

**SCRIP NAME: SRGHFL; SCRIP CODE: 534680; ISIN NO: INE559N01010**

Date: 14.11.2018

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

Respected Sir/Madam,

**SUBJECT: PRESS RELEASE OF UN-AUDITED FINANCIAL RESULTS**

**FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2018**

With reference to above, we hereby provide the press release in respect of Unaudited Financial Results for the Quarter & Half Year Ended September 30, 2018.

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

Thanking You,

With Regards,

For SRG Housing Finance Limited

  
Vinod K. Jain  
(Managing Director)  
DIN: 00248843



**SRG**  
SRG HOUSING FINANCE LTD  
Always with you



## SRG Housing Finance Ltd. – Press Release

The Board of Directors of SRG Housing Finance Ltd. have approved the Un- Audited Financial Results for Quarter and Half Year ended 30<sup>th</sup> September, 2018 at their meeting held in Udaipur on 14<sup>th</sup> November, 2018.

The Company's performance in Q2FY19 has been excellent with **growth in the loan book of 98.30%** over Q2FY18. The loan book was spread across salaried and self-employed customer profile registering a growth of 135.45 % and 91.04 % respectively. During Q2FY19, the spread between its borrowing and lending operations continued to stay strong at 11.43%.

During the quarter, the cost to income ratio was at 34.83% as compared to Q2FY18 at 44.29 %. 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 will accrue the benefits of branches in the form of revenues and profits in the coming quarters.

As we look ahead into Q3FY19, 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- Q2 FY19

- SRG Housing Finance Limited reported a robust **98.30 % growth in Loan Book** as on September 30<sup>th</sup>, 2018 to Rs. 247.96 Crores with a strong focus on profitability and asset quality.
- Asset quality improved with **Net NPA** at 0.47 % for Q2FY19 as against 0.69 % in Q2FY18.
- **Loan Sanctions** for the quarter stood at Rs.35.31 Crore vs. Rs. 30.88 Crore in Q2FY18 a growth of 14.35 %.
- **Total Income** was up by 90.99% to Rs.14.17 Crore in Q2FY19 as against Rs. 7.42 Crore in Q2FY18.
- **Net Interest Margin (not annualised)** was at 2.92% in Q2FY19 as compared to 3.42 % in Q2FY18.
- **Profit after Tax(PAT)** increased to Rs.4.12 Crore in Q2FY19 compared to Rs.1.90 Crore in Q2FY18 with a **growth of 116.61%** that resulted to an EPS of Rs. 3.17 in Q2FY19 vs Rs.1.46 in Q2FY18.



SRG HOUSING FINANCE LTD  
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(Rs. In Cr.)

Particulars	Q2FY19	Q1FY19	Q2FY18	Y-o-Y	HY19	HY18	Y-o-Y
Loan Assets(AUM)	247.96	224.49	125.04	98.30	247.96	125.04	98.30
Loan Disbursement	35.12	26.72	29.79	17.89	61.84	54.53	13.41
Total Revenue from operations	14.17	12.81	7.42	90.99	24.30	13.40	81.34
Net interest income(NII)	7.51	6.66	4.04	85.89	14.17	7.19	97.08
NIM (%) (not annualised)	2.92	2.87	3.24	-	5.82	5.69	-
Profit Before tax(PBT)	5.83	5.19	2.83	106.01	11.02	5.13	114.81
Profit after tax (PAT)	4.12	3.77	1.90	116.84	7.88	3.45	128.41
EPS(Rs)	3.17	2.90	1.46	117.12	6.07	2.65	129.06
Net Worth	47.96	44.38	35.45	35.29	47.96	35.45	35.29
Book Value (per share)	36.90	34.13	27.27	35.31	36.90	27.27	35.31
Gross NPA (%)	1.72	1.76	1.27	-	1.76	1.27	-
Net NPA (%)	0.47	0.50	0.69	-	0.47	0.69	-

## Lending Operations

### Loan Portfolio:

The loan portfolio in Q2FY19 amounted to Rs. 247.96 crore as against Rs.125.04 crore in Q2FY18 an increase of 98.30%.

### Loan Disbursements:

Total disbursements in the Q2FY19 grew by 17.89 % to Rs. 35.12 crore as against Rs. 29.79 crore in the Q2FY18.

Total disbursements in HY19 were Rs 61.84 crore as against Rs.54.52 Cr in HY18a growth of 13.43%.

In HY19 the average ticket size stood at **Rs 5.75 Lakhs** as against Rs 7.62 Lakhs in HY18.

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 38.82 % 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 11.43 % it has sustained around this rate since the last 9 quarters. The average spread between lending and borrowing is about 11.31%.

### Asset Quality:

The net NPA in Q2FY19 stood at 0.47% vs 0.69% in Q2FY18 witnessing a year on year improvement.





## FINANCIALS

### Net Interest Margin:

The Net Interest Margin to Average Earning Assets in Q2FY19 was at 2.92 % as against 3.24%.

### Net Worth:

Shareholder's fund as on September 30, 2018 is Rs. 47.96 crore.

### Return on Average Equity (ROAE):

The Return on Average Equity as on September 30, 2018 was at 8.91 % against 5.28% in Q2FY18.

### Return on Average Assets (ROAA):

The Return on Average Assets as on September 30, 2018 was at 1.60 % as against 1.53 % in Q2FY18.

### Cost to income ratio:

The Cost to income ratio in Q2FY19 is 34.83 % vs 44.29 % in Q2FY18 registering an improvement of 946 bps.

## FUNDING

### Borrowings:

Borrowing in Q2FY19 was Rs. 209.47 crore vs Rs. 97.28 crore in Q2FY18 registering a growth of 115.32%.

### Borrowing Mix:

Borrowing Profile (%)	Q2FY19	Q2FY18
Banks (%)	68.22	66.45
NCD (%)	9.67	17.99
FI (%)	19.90	9.36
NHB (%)	2.21	6.20

## 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). 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.





**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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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. 247.96 Crores as on September 30, 2018. The Company operates through its Registered Office at Udaipur and 32 branches located within Rajasthan, Gujarat, Maharashtra and Madhya Pradesh.

14<sup>th</sup> November, 2018

