But Not Due	1479858	2384478
	876510	685959
<b>Total</b>	<b>5156370</b>	<b>4678039</b>

**14. REVENUE FROM OPERATIONS**

Interest Received on Advances	25638992	18899098
Other Income	735931	831535
<b>Total</b>	<b>26374923</b>	<b>19730633</b>

**15. OTHER INCOME**

Profit on Sale of Car	0	3535
Interest on income Tax Refund	16421	0
<b>Total</b>	<b>16421</b>	<b>3535</b>

**16. EMPLOYEE BENEFIT EXPENSES :**

Salaries and other Benefits to Employees	2617673	2839481
Directors Remuneration	3600000	3236667
<b>Total</b>	<b>6217673</b>	<b>6076148</b>



**17. FINANCIAL COST :**

Interest on working Capital loan	3077629	2589760
Interest on Term Loan	6432633	2636862
Interest on Car loan	81980	73090
Other Interest	0	102
Bank Charges	264325	54155
Processing Fees	189750	47449
<b>Total</b>	<b>10046317</b>	<b>5401418</b>

**18. OTHER EXPENSES :**

	<b>As at 31st March, 2017</b>	<b>As at 31 st March, 2016</b>
Advertisement	48357	1625
Auditors Remuneration	55000	50000
Internal Audit Fees	30000	30000
Annual Fees	142305	60043
Insurance Expenses	35385	45698
Legal & Professional Fees	252376	99098
Office Expenses	144940	99198
Printing and Stationery	33721	35911
Rent Expenses	927000	240000
Telephone Expenses	45658	59323
Electricity Expenses	63146	0
Vehicle Running & Maintenance	67722	138022
Commission Expenses	136000	854000
Market Maker Fees	322000	546288
Miscellaneous Exp. Written Off	1132320	774719
Other Expenses	104415	160536
<b>Total</b>	<b>3540345</b>	<b>3194461</b>

**19. AUDITORS REMUNERATION INCLUDES:**

(Rs. In Lacs)

Particulars	31.03.2017	31.03.2016
Audit Fees	0.40	0.35
Taxation Fees	0.10	0.10
R.O.C. Matters & Certification	0.05	0.05
<b>Total</b>	<b>0.55</b>	<b>0.50</b>

**20. RELATED PARTY DISCLOSURES:**

Disclosures as required by the Accounting Standard 18 of ICAI in respect of Related Party Transactions for the year ended on 31/03/2017:-

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

Seema Jain, Director

Vinod K. Jain, Managing Director

Genda Lal Jain HUF

Aarti Jain (Relative of Director)

Meenakshi Jain (Relative of Director)

SRG Housing Finance Limited (Associated / Related Entity)

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

Directors Remuneration-(Salary)

Rs. 36.00 Lakhs (Previous year Rs. 32.37 Lakhs)

Sale of Shares

Rs. 0.01 Lakhs (Previous Year Nil)

Office Rent

Rs. 9.27 Lakhs (Previous year Rs. 2.40 Lakhs)

Salary

Rs. 11.88 Lakhs (Previous year Rs. 11.70 Lakhs)

Investment in shares

Rs. 0.00 Lakhs (Previous year Rs. 93.73 Lakhs)

21. 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.
22. During the year none of the employees were getting more than Rs. 1.02 Crores or more per annum or Rs. 8.50 Lakhs or more per month if appointed for the part of the year.
23. All the balances of Sundry Creditors, Loans and Advances are subject to confirmation.
24. The previous year figure have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.
25. The Company have complied all the prudential norms prescribed by Reserve Bank of India on income recognition , accounting standards, assets classification , provisions for Bad & doubtful debts , capital adequacy and credit / investment concentration.
26. The Company has not written off any unrecoverable debts in financial year 2016-17 (Previous Year Nil).
27. The company does not have any exposure in foreign currency at the year end.

**28. CAPITAL ADEQUACY RATIO:**

Items	31st March, 2017	31st March, 2016
i) CRAR (%)	48.69	53.49

**29. DISCLOSURES OF THE DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 08TH NOVEMBER 2016 TO 30TH DECEMBER 2016**

(Rs. In Cr.)

	SBNs	Other Denomination Notes*	Total
Closing cash in hand as on 08.11.2016	0.35	0.006	0.356
(+) Permitted receipts*		0.020	0.020
(-) Permitted payments		0.008	0.008
(-) Amount deposit in Bank	0.35	0.000	0.35
Closing cash in hand as on 30.12.2016*		0.018	0.018
*includes cash withdrawn from the banks.			

**30. CLASSIFICATION OF LOANS AND PROVISIONS MADE FOR NON PERFORMING ASSETS ARE AS UNDER:**

(Rs. In Lakhs)

For the year ended 31-3-2017						For the year ended 31-3-2016				
Particulars	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
Loans	1330.91	0.00	19.62	2.72	1353.25	1118.82	0.00	21.64	2.72	1143.18
Provision	3.33	0.00	6.48	2.72	12.53	2.79	0.00	5.24	2.72	10.75

### 31. DETAILS OF MOVEMENT IN PROVISIONS

(Rs in Lakhs)

Particulars	Opening as on 1.04.2016	Provisions made during the year	Provisions reversed /adjusted	Closing as on 31.03.2017
Bad & Doubtful Debts	7.96	1.25	0.00	9.21
Taxation	13.50	17.28	13.50	17.28
Standard Assets	2.79	0.53	0.00	3.32

**32. IN TERMS OF PARAGRAPH 18 OF NON-BANKING FINANCIAL COMPANY- NON SYSTEMICALLY IMPORTANT (NON- DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016.**

## Particulars

(Rs. in Lakhs)

<b>Liabilities side</b>	<b>Amount Outstanding 31.03.2017</b>	<b>Amount overdue</b>
<b>(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :</b>		
(a) Debentures : Secured : Unsecured (other than falling within the meaning of public deposits)		
(b) Deferred Credits		
(c) Term Loans		
(d) Inter - corporate loans and borrowing		
(e) Commercial Paper		
(f) Public Deposits		
(f) Other Loans (specify nature)		
i) Cash Credit Limit	35.51	NIL
ii) Term Loan	806.15	NIL
iii) Car Loan	7.11	NIL
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>		
(a) In the form of Unsecured Debentures		
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
(c) Other Public Deposits		

<b>Assets side :</b>	<b>Amount Outstanding</b>
<b>(3) Break-up of Loan and Advances including bills receivables [other than those included in (4) below] :</b>	
(a) Secured	
(b) Unsecured	NIL
<b>(4) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	
(b) Repossessed Assets	
(iii) Other Loans counting towards AFC activities	NIL
(a) Loans where assets have been repossessed	
(b) Loans other than (a) above	1353.25
<b>(5) Break-up of Investments:</b>	
<i>Current investments:</i>	
<b>1. Quoted :</b>	
(i) Shares : (a) Equity	93.73
(b) Preference	NIL
(ii) Debentures and Bonds	
(iii) Units of mutual funds	
(iv) Government Securities	NIL
(v) Others (please specify)	
<b>2. Unquoted :</b>	
(i) Shares : (a) Equity	NIL
(b) Preference	
(ii) Debentures and Bonds	
(iii) Units of mutual funds	
(iv) Government Securities	NIL
(v) Others (please specify)	
<i>Long-Term investments :</i>	
<b>1. Quoted :</b>	
(i) Shares : (a) Equity	
(b) Preference	
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	
(iv) Government Securities	
(v) Others (please specify)	
<b>2. Unquoted :</b>	
(i) Shares : (a) Equity	
(b) Preference	
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	
(iv) Government Securities	
(v) Others (please specify)	

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above:**

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties	1340.72	0.00	1340.72
<b>Total</b>			

**(7) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) :**

Category	Market Value/ Break Up or fair value or NAV	Book Value (net of Provisions)
<b>1. Related Parties</b>		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	243.20	93.73
(c) Other related parties	NIL	NIL
<b>2. Other than related parties</b>	NIL	NIL
<b>Total</b>	<b>243.20</b>	<b>93.73</b>

**As per Accounting Standard of ICAI**
**(8) Other Information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	Rs. 22.34
(ii) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	Rs. 13.13
(iii) Assets acquired in satisfaction of debt	

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

**For VALAWAT & ASSOCIATES**

Chartered Accountant

FRN: 003623 C

Sd/-

**JINENDRA JAIN**

Partner

M.No. 072995

**For & on behalf of the Board**

Sd/-

**VINOD K. JAIN**

Managing Director

DIN: 00248843

Sd/-

**RAJESH JAIN**

Director

DIN: 00212393

Sd/-

**SEEMA JAIN**

Director

DIN: 00248706

Sd/-

**GARIMA SONI**

Company Secretary

M. No: A38351

PLACE: UDAIPUR

DATE: 27.05.2017

NOTE

Handwriting practice lines consisting of 20 horizontal dotted lines.

NOTE

Handwriting practice lines consisting of 25 horizontal dotted lines.





## BOOK POST

To,

*IF UNDELIVERED PLEASE RETURN TO:-*

**S R G SECURITIES FINANCE LIMITED**

322, S. M. LODHA COMPLEX, NEAR SHASTRI CIRCLE

UDAIPUR , RAJASTHAN-313 001

CIN: L67120RJ1995PLC009631