

SRG Housing Finance Ltd. – Press Release

The Board of Directors of SRG Housing Finance Ltd. have approved the audited accounts for quarter and year ended March 31, 2017 at their meeting held in Udaipur on May 10, 2017.

FINANCIAL RESULTS:

Quarter Performance:

During the quarter ended March 31, 2017, Net interest income registered a growth of 67.57% to Rs. 3.10 Cr while Profit After Tax registered a growth of 48.28% to Rs. 0.86 Cr.

Financial Year Performance:

For the full year ended March 31, 2017, Net Interest Income stood at Rs.8.97 Cr vs Rs.6.23 Cr indicating a growth of 43.98%. Profit After Tax amounted to Rs. 2.71 Cr in current year vs Rs.1.87 Cr in previous year – registering a growth of 44.92%.

Dividends:

In-order to conserve capital and re-invest the same in the business for future growth the Board of Directors, have decided not to pay dividend for the year ended March 31, 2017.

Issue of Equity Shares on Preferential Basis:

During the year, the company has issued and allotted 16,87,300 Equity Shares (Sixteen Lacs Eighty Seven Thousand Three Hundred) of face value of Rs.10/- (Rupees Ten Only) each fully paid up at an issue price of Rs. 90/- per share (including premium of Rs. 80/- per share). This has led to an increase in paid up capital to Rs. 13 Cr while number of shares have increased to 1,30,00,000 Equity Shares of face value of Rs.10/-.

Particulars	2016-17(In Cr)	2015-16 (In Cr)	Growth (%)
Revenue from Operations	14.53	10.22	42.17
Net Interest Income	8.97	6.23	43.98
Profit Before Tax	4.03	2.77	45.49
Profit After Tax	2.71	1.87	44.92
Net worth*	32.38	15.99	102.50
Loan Assets(AUM)	81.83	53.28	53.58
Total Operating Expenses	4.98	3.49	-
Cost to Income Ratio (%)	55.26	55.77	-
Return on Net Worth*(%)	8.36	11.68	-
GNPA (%)	1.57	1.01	-
NNPA (%)	1.21	0.70	-

* Includes the impact of increase in equity capital due to preferential issue done during the year.



Compounded Annual Growth Rates:

The compounded annual growth rates of the company in various fields have been extraordinary which is evident from the following and the company is hopeful to maintain it in future:

Sr. No.	Particulars	CAGR(5 Yrs)
1	Loan Portfolio	60.97
2.	NII	61.52
3.	PAT	52.98

LENDING OPERATIONS:

Loan Portfolio:

The loan portfolio as at March 31, 2017 amounted to Rs. 81.83 Cr as against Rs. 53.28 Cr in the previous year – an increase of 53.58%.

The loan mix, as at year end stood at 79.24% Housing Loans, 8.57% LAP Loans and 12.19% Builder Loans as against 65.21% Housing Loans, 14.99% LAP Loans and 19.80% Builder Loans in previous year.

The Average Loan size in the year ended March 31, 2017 stood at Rs. 4.66 Lacs in Housing Loans vs Rs. 4.17 Lacs, Rs. 15.95 Lacs in LAP Loans vs Rs. 21.02 Lacs and Rs. 124.66 Lacs in Builder's Loans vs Rs. 131.86 Lacs.

Loan Disbursements:

During the year there was some slowdown seen in Q1 due to funding constraints and in Q3 due to Demonetization. However a robust **Q4 witnessed a disbursement of Rs. 25.71 Cr** which helped end the year with total disbursements of Rs.47.37 Cr as against Rs. 27.31 Cr in the previous year – a growth of 73.45%.

Borrowings:

Borrowing at the end of the year was Rs.75.04 Cr vs Rs.41.29 Cr.

Company has started Multiple Banking and number of Banks/Financial institutions have already Sanctioned Loans to the Company such as National Housing Bank, LIC Housing Finance Limited, Oriental Bank of Commerce, Andhra Bank, State Bank of India, MAS Finance Services Limited and DCB Bank. In the FY 2017, Company availed its first ever refinance from National Housing Bank.

Non-Performing Loans:

The gross NPA as at March 31, 2017 stands at Rs.1.28 Cr. Gross NPA constitutes 1.57% of the total outstanding loans of Rs.81.83 Cr as against a Gross NPA for the previous year at Rs.0.54 Cr or 1.01% of the loan outstanding.

Net NPA stands at Rs. 0.98 Cr indicating a ratio of 1.21% to total loan outstanding at end of March 31, 2017. Rs. 0.37Cr.

Reason: The main reason for increase in NPA is due to the effect of Demonetization but the company has managed the NPA levels and the same are under control.



Net Worth:

After the fund raising done during the year, Net worth has gone up by Rs.16.39 Cr to Rs.32.38 Cr indicating a book value per share of Rs. 24.91/- vs Rs. 14.14/- registering a growth of 76.17%.

Capital Adequacy Ratio:

SRG remains well capitalized with total Capital Adequacy Ratio (CAR) of 72.71% with 100% Tier-I capital.

Retail Network:

SRG operates through its presence in 3 states through 19 branches. It has offices in Rajasthan (16), MP (2) and Maharashtra (1). Its registered office is in Udaipur, Rajasthan and Corporate office is situated in Mumbai, Maharashtra.

Expansion of Business Network:

The future plan of the company includes expanding the business network in the states of Madhya Pradesh, Gujarat, Maharashtra and Rajasthan.

Mr. Vinod Jain, Managing Director of the company stated that:

"FY17 was an eventful year for SRG. We got funding from reputed players like LIC Housing finance Limited, Oriental Bank of Commerce, Andhra Bank, National Housing Bank, State Bank of India, MAS Finance Services Limited and DCB Bank.

During the FY 17, Profit of the company registered a growth of 44.92%.

We are pleased with our performance in the year gone by, but not satisfied. We continue to be hungry for growth but remain adamant on following the best quality standards of lending. Our understanding in the geographies we operate in, will help us scale business further while maintaining the asset quality.

We have established a strong platform for growth and with demand expected to remain robust due to Government's constant focus, assistance and schemes for Housing, we feel there is a huge runway for growth. The capital infusion done during the year, will help us eliminate the funding troubles - like we faced during FY17 and gear us up to take SRG into the next phase of growth."

Achievements:

In the FY 2017, Company availed its first ever refinance from National Housing Bank, the regulator of Housing Finance Companies, twice i.e. in the month of April 2016 and January, 2017.

In the Month of July 2016 Credit Rating has been enhanced to Investment Grade.

In the FY 2017, Company was certified by ISO 9001:2008 for Quality Management system of Loan Process.

Awards and Recognition:

SRG Housing Finance Ltd. had been adjudged amongst the "Top-100 SMEs in India" by Skoch Group and Awarded with Skoch Order of Merit on 47th Skoch Summit on 17th-18th March 2017.

ABOUT SRG:

SRGHFL is a Bombay Stock Exchange listed and National Housing Bank registered Housing Finance Company engaged in the financing of housing loans and mortgage loans. SRGHFL commenced operations from 2002 after getting registered with National Housing Bank being the 1st Company in Rajasthan to get NHB License. Initially, the company was incorporated as Vitalise Finlease Pvt. Ltd. on March 10, 1999. Subsequently, the name of the company was changed to SRG Housing Finance Pvt. Ltd. in December, 2000 and further its name was changed to SRG Housing Finance Limited and its constitution was changed to public limited in January, 2004. SRGHFL came out with equity public issue in September, 2012 and raised Rs.7.01 Crore from the IPO proceeds and got listed on BSE's SME segment being the 1st company in Rajasthan to be listed on SME Platform and in the year 2014

Company paid off the return to its shareholders in the form of Bonus shares in the ratio of 2:5 for their trust and confidence in the company. In February, 2015 Company migrated to Main Board of BSE Limited from SME Platform being India's 1st Company to migrate from BSE SME to BSE Main Board. Further in the month of May, 2016, Company started its corporate office in Mumbai, Maharashtra.

SRGHFL has outstanding loan portfolio of Rs. 81.83 Crore as on March 31, 2017. The company operates through its Head Office at Udaipur and 19 satellite offices (of which eight have been opened during last one year) located within Rajasthan, Maharashtra and MP. Apart from this, the company also utilizes branch network of its group companies for generating business. Entire process involving credit approval, sanction, disbursement and recovery is carried out from its Head Office.

May 15, 2017

