

Ref: SCRIP ID- SRGHFL, SCRIP CODE-534680, ISIN NO - INE559N01010

Date: 17.08.2018

To,
Department of Corporate Services
BSE Limited
Mumbai- 400 001

Respected Sir/Madam,

**SUBJECT: PRESS RELEASE OF UN-AUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2018**

With reference to above, we hereby provide the Press Release in respect of Unaudited Financial Results for the quarter ended June 30, 2018.

This is for your information and record. Kindly acknowledge the receipt.

Thanking You,

With Regards,

For SRG Housing Finance Limited


Vinod K. Jain
Managing Director
DIN: 00248843



SRG Housing Finance Ltd. – Press Release

The Board of Directors of SRG Housing Finance Ltd. have approved the Un- Audited Financial Results for Quarter ended 30th June, 2018 at their meeting held in Udaipur on 14th August, 2018.

The Company's performance in Q1FY19 has been excellent with **growth in the loan book of 124.40%** over Q1FY18. The loan book was spread across salaried and self-employed customer profile registering a growth of 168.38% and 116.05% respectively. During Q1FY19, the spread between its borrowing and lending operations continued to stay strong at 11.50%.

During the quarter, the cost to income ratio was at 34.44% as compared to Q1FY18 at 39.13%. The management continues to bring about operational efficiencies through its cutting edge technologies thus lowering the probabilities of cost overruns.

The strategy going ahead is to leverage its capabilities and technology by focusing on increasing its footprints and addressing tier II and tier III markets. To address the growing opportunity in the housing space the Company opened branches and we will accrue the benefits of branches in the form of revenues and profits in the coming quarters. Our branches our asset light and remain profitable from the first month of its operations.

As we look ahead into Q2FY19, we continue to see strong macro and supporting demand for housing loans across states. Our loan book growth will be driven strongly on the back of strong housing loans in the quarters ahead. We are confident on achieving our targets which we have set for our loan book and our branches. We will continue to persist to surpass our own expectation and strive to deliver growth on all fronts.

FINANCIAL RESULTS

Performance Highlights- Q1 FY19

- SRG Housing Finance Limited reported a robust **124.40% growth in Loan Book** as on June 30th, 2018 to Rs. 224.49 Crore with a strong focus on profitability and asset quality.
- Asset quality improved with **Net NPA** at 0.50% for Q1FY19 as against 0.62% in Q1FY18.
- **Loan Sanctions** for the quarter stood at Rs. 30.35 Crore vs. Rs. 23.85 Crore in Q1FY18 a growth of 27.25%.
- **Total Income** was up by 114.27% to Rs. 12.81 Crore in Q1FY19 as against Rs. 5.98 Crore in Q1FY18.
- **Net Interest Margin** was at 2.87% in Q1FY19 as compared to 2.85% in Q1FY18.
- **Profit After Tax (PAT)** increased to Rs. 3.77 Crore in Q1FY19 compared to Rs. 1.55 Crore in Q1FY18 with a growth of 143.16% that resulted to an EPS of Rs 2.90 in Q1FY19 vs Rs. 1.19 in Q1FY19.



(Rs. In Cr.)

Particulars	Q1FY19	Q1FY18	Y-o-Y	FY18	FY17	Y-o-Y
Loan Assets(AUM)	224.49	100.04	124.40%	200.28	81.83	144.75%
Loan Disbursement	26.72	24.73	8.05%	142.82	47.37	201.50%
Total Revenue from operations	12.81	5.98	114.27%	34.26	14.55	135.46%
Net interest income(NII)	6.66	3.16	110.76%	18.12	8.3	118.31%
NIM (%)	2.87	2.85	2.0 bps	10.97	9.67	130 bps
Profit Before tax(PBT)	5.19	2.31	125.17%	13.19	4.02	228.11%
Profit after tax (PAT)	3.77	1.55	143.16%	9.62	2.71	254.98%
EPS(Rs)	2.90	1.19	143.70%	7.40	2.38	210.92%
Net Worth	44.38	35.04	26.65%	41.50	33.97	22.17%
Book Value (per share)	34.13	26.96	26.59%	31.92	26.13	22.16%
Gross NPA (%)	1.76	1.32		1.50	1.57	
Net NPA (%)	0.50	0.62		0.50	1.21	

Lending Operations

Loan Portfolio:

The loan portfolio in Q1FY19 amounted to Rs. 224.49 crore as against Rs. 100.04 crore in Q1FY18 an increase of 124.40%.

Offering Mix (In %)

Product Mix	Q1FY19			
	LTV (%)	AUM Mix (%)	Avg. Ticket Size (Rs Lakhs)	Yield (%)
Housing Loan	40.94	72.7	4.71	5.56
Builder/Project Loans	-	4.61	-	5.43
Loan against Property	40.88	22.69	9.6	4.96

Loan Disbursements:

Total disbursements in the Q1FY19 grew by 8.05% to Rs. 26.72 crore as against Rs. 24.73 crore in the Q1FY18.

Total disbursements in FY18 were Rs.142.82 crore as against Rs. 47.37 Cr in FY17 a growth of 201.50%.

The average ticket size in Q1FY19 was Rs. 4.77 Lakhs, in FY18 the average ticket size stood at **Rs 5.61 Lacs** as against Rs 7.62 lakhs in FY17.

The robust growth in Loan book has not changed the management focus on small tickets loans where LTVs are higher and chances of defaults are close to Nil.

Loan to value ratio (LTV):

The LTV at 40.90% coupled with strong standards of credit underwriting has safeguarded the Company from unnecessary credit risk.

Loan Spread:

The Company continues to earn a strong spread on its loans of 11.50% it has sustained around this rate since the last 8 quarters. The average spread between lending and borrowing is about 11.29%.

Asset Quality:

The net NPA in Q1FY19 stood at 0.50% vs 0.62% in Q1FY18 witnessing a year on year improvement.



FINANCIALS

Net Interest Margin:

The Net Interest Margin to Average Earning Assets in Q1FY19 was at 2.87% as against 2.85%.

Net Worth:

Net worth/Shareholder's equity as on June 30, 2018 is Rs. 44.34 crore.

Return on Average Equity (ROAE):

The Return on Average Equity as on June 30, 2018 was at 8.78 % against 4.49% in Q1FY18.

Return on Average Assets (ROAA):

The Return on Average Assets as on June 30, 2018 was at 1.63% against 4.49% in Q1FY18.

Cost to income ratio

The Cost to income ratio in Q1FY19 was 34.44% vs 39.13% in Q1FY18 registering an improvement of 469 bps.

FUNDING

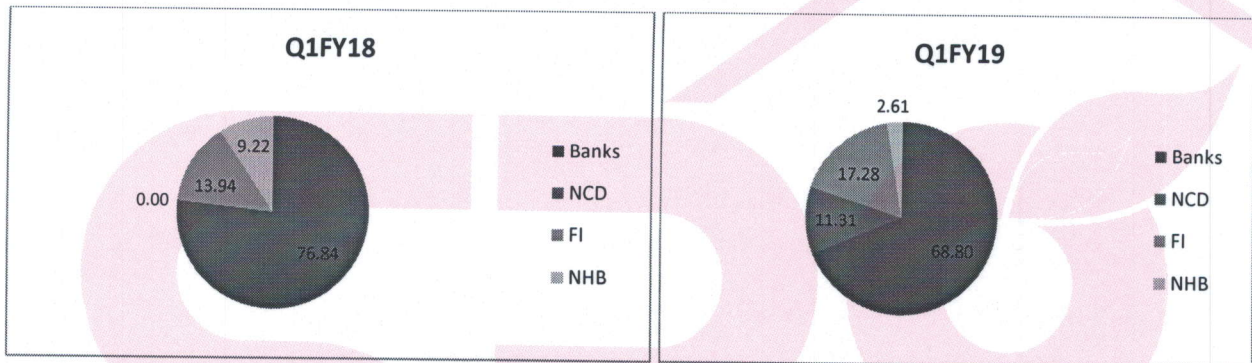
Borrowings:

Borrowing in Q1FY19 was Rs. 188.51 crore vs Rs.69.28 crore in Q1FY18 registering a growth of 172.09%.

Borrowing Mix:

During FY18, company managed to raise funds through a new source of borrowing i.e. NCDs which helped it diversify its borrowings mix. The change in the borrowing mix as seen below was primarily done to manage cost of funds and get better terms of funding.

Fig 1: Borrowing mix (%)



BUSINESS PRESENCE

Retail Network:

SRG is operating through its presence in 4 states through 32 branches as on date. It has offices in Rajasthan (19), MP (6), Gujarat (6) and Maharashtra (1). Company has opened 3 new branches in the states of Gujarat and Madhya Pradesh in Q1FY19. Its registered office is in Udaipur, Rajasthan and corporate office is situated in Mumbai, Maharashtra.



TECHNOLOGICAL INTEGRATION

Company has increasingly focused on delivering much faster Turnaround time (TAT) by implementing more advance level work flow management process; right from Log-in to disbursement and third party vendor management, in its ERP system.

Awards and Recognition

- Times Network National Award for Marketing Excellence "Housing Finance Company of the year - Medium & Small (Private)" on 5th July 2018.
- Adjudged amongst the "Top-100 SMEs in India" by Skoch Group and Awarded with Skoch Order of Merit on 51th Skoch Summit on 10th March 2018.
- The company has also been awarded as the fastest growing housing finance company of the year by ET NOW BFSI award on 14th Feb 2018.

Management Commentary on Results

Commenting on the company's financial performance Mr. Vinod Jain, Managing Director of the company stated that the SRGHFL we remain committed towards achieving the FY19 targets of Rs. 350 crore for Assets under Management (AUM) with stable asset quality and improved margins.

The company has registered visible growth with each passing year registering a CAGR (FY12-18) in AUM and PAT of 72.62% and 76.33% respectively enabling to creating wealth its stakeholders.

The company has deeply focused on its strengths and leveraged the emerging opportunities in the housing finance sector, by tapping tier II and III towns which has helped it achieve growth by addressing an underserved market.

With all these 360 degree multifold progressive developments, management has provided huge impetus to mitigation of risks with proactive measures aligned with several technological integrations.

About SRG Housing Finance Ltd.:

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. 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. 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 AUM of Rs. 200.28 Crore as on March 31, 2018. The Company operates through its Registered Office at Udaipur and 32 branches located within Rajasthan, Gujarat, Maharashtra and Madhya Pradesh.

17th August, 2018.

