GRUH FINANCE LIMITED

We help you build homes

(A subsidiary of HDFC Ltd)



Tribute to the GRUH-ini

A driving force for

future momentum and growth

29th ANNUAL REPORT
2014 - 2015

GRUH FINANCE LIMITED

We help you build homes

(A subsidiary of HDFC Ltd)

GRUH-ini

A word that signals challenge,
the cornerstone of our marketing strategy for future growth.

The practice of coining new words goes back to the ancient Greeks. They even gave it a name: 'neologism' (literally 'new speech').

Today the list of neologisms spans science, technology, commerce and common parlance. Words like 'crowdsourcing', 'photoshop', 'glocalization' or even 'google' are listed as today's commonly used coined words. To this list we at GRUH are happy to add an exciting new word drawn from our own customer experience and ethnic vernacular.

GRUH-ini is the word of the day. Adapted from Indian language words for 'housewife' GRUH-ini reflects the significant role of women in growing the future market for housing mortgage finance. When our founder Shri. H T Parekh mooted the concept of institutions like HDFC and GRUH, the skeptics far outnumbered the believers.

As Shri. Deepak Parekh once pointed out, housing mortgage finance was regarded as a 'non-productive' sector in which no one wanted to invest. Today home loans have become an important part of people's lives and housing mortgage finance is an approximately Rupees nine lac crore market. Average age of buyers has reduced from 41 years in the 1970's to around 36 years today. Significantly, women have become a core market segment accounting for an estimated third of the borrowers and co-borrowers. In keeping with the mandate of our founder, GRUH has helped some of these aspirational women become home owners. By keeping in mind resource mobilization strategies suited to rural women, GRUH has on its part helped to encourage their initiative and reward their willingness to embrace change. Our 2015 annual report touches on some basic tenets of marketing in the context of the emerging window of opportunity. It contains a few vignettes which showcase the challenges faced by the GRUH-ini – the woman, wife and mother who has become not just an agent but a driver of change and a trigger for future growth momentum.

GRUH FINANCE LIMITED
We help you build homes



GRUH's very own GRUH-inis

Women empowerment within GRUH

Our founder Shri. H T Parekh was among the earliest pioneers in India's financial institutions and he was also passionate about empowering women to not only enter the workplace but also break through the proverbial glass ceiling.

In keeping with his philosophy, GRUH like its illustrious parent HDFC, strives to provide meaningful careers to women. A Significant percentage of our office and field workers are women. These GRUH-inis have learnt to navigate challenges, stretch their imaginations and meet with individuals and families on a human level. They feel the same sense of joy when they bring a smile to someone's face or even when they simply refuse to accept the unacceptable.

Their success at GRUH is a silent tribute to our founder. As Warren Buffett, one of the world's most successful investors has said: 'Someone's sitting in the shade today because someone else planted a tree a long time ago'

BOARD OF DIRECTORS AND THEIR BRIEF PROFILE



Mr. Keki M. Mistry
(Chairman)
(DIN : 00008886)

Mr. Keki M. Mistry, the non-executive Chairman of the Company is the Vice Chairman & Chief Executive Officer of Housing Development Finance Corporation Limited (HDFC). He is a Fellow of the Institute of Chartered Accountants of India. Mr. Mistry serves as a director on the board of several companies including HDFC Bank Limited, HDFC Standard Life Insurance Co. Ltd., HDFC ERGO General Insurance Company Limited, HDFC Asset Management Company Ltd., Greatship (India) Ltd., Sun Pharmaceuticals Industries Ltd., Torrent Power Ltd., HCL Technologies Ltd., CDC Group, London., amongst others. He has been on the board of GRUH since 2000 and has been Chairman of the Company since 2002. He is a member of the Audit Committee and Nomination and Remuneration Committee of GRUH.



Mr. S. M. Palia
(DIN : 00031145)

Mr. S.M. Palia, is a development banker. He holds a degree in Commerce, Law and Banking [CAIIB, CAIB (London)] and has 25 years working experience in Industrial Development Bank of India (IDBI) in various capacities. He retired as Executive Director of IDBI in 1989. He is on the board of reputed companies like The Bombay Dyeing & Mfg. Co. Ltd., Saline Area Vitalisation Enterprises Ltd., and AI Champdany Industries Limited., etc. He has been on the board of GRUH since 1993. He was Vice Chairman of the Company from 1993 to 2000 and Chairman of the Company for one year from January 2001. He is Chairman of the Audit Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.



Mr. Rohit C. Mehta
(DIN : 000050173)

Mr. Rohit C. Mehta, is a prominent and successful industrialist possessing a wide and varied experience in the management of business and industry. He is a Law Graduate from the Bombay University. He was International President of Lions Clubs International. He has also been the President of Federation of Indian Chambers of Commerce & Industry. He is the Chairman of Torrent Cables Ltd. He is on the board of reputed companies like Rampion Technologies Pvt. Ltd., Rampion Eyetech Pvt. Ltd., Universal Trustees Pvt. Ltd, C.C Chokshi Advisors Pvt Ltd, etc. He has been on the board of GRUH since 1987 and was the Chairman of the Company from 1987 to 1998. He is Chairman of Stakeholders Relationship Committee of GRUH and a member of the Audit Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.



Mr. Prafull Anubhai
(DIN : 00040837)

Mr. Prafull Anubhai, is a Corporate Advisor. He is associated with educational and research institutions like Indian Institute of Management (IIMA), Ahmedabad Education Society (AES), Ahmedabad University, CSTEP (Centre for Science Technology and Policy), ATIRA etc. He is the Chairman of the Board of Management of the Ahmedabad University. He is the member of the Governing Board of Ahmedabad Education Society. He is also the Hon. Director of Saptak Archives, an institution dedicated to the preservation and dissemination of Indian Classical Music. He has done his B.Sc.(Econ.) from the London School of Economics and attended PMD at Harvard Business School. He has 30 years of experience as a Chief Executive of Textile Manufacturing Operations and presently he is a Director in companies like Unichem Laboratories Ltd., Vardhman Textiles Ltd., Vardhman Special Steels Ltd., Birla Sun Life Trustee Co. Pvt. Ltd, Torrent Cables Ltd, Botil Oil Tools (India) Pvt. Ltd., etc. He has been on the board of GRUH since 1987. He is a member of the Audit Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.



Ms. Renu S. Karnad
(DIN : 00008064)

Ms. Renu Sud Karnad, the Managing Director of HDFC, holds a Master's degree in Economics from the University of Delhi and is a Law Graduate. She is a Parvin Fellow – Woodrow Wilson School of International Affairs, Princeton University, U.S.A. She has been employed with HDFC since 1978. She is responsible for the lending operations of HDFC. She is a director in companies like HDFC Bank Ltd., HDFC Asset Management Company Ltd., HDFC Standard Life Insurance Company Limited, HDFC ERGO General Insurance Company Limited, Indraprastha Medical Corporation Limited, EIH Ltd., Bosch Ltd., HIREF International Fund Pte Ltd., HIREF International Fund Pte Ltd., etc. She has been on the board of GRUH since 2000. She is a member of the Nomination and Remuneration Committee of GRUH.

BOARD OF DIRECTORS AND THEIR BRIEF PROFILE



Mr. K. G. Krishnamurthy
(DIN : 00012579)

Mr. K.G. Krishnamurthy is the Managing Director and CEO of HDFC Property Ventures Limited (HPVL). Prior to that he was employed with HDFC as Senior General Manager – Technical Services. He played a major role in HPVL's successful closure of India's first real estate venture fund scheme, HDFC India Real Estate Fund with a corpus of 1.20 billion dollars. He is a graduate from IIT Kharagpur with a management degree from Jamnalal Bajaj Institute of Management, Mumbai. He has vast experience of over two decades in real estate and has been widely consulted by the industry on real estate matters. He has offered his services to the Asian Development Bank - to develop a housing package for Project Affected Persons under Karnataka Urban Infrastructure Project, and to the US AID to build-up a mortgage market in Sri Lanka. Besides his responsibilities within the HDFC group, he is on the board of several companies including HDFC Venture Capital Limited, Vascon Engineers Limited, New Consolidated Construction Co. Ltd., etc. He has been appointed on the board of GRUH since 2004. He is a member of Stakeholders Relationship Committee of GRUH.



Mr. S. G. Mankad
(DIN : 00086077)

Mr. S.G. Mankad, IAS (retd), holds Masters in History from University of Delhi. He has served in various capacities both in Government of India and the State of Gujarat. His last assignment was as Chief Secretary, Govt. of Gujarat. He is chairman of Gujarat Institute of Desert Ecology (GUIDE), chairman of Indian Institute of Public Health, Gandhinagar and is associated with several educational institutions and NGOs. He is the Chairman of Bhavnagar Energy Co. Ltd., Gujarat International Finance Tec- City Co. Ltd., and Director in IL&FS Education & Technology Services Ltd., IL&FS Skills Development Corporation Ltd., Deepak Nitrite Ltd., Navin Fluorine International Ltd, Swaraj Engines Limited., National Securities Depository Limited and Mahindra Intratrade Ltd. He is on the Board of GRUH since 2010. He is a member of Stakeholders Relationship Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.



Mr. Biswamohan Mahapatra
(DIN : 06990345)

Mr. Biswamohan Mahapatra was a career central banker with his career spanning over 33 years in the Reserve Bank of India (RBI). In the RBI he worked in various capacities and retired as Executive Director in 2014. He spent most of his career in the RBI in the important areas of banking regulation, policy and supervision. Post-retirement, the RBI retained him as an Advisor on full time contract basis for six months on new bank licensing. He holds Master of Science in Management (MSM) degree from Arthur D. Little Management Education Institute, Cambridge, USA; Master of Business Administration (MBA) degree from the University of Delhi, Delhi; and Master of Arts (MA) degree from Jawaharlal Nehru University, New Delhi. He is also a Certified Associate of the Indian Institute of Bankers (CAIIB). He was associated with various working groups and committees of RBI. He is an external Senior Advisor to Ernst & Young LLP. He is a director on the boards of Edelweiss Financial Services Ltd. and Credila Financial Services Pvt. Ltd. He is a member of the Audit Committee and the Nomination and Remuneration Committee of GRUH.



Mr. Kamlesh Shah
(Executive Director)
(DIN : 03092230)

Mr. Kamlesh Shah, the Executive Director of GRUH is a Chartered Accountant from the Institute of Chartered Accountants of India. He has been employed with GRUH since 1990. He has the working experience of handling functional areas of operations, finance, human resources and administration. He is on the Board of GRUH since 2010.



Mr. Sudhin Choksey
(Managing Director)
(DIN : 00036085)

Mr. Sudhin Choksey, the Managing Director of GRUH, is a Fellow Member of the Institute of Chartered Accountants of India. He was appointed as the CEO of the Company in 1998 and the Managing Director in 2000. He has been on the Board of GRUH since May 1996. He has the working experience of handling functional areas of finance, commercial and general management both in India and abroad. He is a director on the board of Deepak Nitrite Ltd., Gujarat Ambuja Exports Ltd., Credila Financial Services Pvt. Ltd., Hunnar Shaala Foundation for Building Technology and Innovations and Saath Livelihood Services. He is a member of the Stakeholders Relationship Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.

GRUH FINANCE LIMITED
We help you build homes

SENIOR MANAGEMENT TEAM

Suresh Iyer
Manish Gandhi
Harish Sharma
Ajay Kumar
Narendra Rao
Dharmesh Bhavsar
Amit Chokshi
Jayesh Gangwani
Venu Menon
Umesh Agrawal
Dushyant Joshi
Rupali Shelar
Rakesh Hardiya
Subramaniam K.

Company Secretary Marcus Lobo

Chief Financial Officer Hitesh Agrawal

REGISTERED OFFICE

"GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380 006.
Phone : 91-79-2642 1671 to 75, 3290 1222/23 Fax : 2656 0649

CIN : L65923GJ1986PLC008809

Email : investorcare@gruh.com

Website : www.gruh.com

Toll Free :
Loans : 1800 233 5300

Deposits : 1800 233 7923

AUDITORS

M/s SORAB S. ENGINEER & Co.,
Chartered Accountants

ADVOCATES & NOTARY

M/s SINGHI & Co.,
Advocates & Notary

DEBENTURE TRUSTEES

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.

BANKERS

Allahabad Bank * Axis Bank Ltd. * Bank of Baroda * Bank of India * Bank of Maharashtra * Bank of Nova Scotia * Central Bank of India Canara Bank * Corporation Bank * Dena Bank * Development Credit Bank Ltd. * HDFC Bank Ltd. * ICICI Bank Ltd. * IDBI Bank Ltd. Indian Overseas Bank * IndusInd Bank Ltd. * Kotak Mahindra Bank Ltd. * Oriental Bank of Commerce * Punjab & Sind Bank The Hongkong and Shanghai Banking Corporation Ltd. * The Jammu and Kashmir Bank Ltd. * State Bank of Bikaner & Jaipur State Bank of India * State Bank of Patiala * State Bank of Mysore * State Bank of Travancore * Syndicate Bank * UCO Bank Union Bank of India * Vijaya Bank

Index

Board of Directors and their brief profile	2
Directors' Report	7
Management Discussion and Analysis Report	29
Report of the Directors on Corporate Governance	37
Information for Shareholders	47
Accounts & Auditors' Report	53

HIGHLIGHTS

(₹ in crores)

Financial Highlights	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Loan Disbursements	3,121	2,577	2,174	1,487	1,211	780	655	632	474	360
Net Interest Income	344	271	218	179	143	115	85	74	52	36
Fees & Other Charges	33	27	22	17	14	12	7	6	6	6
Operating Cost	64	56	46	39	32	25	21	18	14	12
Operating Profit	318	246	198	159	127	103	72	63	44	30
Provisions & Write Offs (Net)	17	2	1	(4)	1	8	3	4	7	4
Profit Before Tax	301	244	197	163	126	94	70	59	37	26
Profit After Tax	204*	177	146	120	92	69	50	42	30	22
Stockholders' Equity	711	607	491	386	318	265	221	190	164	87
Borrowed Funds	8,216	6,447	4,915	3,833	2,966	2,323	2,245	1,773	1,305	1,080
Loan Assets	8,915	7,009	5,438	4,067	3,172	2,449	2,086	1,770	1,377	1,069
Key Financial Ratios										
Capital Adequacy Ratio (%)	15.36	16.36	14.56	13.95	13.32	16.55	16.21	18.15	16.31	14.24
Debt Equity Ratio (times)	12	11	10	10	9	9	10	9	8	12
Loans to Total Assets (%)	97	97	97	94	94	92	82	88	90	89
Gross NPAs to Loan Assets (%)	0.28	0.27	0.32	0.52	0.82	1.11	0.94	1.12	1.36	1.48
Net NPAs to Loan Assets (%)	0	0	0.05	0	0	0	0	0	0	0.23
Net Interest Margin to Average Assets (%)	4.18	4.21	4.38	4.64	4.73	4.42	3.73	4.18	3.82	3.37
Non-Interest Expenses to Average Assets (%)	0.78	0.87	0.93	1.01	1.06	0.98	0.91	1.01	1.02	1.10
Cost to Income Ratio (%)	17	19	19	20	20	20	22	22	24	28
PAT to Average Assets (%)	2.48	2.76	2.94	3.12	3.02	2.65	2.21	2.39	2.17	2.03
Return on Average Networth (%)	31	32	33	34	31	28	24	24	24	27
Measuring Shareholders' Wealth										
Earnings Per Share (₹) ^	5.57	4.93	4.11	3.41	2.62	1.99	1.45	1.22	0.94	0.74
Dividend Rate (%)	100 @	150	125	115	110**	65	48	40	30	25
Dividend Payout Ratio (%)	43	36	36	39	49	38	39	38	41	35
Book Value Per Share as at March 31 (₹) ^	19.64	16.92	13.82	10.94	9.10	7.62	6.37	5.49	4.74	3.28
Market Price Per Share as at March 31 (₹) ^	244	147.65	105.15	63.70	36.02	21.78	9.37	15.44	13.74	9.33
Price to Value Ratio (times)	12.42	8.73	7.61	5.83	3.96	2.86	1.47	2.81	2.90	2.85
Price to Earnings Ratio (times)	44	30	26	19	14	11	6	13	15	11
Market Capitalisation (in crores)	8,867	5,319	3,753	2,249	1,266	756	325	535	476	247

* Profit After Tax is arrived after providing Deferred Tax Liability of ₹ 19.33 crores on Special Reserve which was required to be created from FY 2014-15.
** Includes one time Special Silver Jubilee Year Dividend of 25%
^ During FY 1213, w.e.f. July 26, 2012, face value of equity shares of the Company was sub-divided to ₹ 2 per equity share from ₹ 10 per equity share and hence adjusted for Split and Bonus shares.
@ The Company allotted bonus shares in the ratio of 1:1 during June'2014. Dividend is for the full year on enhanced capital post issue of bonus shares.

GRUH FINANCE LIMITED
We help you build homes

Life stage segmentation

An opportunity to explore new horizons of trust, innovation and caring

Most of GRUH's young customers are people who believe that they can change their lives through the aspirational expedient of home ownership. Many of them are secondary school literates. Some are drop outs who plunged into entrepreneurial forays through sheer adverse circumstance.

GRUH's segmentation and target marketing always begins with selection of field teams who can understand the local, ethnic and cultural community divides in a huge customer base. When it goes to a new market, GRUH endeavors to identify customer segments by life-stage not just occupation or lifestyle. The next step is to make product variations relevant with proper customer education. This is GRUH's approach to customer life cycle management, which in turn lays the foundations for customer retention. It also generates Word-of-Mouth and helps to achieve incremental revenue growth in the years ahead.



'They said only GRUH can help'

GRUH-ini ***Vandana Pandit***

The biggest banks advised to go to GRUH. My husband was a clerk in the City Civil Court and I had a job in a private school. We relocated to Pune when my husband got transferred and we needed a house but banks turned us down.
They said the salary was not good enough and age was a problem. They said GRUH was our only hope.
GRUH gave us a loan stretching up to the age of 75 years on a 30 year tenure and also took my earning into consideration.



'I refused to accept defeat'

GRUH-ini ***Vijayalaxmi Patel***

I was working with a housing finance company but their rules did not allow us to qualify when we transferred from Nagpur to Navsari. We badly needed a house since my husband and I live with our in-laws.
Surprisingly, GRUH examined our case sympathetically. They cleared the file in record time.
In those days we were unable to buy a single house. Today we have a second house in our native place and it probably has a market value of about Rs. 50 Lacs.



'My sister made it possible'

Brother of GRUH-ini ***Niharika Lad***

My sister stays with us, our parents, my wife and two children. When I applied for a loan my salary was not enough to buy the property we had seen. Fortunately my sister applied on her salary.
GRUH gave us the loan. Today we are a happy family, proud of Niharika and the way she has supported us.

DIRECTORS' REPORT

TO THE MEMBERS,

Your directors are pleased to present the Twenty Ninth Annual Report of your Company with the audited accounts for the year ended March 31, 2015.

FINANCIAL RESULTS (₹ in crores)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit Before Tax	300.84	244.46
Provision for Tax	77.71	67.50
Deferred Tax on Special Reserve	19.33	0.00
Profit After Tax	203.80	176.96
Add:		
Balance brought forward from last year	143.59	110.12
Amount available for appropriation	347.39	287.08
Appropriations:		
Special Reserve	56.87	45.00
General Reserve	40.00	20.00
Additional Reserve u/s 29C of NHB Act, 1987	0.00	15.00
Amount utilised towards Corporate Social Responsibility Activities	1.93	0.00
Proposed Dividend	72.68	54.04
Additional Tax on Proposed Dividend	14.80	9.18
Dividend pertaining to previous year paid during the year	0.00	0.27
Balance carried to Balance Sheet	161.11	143.59
	347.39	287.08

Dividend

Your directors recommend payment of dividend of ₹ 2.00 per equity share of face value of ₹ 2 each for the year ended March 31, 2015 on the enhanced paid-up capital of the Company post the issue of bonus shares in the ratio of 1:1. Considering that the Company declared a 1:1 bonus during the year, the effective dividend for the year is ₹ 4.00 per equity share (pre-bonus) as compared to ₹ 3.00 per share in the previous year. Although the bonus shares were allotted on June 11, 2014, dividend on these shares will be payable for the entire financial year. The dividend payout ratio for the year inclusive of additional tax on dividend will be 43% as against 36% in the previous year.

Changes in Share Capital

During the year under review, the paid up share capital increased as a result of the 1:1 Bonus Issue, whereby your Company allotted 18,01,31,150 Bonus shares. The paid up share capital also increased as a result of allotment of 31,22,280 equity shares of the face value of ₹ 2/- each upon exercise of stock options under ESOS-2011 (Tranche-I) and ESOS-2011 (Tranche-II). Consequently the equity share capital has increased from ₹ 36,02,62,300 divided into 18,01,31,150 equity shares of ₹ 2/- each to ₹ 72,67,69,160 divided into 36,33,84,580 equity shares of ₹ 2/- each.

Disbursements

Loan disbursements during the year were ₹ 3,120.87 crores as against ₹ 2,577.47 crores in the previous year. GRUH continued to focus mainly on the retail segment and disbursed ₹ 2,834.37 crores to 34,608 families. Cumulative disbursements as at March 31, 2015 were ₹ 15,215.12 crores.

Golden Jubilee Rural Housing Finance Scheme

GRUH disbursed ₹ 1,296.14 crores in respect of 18,719 dwelling units during the year under the Golden Jubilee Rural Housing Finance Scheme of the Government of India. Cumulative disbursements under the scheme were ₹ 5,379.87 crores in respect of 1,24,113 dwelling units.

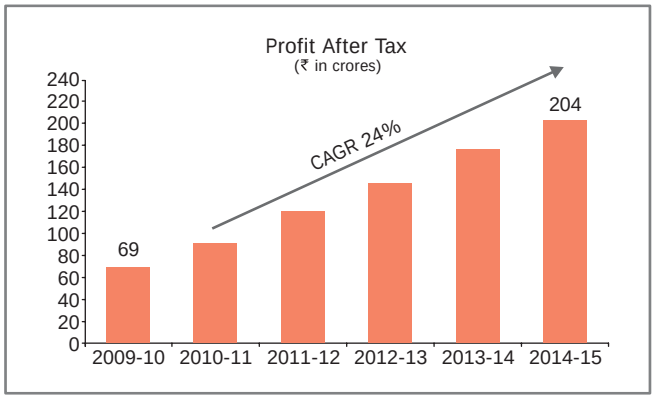
Rural Housing Fund

The National Housing Bank (NHB) has formulated a scheme called the Rural Housing Fund - 2008 (RHF). The scheme is aimed towards rural housing undertaken by families falling under the weaker Section category as defined in the Reserve Bank of India guidelines on lending to the priority sector.

During the year, GRUH disbursed ₹ 301.06 crores in respect of 4,679 loans in rural areas wherein the loans meet the criteria laid down under the scheme.

Urban Low Income Housing Scheme

The Ministry of Housing and Urban Poverty Aliavation (MHUPA) launched a special scheme called the Urban Low Income Housing Scheme (LIH) in January 2012 to finance families in the EWS / LIG segment in urban areas. NHB is the nodal agency for monitoring this scheme.



During the year, GRUH disbursed ₹ 428.52 crores in respect of 8,845 loans in urban areas wherein the loans meet the criteria laid down under the scheme. The cumulative disbursement under the scheme since its inception in January 2012 is ₹ 1,331.42 crores in respect of 27,979 loans.

Refinance Scheme for Women

NHB launched a special refinance scheme in July 2013 aimed at financing women applicants in urban areas wherein the property is owned by women.

During the year, GRUH disbursed ₹ 86.55 crores in respect of 1,168 loans in urban areas wherein the loans meet the criteria laid down under the scheme. The cumulative disbursements under the scheme since its inception in July 2013 is ₹ 146.87 crores in respect of 2,076 loans.

Credit Risk Guarantee Fund Scheme

Under the Credit Risk Guarantee Fund Scheme (CRGFS) for Low Income Housing in urban areas, GRUH has disbursed ₹ 37.09 crores in respect of 1,935 loans during the year. The cumulative disbursements in respect of loans covered by Credit Risk Guarantee Cover is ₹ 39.54 crores in respect of 2,008 loans.

The cumulative portfolio approved by the CRGFT for Credit Risk Guarantee cover is ₹ 4.25 crores in respect of 110 loans since inception of the scheme.

Loan Assets

As at March 31, 2015, the loan assets increased to ₹ 8,915.35 crores recording a growth of 27%. Loan assets in respect of the retail segment grew by 26% and stood at ₹ 8,594.60 crores.

Non-Performing Loans

As per the prudential norms of NHB, GRUH's gross non-performing loans stood at ₹ 25.05 crores as at March 31, 2015, constituting 0.28% of the total outstanding loans of ₹ 8,915.35 crores. The gross non-performing loans as at March 31, 2014 were ₹ 18.87 crores constituting 0.27% of the total outstanding loans of ₹ 7,009.04 crores.

GRUH is required to carry a provision of ₹ 32.80 crores on standard individual home loans of ₹ 8,200.30 crores and a provision of ₹ 6.20 crores on standard loans other than individual home loans of ₹ 690 crores as at March 31, 2015. GRUH also carries provision of ₹ 0.10 crore on Installments Due from Borrowers of ₹ 22.49 crores and ₹ 0.01 crore on Loan Against Deposit of ₹ 1.14 crores. Accordingly, GRUH carries a total provision of ₹ 39.11 crores in respect of standard assets.

GRUH is required to carry a provision of ₹ 8.47 crores towards non-performing loans as per NHB norms. However, as a measure of precaution, GRUH carries a provision of ₹ 25.05 crores. Net Non Performing Loan was Nil on outstanding loans of ₹ 8,915.35 crores.

GRUH therefore carries a total provision of ₹ 64.17 crores on its total assets including standard assets and non performing loans.

During the year, GRUH has written off ₹ 2.03 crores in respect of individual loans where the recovery was difficult in the near future. However, GRUH continued the recovery efforts in respect of written off loans of earlier years and could effect recoveries of ₹ 0.37 crore during the year in respect of such written off loans. GRUH also took possession of properties of the defaulting borrowers under the SARFAESI Act and has sold few of such acquired properties.

Regulatory Guidelines

GRUH continues to comply with the guidelines issued by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, 'Know Your Customer' - (KYC), fair practices code and real estate and capital market exposures. The details of compliances are outlined in the Management Discussion and Analysis Report.

The task of overseeing the implementation of the Asset Liability Management (ALM) has been entrusted to the Audit Committee which oversees and reviews the ALM position vis-à-vis risk management.

GRUH's Capital Adequacy Ratio stood at 15.36% as against the minimum requirement of 12%. Tier – I capital was 13.89% against the minimum requirement of 6%.

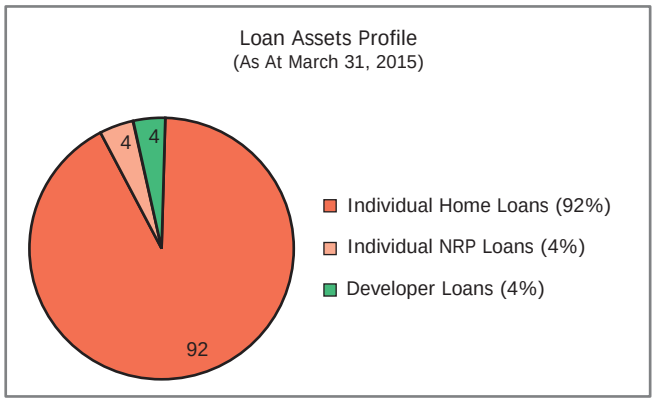
The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under Section 21 of the SARFAESI Act, 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. Accordingly, GRUH is registered with CERSAI and has been submitting data in respect of its loans.

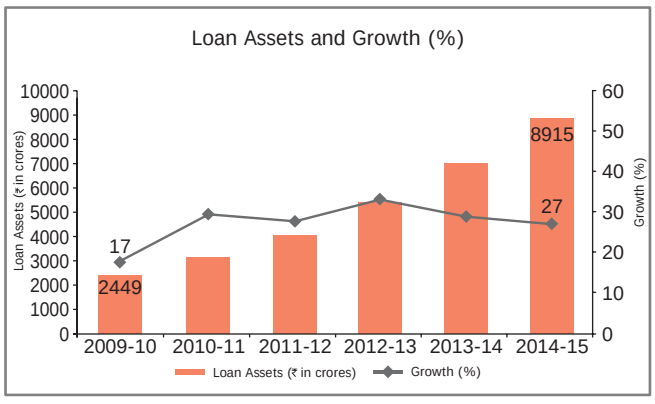
NHB Refinance

GRUH received refinance sanction of ₹ 1,150 crores from NHB during the year. GRUH availed refinance aggregating to ₹ 940.23 crores including ₹ 130.67 crores under the Rural Housing Fund. The refinance outstanding as at March 31, 2015 was ₹ 2,777.17 crores.

Bank Term Loans

GRUH received fresh sanctions from banks amounting to ₹ 2,065 crores of which GRUH availed loans aggregating to ₹ 1,925 crores. The outstanding bank term loans as at March 31, 2015 were ₹ 2,700 crores.





Subordinated Debt

As at March 31, 2015, GRUH's outstanding subordinated debt stood at ₹ 35 crores. The debt is subordinated to present and future senior indebtedness of the Company and has been assigned rating of "ICRA AA+" and "CRISIL AA+", indicating high safety with regard to timely payment of interest and principal. Based on the balance term to maturity, as at March 31, 2015, ₹ 35 crores of the book value of subordinated debt is considered as Tier – II capital under the guidelines issued by NHB for the purpose of computation of Capital Adequacy Ratio.

Non-Convertible Debentures (NCDs)

During the year, GRUH raised NCDs amounting to ₹ 650 crores on a private placement basis. The outstanding NCDs as at March 31, 2015 stood at ₹ 650 crores. NCDs are rated "ICRA AA+" and "CRISIL AA+", indicating high safety with regard to timely payment of interest and principal.

Commercial Paper

GRUH's commercial paper is rated "ICRA A1+" and "CRISIL A1+" indicating highest safety as regards repayment. As at March 31, 2015, outstanding commercial paper was ₹ 750 crores.

Deposits

GRUH mobilised deposits of ₹ 396.63 crores and experienced a renewal ratio of 58% during the year. The outstanding balance of deposits as at March 31, 2015 was ₹ 1,292.11 crores.

Deposit programme is rated "MAAA" by ICRA and "FAAA" by CRISIL. These ratings indicate highest safety as regards repayment of principal and interest.

There has been no default in repayment of deposits or payment of interest during the year. All the deposits accepted by the Company are in compliance with the requirements of NHB guidelines and Chapter V of the Companies Act, 2013.

Unclaimed Deposits and Unclaimed NCDs

As at March 31, 2015, deposits amounting to ₹ 7.97 crores had not been claimed by 879 depositors. The total amount of unclaimed deposits as at March 31, 2015 was ₹ 8.40 crores, which includes ₹ 0.43 crore towards unclaimed interest on deposits. Depositors were intimated regarding the maturity of deposits with a request to either renew or claim their deposits and subsequent reminders have been sent.

As per the provisions of Section 125 of the Companies Act, 2013, deposits/ NCDs or interest thereon, remaining unclaimed and unpaid for a period of seven years from the date they became due for payment are required to be credited to Investor Education and Protection Fund (IEPF) established by the Government of India. Accordingly, an amount of ₹ 9.60 lacs was transferred to the IEPF during the year. In terms of Section 125 of the Companies Act, 2013, no claim would lie against the Company after the said transfer.

As at March 31, 2015, there was no NCDs amount or interest thereon, remaining unclaimed and unpaid.

Unclaimed Dividends

As at March 31, 2015, dividend amounting to ₹ 1.05 crores has not been claimed by shareholders. GRUH has been intimating the shareholders to lodge their claim for dividend from time to time.

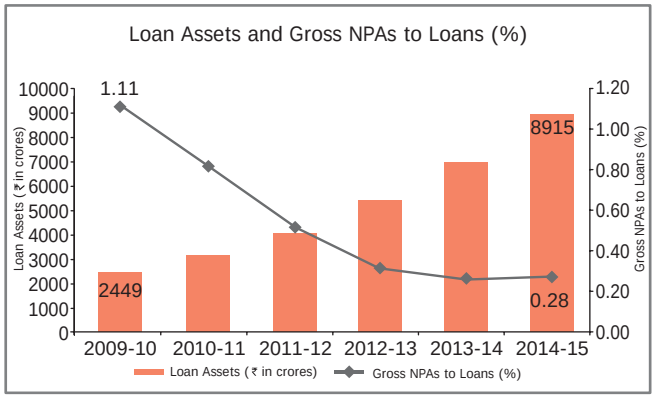
As per the provisions of Section 125 of the Companies Act, 2013, dividends remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be credited to the IEPF. Accordingly, unclaimed dividend amount of ₹ 4.47 lacs in respect of the financial year 2006-07 was transferred to IEPF during the year. Unclaimed dividend amounting to ₹ 5.78 lacs in respect of the financial year 2007-08 is due for transfer to IEPF in August 2015. In terms of Section 125 of the Companies Act, 2013, no claim would lie against the Company after the said transfer.

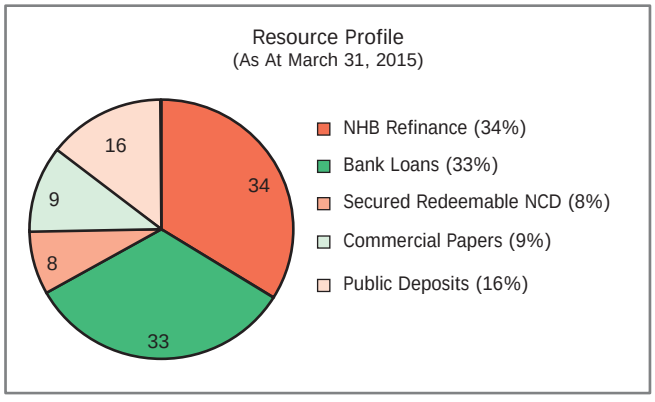
In terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has made the relevant disclosures to the Ministry of Corporate Affairs (MCA) regarding unclaimed dividends and unclaimed matured deposits along with interest accrued thereon. The Company has uploaded the prescribed information on *www.iepf.gov.in* and *www.gruh.com.*

Risk Management Framework

The Company has a Risk Management framework approved by the Board of Directors. Company's Risk Management framework provides the mechanism for risk assessment and mitigation. The Board has delegated responsibility of overseeing Risk Management framework to the Audit Committee. The Risk Management Committee (RMC) of the Company comprises the Managing Director, the Executive Director and members of Senior Management.

During the year, the RMC reviewed the risks associated with the business of the Company, its root causes and the efficacy of the measures taken to mitigate the same. Thereafter, the Audit Committee and the Board of Directors also reviewed the key risks associated with the business of the Company, the procedures adopted to assess the risks, efficacy and mitigation measures.





Investments

GRUH continues to maintain its Statutory Liquid Ratio (SLR) as stipulated by NHB. Accordingly, GRUH carried investments in approved securities aggregating to ₹ 172.37 crores as at March 31, 2015 to meet the requirement of the SLR. GRUH has classified its investments as long-term and valued them at cost. Adequate provision, towards loss, if any, to be experienced on redemption of investments on maturity has been made.

Human Resource Development

At GRUH, human resource development is considered vital for effective implementation of business plans. Constant endeavours are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. During the current year, in-house training programmes were provided to employees *inter alia* in lending operations, recoveries, KYC, IT system & security and accounts. Employees were also nominated to training programmes conducted by NHB and other institutions. 264 employees underwent different training programmes.

GRUH's staff strength as at March 31, 2015 was 579.

Particulars of Employees

GRUH had 2 employees as at March 31, 2015 employed throughout the year who were in receipt of remuneration of ₹ 60 lacs or more per annum.

In accordance with the provisions of Section 197 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of such employees are set out in the annex to the Directors' Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the Directors' Report is being sent to all shareholders of the Company excluding the annex. The annex is available for inspection by the members at the registered office of the Company during business hours on working days up to the date of ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the said annex may write to the Company Secretary at the registered office of the Company.

Changes in the Key Managerial Personnel (KMP)

During the year, Mr. Jayesh Jain, Chief Financial Officer (CFO) and KMP resigned from the Company w.e.f. August 19, 2014. Mr. Hitesh Agrawal who was holding the position of the Manager (Accounts) of the Company since October 2007, was appointed as the Chief Financial Officer (CFO) and KMP of the Company w.e.f. January 19, 2015.

Corporate Social Responsibility Initiatives

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules framed there under, the Company has a Corporate Social Responsibility Committee of Directors comprising Mr. S. M. Palia - Chairman, Mr. Rohit C. Mehta, Mr. Prafull Anubhai, Mr. S. G. Mankad and Mr. Sudhin Choksey and has *inter alia* also formulated a CSR Policy.

The role of the CSR Committee is to review the CSR policy, indicate activities to be undertaken by the Company towards CSR activities and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR initiatives.

During the year under review, your Company contributed and utilised ₹ 1.93 crores towards Corporate Social Responsibility Activities. The Annual Report on CSR Activities, which forms part of the Directors' Report is annexed as "Annexure A" to this report.

Employees Stock Option Schemes

The stock options granted to directors and eligible employees operate under the schemes ESOS-2011 and ESOS-2015. The disclosures as required under Clause 12 of the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999 read with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are made in "Annexure B" to this report.

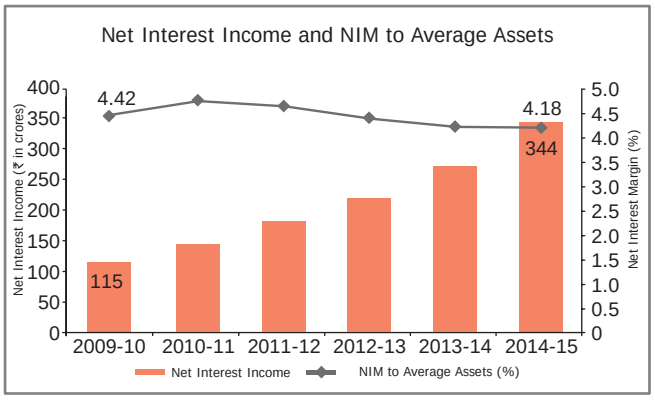
Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure

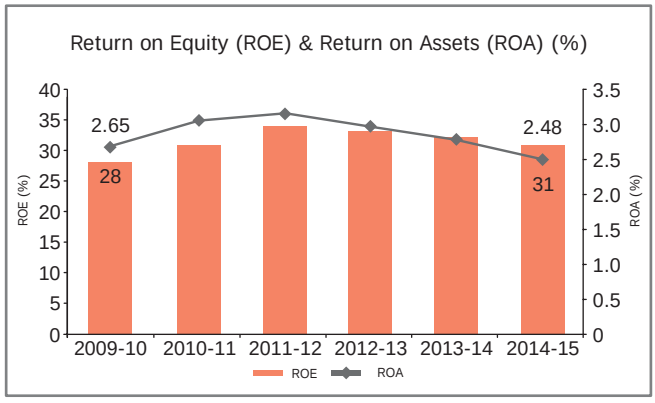
Particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts), 2014 are not applicable to GRUH. GRUH does not have any foreign exchange earnings and expenditure.

Directors

In accordance with Articles 134 and 135 of the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. K. G. Krishnamurthy, director of the Company is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment.

During the year, the Board of directors on the recommendations of the Nomination and Remuneration Committee had appointed Mr. Biswamohan Mahapatra as an Additional Director and an Independent director w.e.f. March 19, 2015 for a period of 3 continuous years for a term upto March 18, 2018, subject to the approval of the members in the general meeting.





The 5 year tenure of Mr. Kamlesh Shah as Executive Director came to an end on April 15, 2015. The Board of directors had, on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the members in the general meeting, re-appointed Mr. Kamlesh Shah as a whole-time director, designated as Executive Director effective April 16, 2015 for a period upto March 31, 2017 as per the terms specified in the draft agreement to be placed before the ensuing AGM.

Necessary resolutions for the appointment / re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and details of the proposal for appointment / re-appointment are mentioned in the explanatory statement of the notice.

Your directors commend 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.

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 C" to this report.

Auditors

At the 28TH Annual General meeting held on May 28, 2014, the members had appointed M/s Sorab S. Engineer & Co., Chartered Accountants, having registration number 110417W as the statutory auditors of the Company for a period of 3 years upto March 31, 2017, subject to them ratifying the said appointment at every AGM.

The Company has received a confirmation from M/s Sorab S. Engineer & Co., Chartered Accountants, to the effect that their appointment, if made, at the ensuing AGM would be in terms of Sections 139 and 141 of the Companies Act, 2013 and rules made there under. The board proposes to the members to ratify the said appointment of M/s Sorab S. Engineer & Co., Chartered Accountants.

Directors' Responsibility Statement

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013 and based on the information provided by the management, your directors state that:

i. In the preparation of annual accounts, the applicable accounting standards have been followed;

ii. Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;

iii. 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;

iv. The annual accounts of the Company have been prepared on a going concern basis.

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

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

Extract of Annual Return [Form No. MGT-9]

The details forming part of the extract of the Annual Return in Form MGT-9 is provided as "Annexure D" to this report.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M. C. Gupta of M/s M. C. Gupta & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure E".

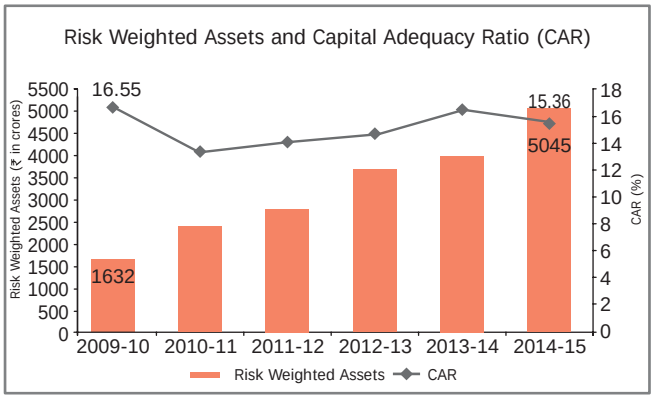
Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor in his report and by the Company Secretary in Practice in his Secretarial Audit Report

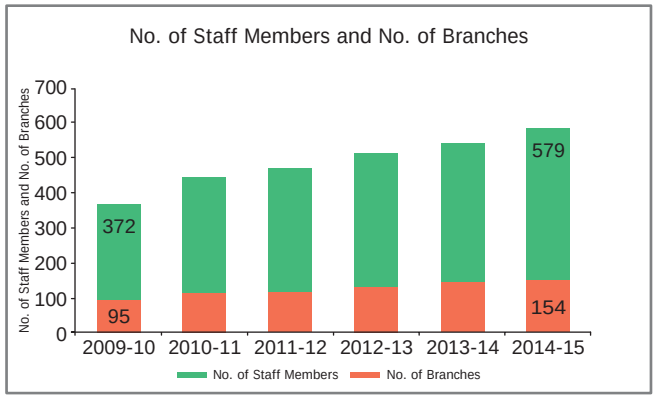
The Statutory Auditors have not given any qualification, reservation or made any adverse remarks or disclaimer in their Audit Report.

The Secretarial Auditor has not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.

Particulars of loans, guarantees or investments made

Since the Company is a housing finance Company, the disclosure regarding particulars of loans given, guarantees given and security provided is exempt under the provisions of Section 186 (11) of the Companies Act, 2013.





As regards investments made by the Company, the details of same are provided under Note 12 and Note 15 forming part of the Annual Accounts of the Company for the year ended March 31, 2015.

Particulars of Contracts or arrangements entered into with related parties

During the year, the Company has not entered into any contracts or arrangements with related parties which attracted the provisions of Section 188 of the Companies Act, 2013.

Material Changes, Details of Subsidiaries and Litigations

There has been no material changes and commitment, affecting the financial position of the Company which has occurred between the end of the financial year to which the financial statements relate and the date of the report.

The Company does not have any subsidiary. There has been no change in the nature of business of the Company.

No significant or material Orders have been passed by the regulators or Courts or Tribunals impacting the going concern status of the Company and / or the Company's operations in future.

Management Discussion and Analysis Report and Report of the Directors on Corporate Governance

In accordance with Clause 49 of the listing agreements, the Management Discussion and Analysis Report and the Report of the Directors on Corporate Governance form part of this report.

Acknowledgements

Your directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to GRUH. The employees have worked based on principles of honesty, integrity and fair play and this has helped GRUH in maintaining its growth. The directors also wish to place on record their appreciation to shareholders, depositors, referral associates, NHB, financial institutions and banks for their continued support.

On behalf of the Board of Directors

Mumbai
April 16, 2015

Keki M. Mistry
Chairman

ANNEXURE A TO DIRECTORS' REPORT - ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

   Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large. GRUH's CSR Policy is available on the Weblink : www.gruh.com/policies/CSR-Policy.pdf

   GRUH is committed to remaining a responsible corporate entity mindful of its social responsibilities and to make a positive impact in the society. As a responsible corporate entity, GRUH will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the following:-

   - ✓ To take up programmes that benefit the communities where it operates in enhancing the quality of life & economic well being of the local populace.
   - ✓ To serve the socially and economically weak, disadvantaged, underprivileged and destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.
   - ✓ To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to areas that have so far not been attended to.
   - ✓ To generate, through its CSR initiatives, a community goodwill for GRUH and help reinforce a positive & socially responsible image of GRUH as a corporate entity.

   During FY 2014-15, GRUH has undertaken various activities in the sectors of:

   (i) Promoting preventive health care by (a) providing Nutrition, Clothing & water harvesting structures for poor children in tribal areas; (b) providing Rain Roof water Harvesting Structures to poor families; sponsoring cataract surgeries for poor & needy patients; and operationalising Mobile Medicare Unit;

   (ii) Promoting Education by (a) providing education to differently abled children; (b) providing education to young children; and (c) conservation and renovation of school buildings and classrooms differently;

   (iii) Empowering women by (a) alleviating their poverty by creating income generation alternatives for women living in urban slums; and (b) Providing Seed Capital Assistance for women's Federation and self-Help Groups in rural area to be used for construction of Sanitation Units and as soft loans for Income Generation activities.

   (iv) GRUH has also made direct Contribution to PM National Relief Fund.

   (v) GRUH has initiated/carried out CSR activities in the states of Gujarat, Maharashtra, Rajasthan, Chhattisgarh and Madhya Pradesh through six different implementing agencies/NGOs as under :

   1. Samerth Charitable Tust, Ahmedabad
   2. YUVA Unstoppable, Ahmedabad
   3. Sanchetana Community Health & Research Centre, Ahmedabad
   4. Ambuja Cement Foundation, Mumbai
   5. Blind People's Association, Ahmedabad
   6. GVK EMRI, Hyderabad.

2. Composition of the CSR Committee: The CSR Committee comprises of the following directors :
   Mr. S. M. Palia- Chairman, Mr. Rohit C. Mehta, Mr. Prafull Anubhai, Mr. S. G. Mankad and Mr. Sudhin Choksey
3. Average net profit of the Company for last three financial years : ₹ 201.21 crores
4. Prescribed CSR Expenditure : The Company was required to spend ₹ 402.41 lacs towards CSR.
5. Details of CSR spend for the financial year :
   a. Total CSR Exepense Amount Committed During FY 2014-15 : ₹ 233.48 lacs
   b. Cumulative CSR Expense Incurred During FY 2014-15 : ₹ 193.02 lacs
   c. CSR Amount Committed as on March 31, 2015 but to be spent [(a)-(b)] : ₹ 40.46 lacs
   d. Amount unspent, if any : ₹ 209.39 lacs
   e. Manner in which the amount spent during the financial year is detailed below : As per "Annexure I".
6. Reason for not spending the amount at 5(d) :
   The clarification as regards contribution to a fund established by the holding Company was received in January, 2015. The CSR committee considered proposals for funding in all deserving cases.
   We state the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Managing Director | Chairman of CSR Committee

CSR initiatives of GRUH through implementing agencies



Stitching training provided by Sanchetana to women participants at Jamalpur, Ahmedabad



Support class for school dropouts run by Samerth Charitable Trust at Dist : Bilaspur, Chhattisgarh

Drinking Water Facilities at Motera Kumar Primary School at Motera District : Gandhinagar



Before GRUH's Funding



After GRUH's Funding

ANNEXURE I - 5 (e) MANNER IN WHICH THE AMOUNT SPENT DURING FY 2014-15 IS DETAILED BELOW:

(₹ in lacs)

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity identified	Sector in which Project is covered	Projects or Programs with location	Amount Outlay (Budget) Project or Program-wise	Amount spent on the projects or programs (1) Direct Expense & (2) Overhead	Cumulative Expense up to the reporting date	Amount spent direct or through implementing agency*
1.1	Eradicating hunger, poverty & malnutrition; Promoting preventive health care & sanitation; Making available safe drinking water;	Providing Nutrition	Provision of Nutrition, Clothing and Water harvesting structures for poor children in Bal Mitra Kendras-Bilaspur, Mungeli & Kabirdham districts of Chhattisgarh	12.36	8.51	8.51	Through Implementing Agency
1.2	Eradicating hunger, poverty & malnutrition; Promoting preventive health care & sanitation; Making available safe drinking water;	Promoting preventive health care	Construction of 200 RRWHS for poor families -- Nagaur & Pali districts of Rajasthan	50.40	50.40	58.91	Through Implementing Agency
1.3	Eradicating hunger, poverty & malnutrition; Promoting preventive health care & sanitation; Making available safe drinking water;	Promoting preventive health care	Sponsor 300 Cataract Eye Surgeries for poor people -- Bareja, Dist. Ahmedabad, Gujarat	5.40	5.40	64.31	Through Implementing Agency
1.4	Eradicating hunger, poverty & malnutrition; Promoting preventive health care & sanitation; Making available safe drinking water;	Promoting preventive health care	Operate a Mobile Medicare Unit in villages in the vicinity of Indore, Dist. Indore, M.P.	57.05	10.82	**75.13**	Through Implementing Agency
2.1	Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects	Providing education to differently abled children	Sponsor running day-care Centre for one year for differently abled children -Ahmedabad, Gujarat	4.08	4.08	4.08	Through Implementing Agency
2.2	Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects	Conservation & Renovation of school buildings and classrooms	Conservation & Renovation of school buildings, class-rooms, sanitation area, drinking water area and dish washing area of four Municipal Schools at Ahmedabad, Gujarat	20.00	20.00	24.08	Through Implementing Agency
2.3	Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects	Providing education to differently abled children	Sponsor annual recurring expenses for running an inclusive school for differently abled children-Bavla, Dist. Ahmedabad, Gujarat	8.24	8.24	32.32	Through Implementing Agency
2.4	Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects	Providing education to young children	Sponsor annual recurring expenses for running five Early Childhood Education (ECE) Centres for poor children -- Ahmedabad, Gujarat	6.60	6.60	**38.92**	Through Implementing Agency
3.1	Promoting gender equality and empowering women, reducing inequalities faced by socially and economically backward groups	Empowering Women	Alleviate Poverty by creating Income Generation Alternatives for women in Slum Clusters of Ahmedabad, Gujarat	9.35	9.35	9.35	Through Implementing Agency
3.2	Promoting gender equality and empowering women, reducing inequalities faced by socially and economically backward groups	Empowering Women	Provide Seed Capital Assistance to Women's Federation Gadhchandur, - Dist. Chandrapur, Maharashtra	10.00	10.00	**19.35**	Through Implementing Agency
4	Contribution to PM National Relief Fund	Contribution to PM National Relief Fund	Contribution to PM National Relief Fund	50.00	50.00	**50.00**	Direct
5	Expense on Administration of CSR Activities					**9.62**	
	GRAND TOTAL FOR COLUMN NO. 7 (1.4 + 2.4 + 3.2 + 4 + 5)					**193.02**	

ANNEXURE B TO DIRECTORS' REPORT

Disclosure pursuant to Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and relevant provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Details of stock options granted, vested, exercised and lapsed during the year under review are as under :

Scheme(s)	Grant Price (₹)	Options Granted	Options Vested	Options Exercised and shares alloted	Options Lapsed	Total Options in force as on March 31, 2015#
ESOS - 2011-Tr I	317.85	-	-	2,84,546*	9,228	35,013
ESOS - 2011-Tr II	548.80	-	11,116	27,682*	-	4,068
ESOS - 2015	268.20	45,00,000	-	-	-	45,00,000

* Ten (10) shares of ₹ 2 were allotted on exercise of one (1) stock option in view of the share split and bonus.

\# Total options in force is a total of options vested and not yet exercised and options not yet vested.

Other details are as under :

Options granted during the year :	During the year, the Company granted 45,00,000 stock options on January 30, 2015 under ESOS 2015 (each option carrying entitlement for one share of the face value of ₹ 2) to the eligible employees at a grant price of ₹ 268.20 per share.
Pricing formula for the Scheme(s) :	ESOS 2015 : The closing price on January 29, 2015 on the National Stock Exchange Ltd. (NSE) was taken as grant price this was the latest available closing price on the stock exchange having higher trading volume.
Money realised by exercise of options :	The Company received ₹ 9.94 crores on account of stock options exercised during the year.
Details of options granted to : (i) Directors & Senior managerial personnel; (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; (iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant :	ESOS 2015 : (i) 16,99,000 options were granted to Directors and senior managerial personnel of the Company (ii) Mr. Sudhin Choksey, Managing Director was granted 3,00,000 options amounting to 6.67% of total options granted during the year. (iii) No Employee has been granted options equal to or exceeding 1% of the issued equity share capital of the Company.
Variation of terms of options :	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) – 20 :	₹ 5.57
Disclosure of difference between the employee compensation cost using intrinsic value of stock options instead of fair value of the options and the impact of difference on profits and on EPS of the Company :	ESOS 2011 Tranche I; ESOS 2011 Tranche II and ESOS 2015 : Since the options were granted at the market price, the intrinsic value of the option is Nil. Consequently the accounting value of the option (compensation cost) was also Nil. However, if fair value of the options according to Black-Scholes–Mertons Option Pricing Model was to be used for calculating the accounting value of the option, the compensation cost would have been ₹ 1.91 crores, the profit after tax would have been lesser by ₹ 1.91 crores and basic and diluted EPS would have been ₹ 5.52 & ₹ 5.51 respectively.
Weighted average exercise prices and weighted average fair values of options :	ESOS 2011 Tranche I: All the options were granted at an exercise price of ₹ 317.85 per option and hence the weighted average price is ₹ 317.85 per option. The weighted average fair value of the option (using the Black-Scholes–Mertons Option Pricing Model) works out to ₹ 51, ₹ 67 and ₹ 75 for the options vested on February 10, 2012, February 10, 2013 and February 10, 2014 respectively.

ESOS 2011 Tranche II:
All the options were granted at an exercise price of ₹ 548.80 per option and hence the weighted average price is ₹ 548.80 per option. The weighted average fair value of the option (using the Black-Scholes–Mertons Option Pricing Model) works out to ₹ 70, ₹ 101 and ₹ 116 for the options vested on October 25, 2012 and October 25, 2013 and October 25, 2014 respectively.

ESOS 2015 :
All the options were granted at an exercise price of ₹ 268.20 per option and hence the weighted average price is ₹ 268.20 per option. The weighted average fair value of the option (using the Black-Scholes–Mertons Option Pricing Model) works out to ₹ 35, ₹ 51 and ₹ 64 for the options vesting on January 30, 2016, January 30, 2017 and January 30, 2018 respectively.

A description of the method and significant assumptions used during the year to estimate the fair values of options, at the time of grant including the following weighted average information: (a) risk free interest rate (b) expected life (c) expected volatility of share price (d) dividend yield rate (e) the price of underlying share in the market at the time of option grant :

ESOS – 2011 Tranche I:

Assumption Parameters	February 10, 2012	February 10, 2013	February 10, 2014
Risk free interest rate (%)	7.54	7.65	7.85
Expected life (days)	455	821	1186
Expected volatility of share price (%)	30	30	30
Dividend yield rate (%)	2.20	2.90	3.75
Market price of equity shares on the date of grant ranged from	₹ 316 to ₹ 330	₹ 316 to ₹ 330	₹ 316 to ₹ 330

ESOS – 2011 Tranche II

Assumption Parameters	October 25, 2012	October 25, 2013	October 25, 2014
Risk free interest rate (%)	8.65	8.69	8.61
Expected life (days)	366	731	1096
Expected volatility of share price (%)	25	25	25
Dividend yield rate (%)	2.20	2.90	3.75
Market price of equity shares on the date of grant ranged from	₹ 545 to ₹ 559	₹ 545 to ₹ 559	₹ 545 to ₹ 559

ESOS – 2015

Assumption Parameters	January 30, 2016	January 30, 2017	January 30, 2018
Risk free interest rate (%)	7.77	7.74	7.73
Expected Life (days)	455	821	1186
Expected Volatility (%)	20.00	20.00	20.00
Dividend Yield Rate (%)	0.80	1.00	1.10
Market price of equity shares on the date of grant ranged from	₹ 266 to ₹ 277	₹ 266 to ₹277	₹ 266 to ₹ 277

ANNEXURE C TO DIRECTORS' REPORT - DISCLOSURES ON MANAGERIAL REMUNERATION

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

a : No of permanent employees on the rolls of the Company : 579

b : The percentage increase in the median remuneration of employees in FY 2015 stood at 15.03%.

c : Relationship between the average increase in remuneration and the Company's performance:

Given below are key financial parameters which reflected the Company's performance.

Parameters	March 31, 2014 (₹ in crores)	March 31, 2013 (₹ in crores)	Growth %
Loan Assets	7,009.04	5,437.80	29
NIM	270.66	217.75	24
Operating Profit	246.18	197.54	24
Profit Before Tax	244.46	196.81	24
Profit After Tax	176.96	145.88	21
EPS (adjusted for Bonus and Split)	4.93	4.11	20
Market Capitalisation	5,319	3,753	42
Gross NPAs %	0.27	0.32	-
Cost to Income Ratio %	18.69	19.26	-
Return on Equity %	32.23	33.28	-

d : Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration.

The average increase in the remuneration of all employees was 15.73% for the FY 2013-14. The average increase in remuneration of the Key managerial personnel was 17.26%.

The average increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the overall performance of the Company. Further, the criteria for remuneration of non-managerial personnel is based on an internal evaluation of key performance areas (KPAs), while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the board of directors.

There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

e : Percentage increase in the remuneration of each director and key managerial personnel in FY 2015 is given below. Further details are given in MGT-9.

Names	Designation	Increase in Remuneration (%)
Mr. Keki M. Mistry - Chairman	Non-Executive	188.89
Ms. Renu S. Karnad	Non-Executive	216.67
Mr. K. G. Krishnamurthy	Non-Executive	266.67
Mr. S. M. Palia	Independent	296.30
Mr. Rohit C. Mehta	Independent	76.47
Mr. Prafull Anubhai	Independent	171.21
Mr. S. G. Mankad	Independent	171.11
Mr. Biswamohan Mahapatra@	Independent	-
Mr. Kamlesh Shah	Executive Director	17.55
Mr. Sudhin Choksey	Managing Director	16.87
Mr. Marcus Lobo	Company Secretary	15.99
Mr. Hitesh Agrawal ^	CFO	20.51
Mr. Jayesh Jain*	CFO	16.28

@ Mr. Biswamohan Mahapatra was appointed as director w.e.f. March 19, 2015
^ Mr. Hitesh Agrawal Appointed w.e.f. January 19, 2015
* Mr. Jayesh Jain Resigned w.e.f. August 19, 2014

f : Remuneration of each director to the median employees' remuneration (times) for FY 2015 :

Name	Designation	Remuneration of Directors' to median employees' remuneration (times)
Mr. Keki M. Mistry - Chairman	Non-Executive	0.92
Ms. Renu S. Karnad	Non-Executive	0.22
Mr. K. G. Krishnamurthy	Non-Executive	0.65
Mr. S. M. Palia	Independent	1.25
Mr. Rohit C. Mehta	Independent	1.06
Mr. Prafull Anubhai	Independent	2.10
Mr. S. G. Mankad	Independent	1.43
Mr. Biswamohan Mahapatra*	Independent	0.09
Mr. Kamlesh Shah	Executive Director	19.69
Mr. Sudhin Choksey	Managing Director	59.29

* Mr. Biswamohan Mahapatra was appointed as director w.e.f. March 19, 2015

g : 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

The market capitalisation of the Company increased by 67%, from ₹ 5,319 crores as at March 31, 2014 to ₹ 8,867 crores as at March 31, 2015. The price to earnings ratio increased by 46%, from 29.95 times as at March 31, 2014 to 43.80 times as at March 31, 2015.

In the year 2006, the Company came out with an Issue of fully paid equity shares of the face value of ₹ 10 each at a premium of ₹ 65 per share to existing shareholders on Rights basis in ratio of 3 shares for every 10 shares held on record date. The total issue at a price of ₹ 75 each aggregated to ₹ 59.63 crores. In 2012, the shares of the Company were split (each share of face value of ₹ 10 split into 5 shares of face value of ₹ 2 each). In 2014, the Company had a 1:1 bonus issue of equity shares.

The equity shares of the Company closed at ₹ 244 on National Stock Exchange of India Limited and at ₹ 243.10 on BSE Limited on March 31, 2015, representing an increase of 3,153% since the date of last Rights Issue (after adjustment for split and bonus).

h : Key parameters for any variable component of remuneration availed by the directors

There was no variable component in form of Commission payment to Non-Executive Directors during FY 2014-15. However the Independent Directors would be eligible for payment of variable component in the form of Commission as approved by the members at the 28th AGM held on May 28, 2014. The Non-Executive Non Independent Directors shall not be eligible for variable component in the form of Commission. However, these directors have been granted Stock Options. Mr. Keki M. Mistry, Ms. Renu S. Karnad and Mr. K. G. Krishnamurthy have been granted 75,000 stock options each, under ESOS 2015.

i : There were no employees (who are not directors) who received remuneration in excess of the highest paid director of the Company during the year.

ANNEXURE D TO DIRECTORS' REPORT - "FORM NO. MGT-9" - EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015

[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:

1.	CIN	L65923GJ1986PLC008809
2.	Registration Date	July 21, 1986
3.	Name of the Company	GRUH Finance Limited
4.	Category / Sub-Category of the Company	Public Company limited by shares
5.	Whether listed Company	Yes
6.	Address of the Registered office and contact details:	"GRUH", Netaji Marg, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006 Tel : 079–3290 1222 - 1223; Fax : 079-2656 0649 Website : www.gruh.com Email : investorcare@gruh.com
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Pvt. Limited 303, Shopper's Plaza-V, Opp. Municipal Market, Off. C. G. Road, Navrangpura, Ahmedabad - 380009 Telephone : +91 79 2646 5179 Fax No.: +91 79 2646 5179 Email id: ahmedabad@linkintime.co.in

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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Housing Finance	65923	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1	Housing Development Finance Corporation Ltd. Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai - 400 020.	L70100MH1977PLC019916	Holding	58.64%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			% of Total Shares	No. of Shares held at the end of the year			% of Total Shares	% Change during the year
	Demat	Physical	Total		Demat	Physical	Total		
A. Promoters									
(1) Indian									
a. Individual/HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	106538925	-	106538925	59.15	213077850	-	213077850	58.64	-0.51
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	106538925	-	106538925	59.15	213077850	-	213077850	58.64	-0.51
(2) Foreign									
a. NRIs - Individuals	-	-	-	-	-	-	-	-	-
b. Other – Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters A (1+2)	106538925	-	106538925	59.15	213077850	-	213077850	58.64	-0.51
B. Public Shareholding									
(1) Institution									
a. Mutual Funds	1202384	-	1202384	0.67	7597369	-	7597369	2.09	1.42
b. Bank/ FI	2390	7000	9390	0.00	487317	14000	501317	0.14	0.14
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	500000	-	500000	0.28	1000000	-	1000000	0.28	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	30830897	625000	31455897	17.46	44871811	1250000	46121811	12.69	-4.77
h. Foreign Venture Cap. Fund	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	32535671	632000	33167671	18.41	53956497	1264000	55220497	15.20	-3.21
(2) Non-Institution									
a. Bodies Corporate	3145267	19815	3165082	1.76	9133883	39630	9173513	2.52	0.76
b. Individuals									
i. individual shareholders holding nominal share capital upto ₹1 lac	20695695	2773425	23469120	13.03	45278583	4940798	50219381	13.82	0.79
ii. individual shareholders holding nominal share capital excess of ₹ 1 lac	8295731	-	8295731	4.60	23030992	-	23030992	6.34	1.74
c. Others									
i. NRI	5454817	3000	5457817	3.03	12486954	6000	12492954	3.44	0.41
ii. OCB		-	1500	1500	0.00	-	2000	2000	0.00 -
iii. Trust	35304	-	35304	0.02	167393	-	167393	0.05	0.03
Sub-Total (B) (2)	37626814	2797740	40424554	22.44	90097805	4988428	95086233	26.17	3.73
Total Public Share Holding B (1+2)	70162485	3429740	73592225	40.85	144054302	6252428	150306730	41.36	0.51
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	176701410	3429740	180131150	100.00	357132152	6252428	363384580	100.00	-

ii. Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	Housing Development Finance Corporation Ltd.	106538925	59.15	-	213077850	58.64	-	-0.51
	Total	106538925	59.15	-	213077850	58.64	-	-0.51

iii. Change in Promoter's Shareholding (Please specify, if there is no change)

Note: There is no change in the number of shares held by the promoter of the Company - HDFC Ltd. However, the percentage of the shareholding has changed during the year due to 1:1 Bonus Issue of equity shares allotted on June 11, 2014 and due to various allotments of equity shares made during the year under the ESOS Scheme of the Company.

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning of the year		Increase / Decrease in Share-holding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Smallcap World Fund, INC						
	April 01, 2014	5450000	3.02				
	June 30, 2014			5450000	1.51	10900000	3.02
	Sept 30, 2014			Nil	Nil	10900000	3.02
	Dec 31, 2014			Nil	Nil	10900000	3.02
	March 31, 2015			2280299	0.65	8619701	2.37
2	Wasatch International Growth Fund						
	April 01, 2014	2475083	1.37				
	June 30, 2014			2475083	0.69	4950166	1.37
	Sept 30, 2014			Nil	Nil	4950166	1.37
	Dec 31, 2014			-1561470	-0.44	3388696	0.93
	March 31, 2015			-3388696	-0.93	Nil	Nil
3	Route One Investment Company, L.P. A/c. Route One Fund I, L.P.						
	April 01, 2014	2047623	1.14				
	June 30, 2014			2099995	0.58	4147618	1.15
	Sept 30, 2014			22076	0.00	4169694	1.15
	Dec 31, 2014			-887987	-0.25	3281707	0.90
	March 31, 2015			-373708	-0.10	2907999	0.80
4	Route One Investment Company, L.P. A/c. Route One Offshore Master Fund L.P.						
	April 01, 2014	1872490	1.04				
	June 30, 2014			1821472	0.51	3693962	1.03
	Sept 30, 2014			-23472	-0.02	3670490	1.01
	Dec 31, 2014			-552040	-0.15	3118450	0.86
	March 31, 2015			-275858	-0.08	2842592	0.78
5	Acacia Partners, L.P.						
	April 01, 2014	1848000	1.03				
	June 30, 2014			1848000	0.51	3696000	1.03
	Sept 30, 2014			-2112000	-0.59	1584000	0.44
	Dec 31, 2014			Nil	Nil	1584000	0.44
	March 31, 2015			Nil	Nil	1584000	0.44

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (contd) :

Sr. No.	Name	Shareholding at the beginning of the year		Increase / Decrease in Share-holding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	Matthews Asia Small Companies Fund						
	April 01, 2014	1704502	0.95				
	June 30, 2014			1241190	0.34	2945692	0.82
	Sept 30, 2014			-137215	-0.01	2808477	0.77
	Dec 31, 2014			-158709	-0.04	2649768	0.73
	March 31, 2015			-485476	-0.13	2164292	0.60
7	Dr. Sanjeev Arora						
	April 01, 2014	1422864	0.79				
	June 30, 2014			1422864	0.39	2845728	0.78
	Sept 30, 2014			Nil	Nil	2845728	0.78
	Dec 31, 2014			Nil	Nil	2845728	0.78
	March 31, 2015			Nil	Nil	2845728	0.78
8	India Emerging Opportunities Fund Ltd						
	April 01, 2014	1165792	0.65				
	June 30, 2014			836225	0.23	2002017	0.56
	Sept 30, 2014			-34997	-0.01	1967020	0.55
	Dec 31, 2014			15373	0.01	1982393	0.55
	March 31, 2015			-41142	-0.02	1941251	0.53
9	Ward Ferry Management Ltd						
	April 01, 2014	1118262	0.62				
	June 30, 2014			523462	0.15	1641724	0.45
	Sept 30, 2014			Nil	Nil	1641724	0.45
	Dec 31, 2014			-1641724	-0.45	Nil	Nil
	March 31, 2015			Nil	Nil	Nil	Nil
10	Acacia Institutional Partners, L.P.						
	April 01, 2014	1075500	0.60				
	June 30, 2014			1075500	0.30	2151000	0.60
	Sept 30, 2014			-1007000	-0.29	1144000	0.31
	Dec 31, 2014			Nil	Nil	1144000	0.31
	March 31, 2015			440000	0.13	1584000	0.44

Note: The Allotment of 1:1 Bonus Shares was made on June 11, 2014.

v. Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name of the Director/KMP	Shareholding at the beginning of the year on April 1, 2014		No. of shares purchased (allotted pursuant to exercise of ESOS) and/or Bonus entitlement during the year)	No of shares sold / transferred during the year	Shareholding at the end of the year on March 31, 2015	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	Mr. Keki M. Mistry	166450	0.09	166450	-	332900	0.09
2	Ms. Renu S. Karnad	196115	0.11	196115	-	392230	0.11
3	Mr. K. G. Krishnamurthy	194525	0.11	194525	-	389050	0.11
4	Mr. S. M. Palia	107000	0.06	105000	12000	200000	0.06
5	Mr. Rohit C. Mehta	165000	0.09	165000	40000	290000	0.08
6	Mr. Prafull Anubhai	27500	0.02	151300	30800	148000	0.04
7	Mr. S. G. Mankad	65000	0.04	65000	-	130000	0.04
8	Mr. Biswamohan Mahapatra	0	0.00	-	-	0	0.00
9	Mr. Kamlesh Shah	147973	0.08	252973	67000	333946	0.09
10	Mr. Sudhin Choksey	281863	0.16	476863	171260	587466	0.16
11	Mr. Marcus Lobo	111500	0.06	228500	35000	305000	0.08
12	Mr. Hitesh Agrawal +	30000	0.00	-	-	30000	0.01
13	Mr. Jayesh Jain ++	104402	0.06	104402	19377	189427	0.06

* Date wise increase / decrease in shareholding of directors and the KMPs is available on the website of the National Stock Exchange of india Limited and the BSE Limited.

\+ Appointed with effect from January 19, 2015 and hence the opening balance is of January 19, 2015.

++ Resigned with effect from August 19, 2014 and hence the closing balance is till August 19, 2014.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in crores)

	Particulars	Secured Loans excluding Public Deposits	Unsecured Loans	Public Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
1)	Principal Amount	4,954.62	490.00	1,002.88	6,447.50
2)	Interest due but not paid	0.00	0.00	0.00	0.00
3)	Interest accrued but not due	13.37	0.07	36.18	49.62
	Total (1+2+3)	4,967.99	490.07	1,039.06	6,497.12
Net Change in Indebtedness		1,173.23	295.00	301.67	1,769.90
Indebtedness at the end of the financial year					
1)	Principal Amount	6,138.48	785.00	1,292.11	8,215.59
2)	Interest due but not paid	0.00	0.00	0.00	0.00
3)	Interest accrued but not due	2.74	0.07	48.62	51.43
	Total (1+2+3)	6,141.22	785.07	1,340.73	8,267.02

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: (₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Mr. Sudhin Choksey	Mr. Kamlesh Shah	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	130.00	47.68	177.68
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	7.25	2.75	10.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option (**)	3.00	1.25	4.25
3	Sweat Equity	-	-	-
4	Commission			
	- As % of Profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify			
	Contribution to Provident Fund	7.80	3.46	11.26
	Ex-gratia	105.00	30.00	135.00
	Total (A)	250.05	83.89	**333.94**
	Ceiling as per the Act :			3,022.74

During the year, Mr. Sudhin Choksey and Mr. Kamlesh Shah, had exercised stock options amounting to ₹ 61.98 lacs and ₹ 33.37 lacs respectively.

(**) Number of Stocks options granted during the year under ESOS-2015. Each option reprensents one equity share of ₹ 2 each.

B. Remuneration of other directors : (₹ in lacs)

Name of Directors	Particulars of Remuneration			
	Fees for attending board / committee meetings	Commission paid for financial year*	Others, please specify	Total
Mr. Keki M. Mistry - Chairman	3.90	-	-	3.90
Ms. Renu S. Karnad	0.95	-	-	0.95
Mr. K. G. Krishnamurthy	2.75	-	-	2.75
Mr. S. M. Palia	5.35	-	-	5.35
Mr. Rohit C. Mehta	4.50	-	-	4.50
Mr. Prafull Anubhai	8.95	-	-	8.95
Mr. S. G. Mankad	6.10	-	-	6.10
Mr. Biswamohan Mahapatra^	0.40	-	-	0.40
Total (B)	32.90	-	-	**32.90**
Ceiling as per the Act :				302.27

Total (A+B)	**366.84 lacs**

Mr. Keki M. Mistry, Ms. Renu S. Karnad and Mr. K. G. Krishnamurthy were granted 75,000 stock options each, under ESOS 2015.

* The commission for 2014-15 will be paid to the Directors after the financial statements are adopted by the shareholders at the 29th AGM.

^ appointed w.e.f. March 19, 2015.

C. Remuneration to Key Managerial Personnel Other than MD/WTD/Manager (₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of KMP			Total Amount
		Mr. Marcus Lobo	Mr. Hitesh Agrawal + (w.e.f Jan. 19, 2015)	Mr. Jayesh Jain ++ (upto Aug. 19 2014)	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	25.61	9.58	9.99	45.18
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.92	2.50	1.95	6.37
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option(**)	0.75	0.51	-	1.26
3	Sweat Equity	-	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-	-
5	Others, please specify Contribution to Provident Fund	1.73	0.53	0.67	2.93
	Performance Bonus	6.25	2.50	6.75	15.50
	Total	35.51	15.11	19.36	69.98

During the year, Mr. Marcus Lobo had exercised stock options amounting to ₹ 37.19 lacs.

(**) Number of Stocks options granted during the year under ESOS-2015. Each option reprensents one equity share of ₹ 2 each.

\+ Appointed w.e.f. January 19, 2015.

++ Resigned w.e.f. August 19, 2014.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

During the year under review, the Company or any of its Directors were not liable for any penalty, punishment or any compounding offences under the Companies Act, 2013.

ANNEXURE E TO DIRECTORS' REPORT - SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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

To,

The Members,

Gruh Finance Limited,

"GRUH", Netaji Marg,

Near Mithakhali Six Roads,

Ellis Bridge, Ahmedabad – 380 006

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gruh 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 my opinion thereon.

Based on our verification of the Gruh Finance Limited'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, 2015 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 GRUH Finance Limited (CIN: L65923GJ1986PLC008809) ("the Company") having its Registered Office at "GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellis Bridge, Ahmedabad – 380 006 for the financial year ended on 31st March, 2015 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;

(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 (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) 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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the Audit Period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

(vi) The Company has materially complied with the following specifically other applicable laws to the Company:

(a) National Housing Bank (NHB) Act, 1987;

(b) NHB (Housing Finance Companies) Directions, 2010; and

(c) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act , 2002

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the Audit Period)

(ii) Listing Agreement clauses.

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. C. Gupta & Co,
Company Secretaries,

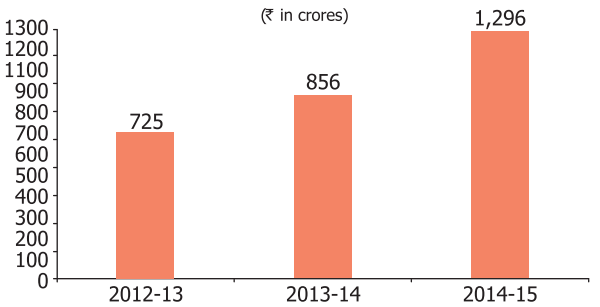
Place :Ahmedabad
Date : April 16, 2015

Mahesh C. Gupta
FCS: 2047 (CP: 1028)

GRUH FINANCE LIMITED
We help you build homes

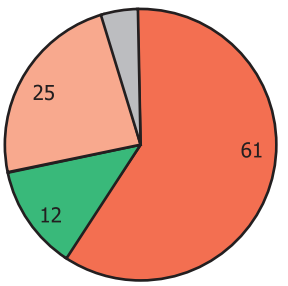
GRUH's RURAL FOCUS

Disbursements under Golden Jubilee Rural Housing Finance Scheme

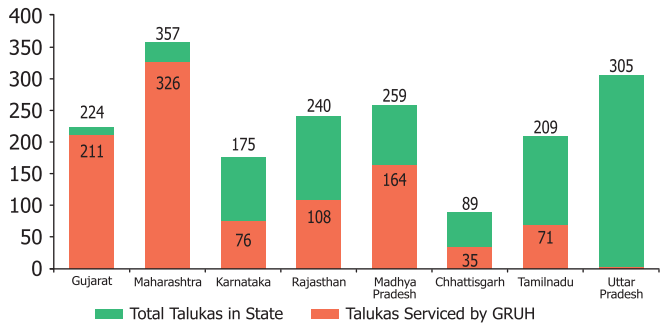


Disbursements under Rural Housing Fund Scheme (Since April 1, 2007)

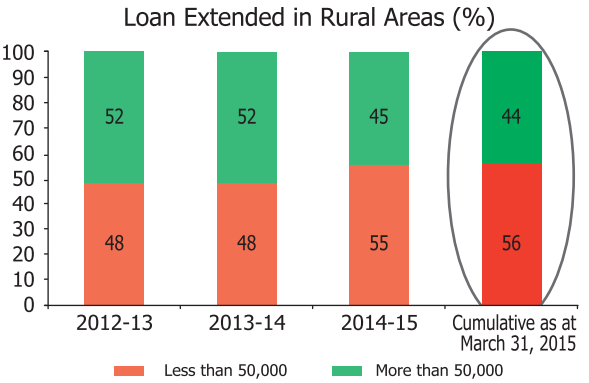
Category of Customers	₹ in crores	%	
Individuals in Rural areas with annual income up to ₹ 2 Lacs	911	61	
Backward Class	185	12	
Women	375	25	
Minority Community	33	2	
Total	**1,504**	**100**	



Taluka Penetration - Customers being Serviced



Loan Extended in Rural Areas (%)



GRUH FINANCE LIMITED
We help you build homes

Customer delight

The enduring route to customer retention with recurring and incremental growth

For GRUH a customer value proposition has never been a mere product pitch or pricing ploy. It has always been Service.

Resolution of customer issues and needs with minimum possible delay help to win confidence and make field operations cost effective and productive. At the same time standardization and continuity are ensured through rigorous norms which are vital for a direct-to-customer lending institution.

We keep encouraging our sales force to engage, push boundaries and ask questions. Because every customer has a story to tell and many of them come from places you may not find on a map. So if we get caught up in product differentiation it would be a non-starter. Interest rates are almost a given and so are the terms of repayment. So what really differentiates and delights is the quality of the customer interface, rapid follow up and ongoing service.

It is another matter that the smile on the customer's face could have been a lot more satisfying if some of the macro initiatives could have fallen into place during the year. We have yet to see property prices come down. Annual property sales are estimated at 30% lower compared to previous years. The financial year has been a disappointment across sectors. Anticipating the slow pace, GRUH has drawn up a strategy to expand retail offices to 12 new locations including the most populous state of Uttar Pradesh. Bihar and Jharkhand could well be on GRUH's widening radius.



'Thanks to GRUH and my 8 year old son'

GRUH-ini ***Geeta Desai***

My husband works in a power house and the school is very far. My son refused to go by school bus without me. So I asked my husband to buy a small car and I started dropping him and bringing him back.
Soon parents in our Society asked me to drop their children. From 9 children I now have 3 buses and 1 other vehicle. I drop about 450 students and my husband has joined my business. Our first GRUH loan was for a 1 BHK, but now we are moving up to 2 BHK in the same building. And of course, the same housing finance company.



'Who cares for people like us?'

GRUH-ini ***Vandana Chavan***

My husband drives a rickshaw and his income was too low. I decided to supplement his income with tailoring work.
We were both earning but whichever bank we contacted refused to help with a housing loan.
We could have lost the chance to build our own house, but someone told us to try GRUH.
They gave us the loan to build our house and we could pay all the vendors on time.
Today my son is in college and we are a proud happy family.



'My wife made it possible'

Husband of GRUH-ini ***Mamta Khatri***

I repair gas stoves and small appliances. When we took our 1st loan of Rs. 3 Lacs my wife started tailoring work. But we always felt that our house was very old and we dreamed of getting a proper house. GRUH said they could not give us a Rs.12 Lac loan,
but they did not reject us outright. They suggested that my wife could be added as a co-borrower. Who would not be proud of a wife like mine?
She made it possible for me to get a loan and today we stay in our own ground + 1 house.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Overview

The new government at the centre has infused optimism in the sentiments in general. The Reserve Bank of India has managed to bring down the CPI inflation to 6% from the double digit level of inflation which persisted over the previous two years. A large part of disinflation has been on account of the slump in international crude oil prices. The Union Budget has also announced initiatives to boost investment. As a result, the outlook for the GDP growth has improved.

However, the unseasonal rains and hailstorms during the last month could have adverse impact on the agriculture and CPI inflation. Hence, what remains to be seen is the pace with which the acceleration takes place without increasing the inflation.

The Reserve Bank of India, in its endeavours to boost the pace of growth, reduced repo rate twice during the year. In its recent bi-monthly policy, RBI has also indicated that it will continue to be accommodative in further easing of the rates if the inflation remains within the acceptable range and transmission to lending rates.

It is therefore expected that the credit growth which had declined to 9% - lowest in the decade from 14% during the previous year; is likely to improve during the new financial year. The asset quality which had deteriorated in general across the banking sector during the year under review, is expected to remain weak until economic growth gathers momentum. Even, net-interest margins are expected to follow the similar pattern after experiencing decline by the banking sector.

During the year, the regulator for Housing Finance Companies (HFC)-National Housing Bank (NHB) stipulated that HFCs are required to create Deferred Tax Liability in respect of Special Reserve being created by HFCs. As a result, the reported Profit After Tax (PAT) gets adversely impacted. GRUH is of the opinion that generally HFCs would not be required to utilise Special Reserve since specific provisions towards Standard Loan Assets and Non Performing Loans are being made. Hence, in all probabilities, such creation of Deferred Tax Liability will not get crystallized in the long term period but HFCs will report lower PAT due to such accounting entry.

Market Scenario

There has been no change in the status of demand in the real estate sector and inventory of unsold properties had bulged to an all time high level. As a result, most of the lenders stepped up the disbursals of loans against existing properties. The spurt in mortgage loans, at a time when the economy has been at its lowest ebb; could prove difficult while effecting recoveries. Hence the risks have increased in the housing finance market when the demand for new residential properties is very sluggish and property valuations have increased. The market scenario has become much more discouraging and it is expected that the scenario might not change for a further period of 12 to 15 months.

However, in line with the Central Government's Housing for all – 2022 programme, various State Governments have taken up housing projects in the affordable segment through their agencies viz. Municipal Corporations, Housing Boards, Development Authorities or through specialised agencies set up for the purpose.

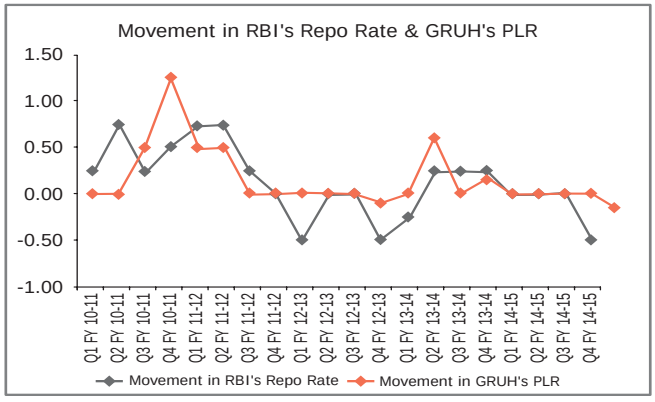
GRUH is working with these agencies and lending to beneficiaries who are in the EWS and LIG segment. GRUH has been trying to minimise the risk while lending to these segments as much as possible by entering into Tripartiate agreements wherein the government agencies are a party.

Loan Products

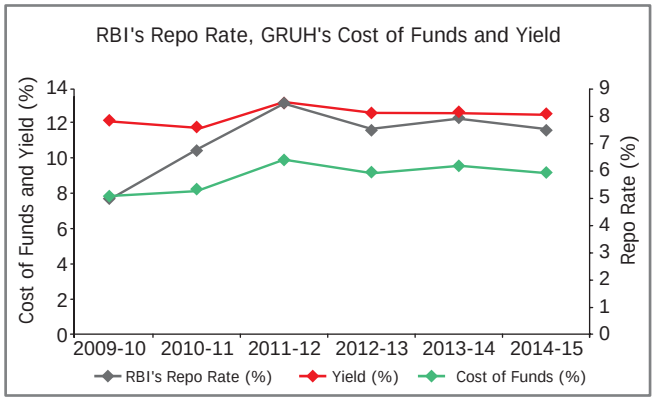
GRUH's major focus has been to provide home loans to individuals and families for purchase, construction and extension. GRUH also provides loans for repair and renovation of houses and home loans to families in the self-employed category where formal income proofs are not easily available and the repayment capacity of such families are appraised based on their cash flows. Apart from extending home loans, GRUH offers loans for purchase and construction of non-residential properties (NRP) and also offers mortgage loans against existing residential and commercial properties. GRUH offers developer loans on a selective basis.

Home loan products are being offered at variable and fixed rates, giving customers an option to decide on the type of interest rate risk. Customers are also offered an option to select the mode of calculation of interest on loans, since GRUH offers loans on annual, monthly and daily rest basis.

GRUH also offers loans with a credit guarantee cover wherein the loans are guaranteed by the Credit Risk Guarantee Fund Trust (CRGFT) set up by the Government of India. The selection criteria for loans which can be guaranteed by the CRGFT are laid down by the Government of India and loans are identified by GRUH which meet these specific criteria.



Source : RBI



Source : RBI

GRUH also offers home loans under the Rural Housing Fund (RHF) scheme of NHB wherein loans are given in rural areas for select categories viz. Backward classes or Minority Community or Women owners or families having annual household income less than ₹ 2 lacs. Since NHB offers refinance at concessional rate of interest under the scheme, the ultimate rate of interest applicable on loans to beneficiaries is regulated with a cap on the spread.

GRUH has launched a special scheme viz. GRUH Subh Lakshmi under the RHF scheme wherein property is owned by women applicants in rural areas.

With a view to enable uniform processing of credit risk assessment, GRUH has adopted a credit score methodology. The pricing of each loan is linked to the credit score. This methodology enables GRUH to offer finer interest rates to deserving families, where credit risk is low and charge a higher rate of interest where credit risk is high. The credit score parameters and risk weightage are reviewed on regular basis and modified in line with the changing risk profile. The rate of interest bands are also reviewed on regular basis and aligned with the prevailing rates in the market.

Marketing Efforts

To ensure a deeper geographic reach, GRUH has been sourcing retail business through third party channels by appointment of GRUH Referral Associates (GRAs). GRAs only source loans while GRUH retains control over the credit, legal and technical appraisals. Business sourced through GRAs was 61% of total disbursements made during the year and GRUH paid referral fees of ₹ 8.10 crores to GRAs for sourcing of business.

GRUH is operating in eight states - Gujarat, Maharashtra, Karnataka, Rajasthan, Madhya Pradesh, Chhattisgarh, Tamil Nadu and Uttar Pradesh. GRUH established 12 new offices, including its first office in Uttar Pradesh, during the year. GRUH now has 154 retail offices across these eight states. GRUH's staff strength as at March 31, 2015 was 579.

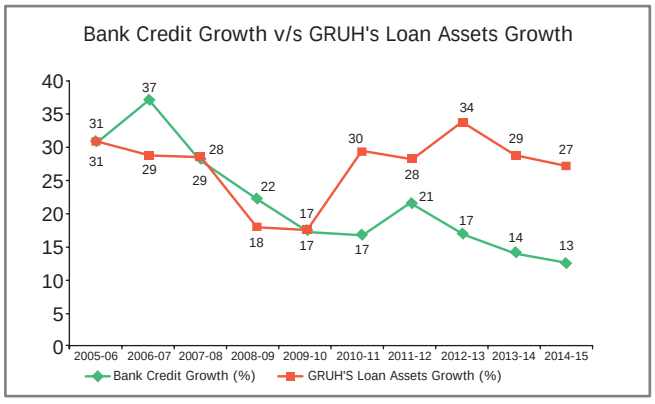
GRUH conducts outreach programmes from each of the retail offices to potential taluka places. The outreach marketing programme also serves as collection centre for collecting installments besides providing services of enquiry handling, file opening and effecting disbursements.

Disbursements

GRUH disbursed ₹ 3,120.87 crores during the year as against ₹ 2,577.47 crores in the previous year. GRUH disbursed loans of ₹ 2,721.11 crores (previous year ₹ 2,231.34 crores) for home purchase, repair and renovation and registered a growth of 21.95% in the retail home loan segment. GRUH disbursed home loans to 33,625 families (previous year 31,280 families) and the average home loan to individuals was ₹ 8.39 lacs during the year as against ₹ 7.64 lacs during the previous year.

GRUH disbursed loans of ₹ 113.26 crores (previous year ₹ 143.76 crores) for purchase of NRP and ₹ 286.50 crores (previous year ₹ 202.37 crores) to developers.

Cumulative disbursements as at March 31, 2015 stood at ₹ 15,215.12 crores with a Compound Annual Growth Rate (CAGR) of 28% over the past 3 years period.



Insurance Products

GRUH has an arrangement with The Oriental Insurance Company Limited for providing property insurance of the property mortgaged. During the year, GRUH referred 33,887 customers under this arrangement in respect of property cover of ₹ 3,062.90 crores.

GRUH has an arrangement with three life Insurance service providers. GRUH continued to persuade its customers to take insurance cover on the life of the principal income earner as the collateral for its loans through this arrangement. The policies are assigned in favour of GRUH. During the year, 15,291 customers have taken the life cover from these insurance companies in respect of life cover of ₹ 1,005.55 crores under its various tie-up arrangements.

Loans

The loan approval process at GRUH is decentralised with varying approval limits. Approvals of lending proposals are carried out by retail sanctioning committees up to the limits delegated. Approvals beyond certain limits are referred to the Committee of Management. Larger proposals, as appropriate, are referred to the Committee of Directors, set up by the Board.

During the year, GRUH's total outstanding loans increased to ₹ 8,915.35 crores from ₹ 7,009.04 crores and registered a growth of 27%. CAGR over the past 3 years period has been 30%.

The total outstanding loans at variable rates stood at ₹ 8,662.30 crores (previous year ₹ 6,960.05 crores), which was 97.16% (previous year 99.30%) of the total outstanding loans. Loans to total assets stood at 97.10% as at March 31, 2015.

GRUH's outstanding home loans to individuals of ₹ 8,223.16 crores and other loans to individuals for non-residential premises (NRP) of ₹ 371.44 crores constituted 92.24% and 4.17% respectively of the total outstanding loans. GRUH experienced a prepayment ratio of 11.44% (previous year 10.67%) in respect of individual loans. The outstanding loans to developers of ₹ 320.75 crores constituted 3.59% of the total outstanding loans.

The average yield realised on the loan assets during the year was 12.65% (previous year 12.75%).

CAGR (%) As At March 31, 2015

Particulars	3 Years	5 Years	7 Years	10 Years
Loan Assets	30	29	26	27
NIM	24	24	25	29
PAT	19	24	25	28

Provision for Standard Assets, NPAs and Contingencies

As per the prudential norms prescribed by NHB for Standard Loan Assets, HFCs are required to carry a provision of 0.40% on Individual Home Loans, 1% on Individual NRP Loans, 0.75% on Developer Loans for residential projects and 1% on Developer loans for commercial projects.

Accordingly, GRUH has made a provision of ₹ 39.00 crores towards Standard Loan Assets comprising Individual Home Loans, Individual NRP Loans and Developer Loans aggregating to ₹ 8,890.30 crores. Further, GRUH carries a provision of ₹ 0.10 crore towards standard assets in respect of installments due from borrowers of ₹ 22.49 crores and a provision of ₹ 0.01 crore in respect of standard assets on loan against GRUH's Fixed Deposits of ₹ 1.14 crores.

As per the prudential norms of NHB, GRUH has identified Non Performing Assets (NPAs) and made required provisions on such NPAs besides not recognising income in respect of such NPAs. An asset is NPA if the interest or principal installment is overdue for 90 days.

GRUH's NPAs as at March 31, 2015 were ₹ 22.86 crores in respect of Individual Home Loans and ₹ 2.19 crores in respect of Individual NRP Loans. There were no NPAs under Developer Loans. As per prudential norms of NHB, GRUH is required to carry a provision of ₹ 8.47 crores towards such NPAs. However, GRUH has fully provided for these NPAs and as a result, GRUH's Net NPAs are Nil (previous year Nil) on the outstanding loans of ₹ 8,915.35 crores as at March 31, 2015. GRUH thus carries excess provision of ₹ 16.59 crores as contingencies.

During the year, GRUH has written off an amount of ₹ 2.03 crores in respect of individual loans where the recovery was difficult in the near future. However, GRUH continued the recovery efforts in respect of written off loans of earlier years and could effect recoveries of ₹ 0.37 crore in respect of written off loans.

GRUH carried properties aggregating to ₹ 11.75 crores acquired in settlement of dues at the beginning of the year. During the year, GRUH acquired properties aggregating to ₹ 2.16 crores in settlement of dues under the SARFAESI Act. GRUH also made efforts to dispose off the acquired properties and could dispose off properties valuing ₹ 2.04 crores during the year. As at March 31, 2015, GRUH carried properties worth ₹ 11.87 crores which was 1.53% of GRUH's capital funds, well within the 20% limit stipulated by NHB.

Investments

The Investment Committee constituted by the Board of Directors is responsible for approving investments in line with limits as set out by the board. The decisions to buy and sell up to the approved limit delegated by the board are taken by the Managing Director, who is assisted by two senior managers. The investment function is carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity and to maintain investment in approved securities in respect of public deposits raised as per the norms of NHB.

Considering the time lag between raising of resources and its deployment, the surplus funds are generally being parked with liquid fund schemes of mutual funds and short-term deposits with banks. During the year, GRUH earned ₹ 0.34 crore as surplus from cash management schemes of mutual funds and ₹ 6.51 crores by way of interest on deposits placed with banks. At the end of the year, GRUH maintained ₹ 88.47 crores by way of deposits with banks.

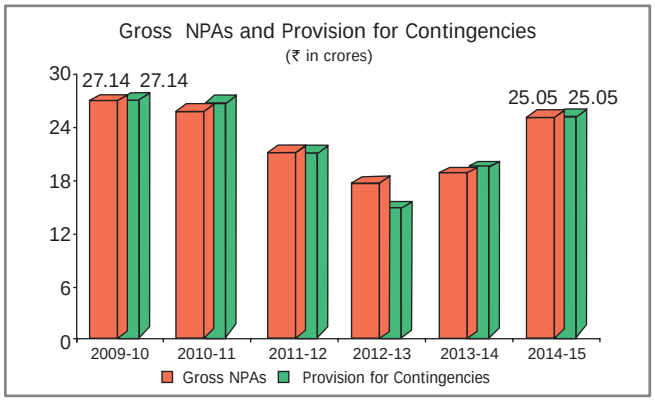
As per NHB guidelines, HFCs are required to maintain Statutory Liquid Ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 12.50% of the public deposits. As at March 31, 2015 GRUH has invested ₹ 172.37 crores in approved securities comprising government securities, government guaranteed bonds and deposits with scheduled banks, which is higher than the limits prescribed by NHB.

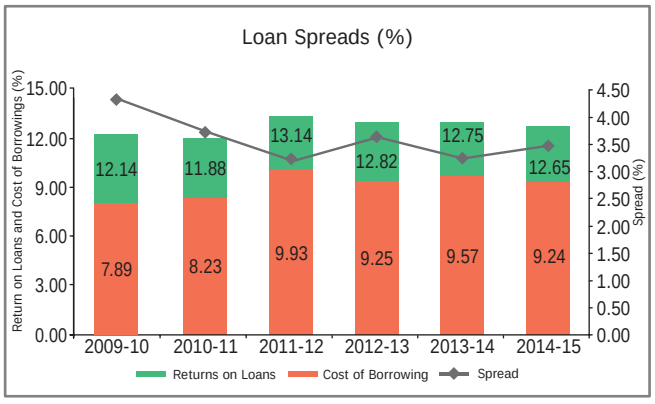
GRUH has classified its investments in SLR securities as long-term investments and valued them at cost. GRUH carries a provision of ₹ 4.09 crores towards losses, if any, that would arise on redemption of investments on maturity.

Borrowed Funds

GRUH has been raising funds for its lending activities from banks by way of term loans, from NHB by way of refinance, by private placement of non-convertible debentures (NCDs), by issuance of commercial paper and mobilisation of public deposits.

Endeavours at GRUH have been to maintain a prudent mix of fixed rate borrowings and variable rate borrowings with a view to minimise the weighted average cost of borrowings and maintain a healthy spread on its lending activities. GRUH has also been funding its operations through short-term borrowings in the form of commercial paper and short tenure loans from banks. While such a mix enables GRUH to sustain a healthy net-interest margin, it raises the risks of asset liability mismatch. To minimise the risk arising on account of such mismatch, GRUH has set internal norms on the quantum of short-term borrowings so that a prudent balance is maintained in keeping the cost of funds low to an extent that the risk arising from the mismatch could be managed.





The borrowings which are maturing within twelve months from the end of the year, constituted 19.37% (previous year 11%) of the total borrowings of ₹ 8,215.59 crores (previous year ₹ 6,447.50 crores). The outstanding borrowings at fixed rate stood at ₹ 3,911.39 crores (previous year ₹ 2,487.85 crores), which was 47.61% (previous year 38.59%) of the total outstanding borrowings.

GRUH continued to borrow for both long and short-term from the banking sector at competitive rates. GRUH raised fresh loans from banks aggregating to ₹ 1,925.00 crores during the year and repaid loans aggregating to ₹ 1,140.00 crores. Term loans from banks are secured by a negative lien on all assets of the Company excluding the specific immovable property mortgaged in favour of the Debenture Trustees for issuance of NCDs, Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against Public Deposits and negative lien on the dwelling units financed from Line of credit of KfW through HDFC. Outstanding balance of bank loans were ₹ 2,700 crores as at March 31, 2015.

GRUH availed refinance of ₹ 940.23 crores from NHB and repaid refinance of ₹ 1,109.64 crores. Outstanding refinance from NHB as at March 31, 2015, of ₹ 2,777.17 crores is secured by a negative lien on all assets of the Company excluding the specific immovable property mortgaged in favour of the Debenture Trustees for issuance of NCDs, Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against Public Deposits and negative lien on the dwelling units financed from Line of credit of KfW through HDFC.

GRUH raised ₹ 650 crores through issuance of NCDs and retired ₹ 80.70 crores of NCDs during the year. The outstanding balance of NCDs as at March 31, 2015 was ₹ 650 crores. The NCDs are secured by mortgage of a specific immovable property, negative lien on all assets of the Company excluding the Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against Public Deposits and negative lien on the dwelling units financed from Line of credit of KfW through HDFC. GRUH's NCDs are rated "ICRA AA+" and "CRISIL AA+" indicating high safety with regard to timely payment of interest and principal.

The outstanding subordinated debt as at March 31, 2015 stood at ₹ 35 crores. The debt is subordinated to present and future senior indebtedness of the Company and is rated "ICRA AA+" and "CRISIL AA+", indicating high safety with regard to timely payment of interest and principal. Based on the balance term to maturity, as at March 31, 2015, ₹ 35 crores of the book value of subordinated debt is considered as Tier II capital under the guidelines issued by NHB for the purpose of computation of CAR.

GRUH's short term borrowings including commercial paper and short term NCDs are rated "CRISIL A1+" and "ICRA A1+". These ratings indicate highest safety regarding timely payment of interest and principal. The outstanding balance of commercial paper as at March 31, 2015 was ₹ 750 crores.

During the year, GRUH received fresh deposits of ₹ 396.63 crores, and repaid deposits of ₹ 107.40 crores. The renewal ratio (the ratio of deposits renewed to the deposits maturing during the year) experienced by GRUH was 58%. The outstanding deposits have increased from ₹ 1,002.88 crores at the beginning of the year to ₹ 1,292.11 crores by the end of the year and registered a growth of 28.84%. The outstanding balance of public deposits constituted 15.73% of the total outstanding borrowings as at March 31, 2015.

GRUH's Deposit Programme is rated "MAAA" by ICRA and "FAAA" by CRISIL. These ratings indicate highest safety as regards repayment of principal and interest.

GRUH has been offering brokerage to its deposit referral associates. The brokerage structure is linked to the term of deposits mobilised. GRUH has been amortising the brokerage paid over the tenure of deposits mobilised.

The average cost of total borrowings experienced during the year was 9.24% per annum (previous year 9.57%).

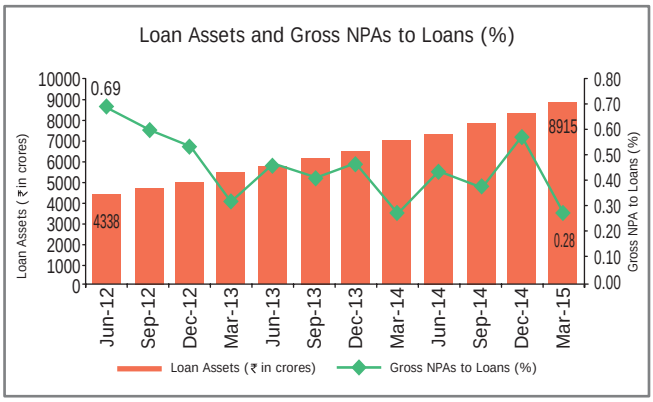
NHB Guidelines and Prudential Norms

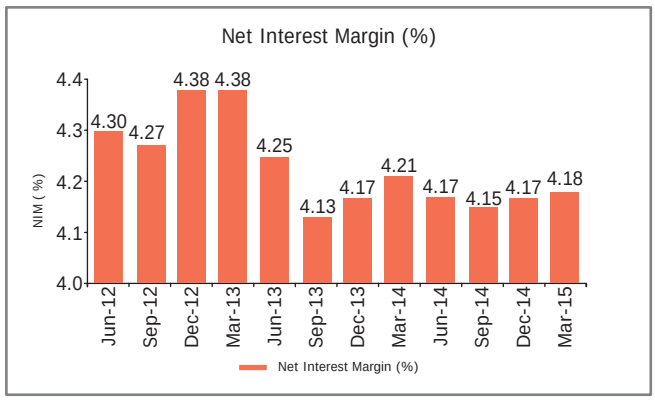
GRUH has complied with the guidelines issued by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, "Know Your Customer" (KYC), Fair Practices Code, grievance redressal mechanism, recovery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

GRUH had no investment in excess of the limits prescribed by NHB with any one Company or any single group of companies. GRUH has not made investment in any of the promoter group companies or in the stock markets.

GRUH's total borrowings as at March 31, 2015 of ₹ 8,215.59 crores were within the permissible limit of 16 times the net owned funds. Of this, the public deposits of ₹ 1,292.11 crores were also within the limit of 5 times the net owned funds as prescribed by NHB. GRUH has complied with the guidelines issued by NHB regarding the ceiling on interest rates offered on deposits and brokerage paid to the deposit referral associates.

GRUH's Capital Adequacy Ratio as at March 31, 2015 was 15.36% as against NHB's prescribed limit of 12%. The Capital Adequacy on account of Tier I Capital was 13.89% while the Capital Adequacy on account of the Tier II Capital was 1.47%.





Inspection by National Housing Bank (NHB)

NHB, under section 34 of the NHB Act, 1987, carries out inspection of HFCs every year. NHB conducts comprehensive inspection of select few branches of GRUH and also inspects GRUH's lending, resource raising, fixed deposit mobilisation and accounting activities apart from the compliances with the Prudential Guidelines issued by NHB.

For the year 2013-14, NHB had carried out such inspection of GRUH for the financial position as at March 31, 2014. NHB observed that intangible assets in the form of software amounting to ₹ 0.56 crore was not reduced from Net Owned Funds in calculation of Capital Adequacy Ratio and as a result NOF was overstated to the extent of ₹ 0.56 crore. Accordingly, GRUH has submitted revised return of Capital Adequacy Ratio of 16.36% as against 16.37% as at March 31, 2014. As advised by NHB, the disclosure has been made by way of a separate Note 35 to the accounts of the current year.

In this regards, while GRUH has complied with the observations of the regulator, GRUH would like to submit the clarification that an embedded software bundled along with hardware like Windows, Office etc. are in the nature of Fixed Assets and they are not Intangible Assets. GRUH had shown such software as Fixed Assets and depreciation is also being claimed as per the provisions under The Income Tax Act.

Central Registry

The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act, 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. All Banks & HFCs which fall under the purview of SARFAESI Act are required to register with CERSAI and submit the data in respect of all properties mortgaged in its favour. The lending institutions are required to pay fees for uploading of the data for creation as well as release of mortgage.

GRUH is registered with CERSAI. GRUH has uploaded 32,154 records in respect of loans disbursed during the year. GRUH has paid fees of ₹ 1.54 crores to Central Registry towards uploading the data of mortgages. CERSAI has dispensed with the charges for satisfaction of charge.

Risk Management

GRUH has formulated a risk management framework which lays the procedure for risk assessment and mitigation. The Risk Management Committee (RMC) comprises the Managing Director as the chairman and the members include senior managers holding key positions in the Company. The RMC apprises the Audit Committee of the key risks associated with the business of the Company and the measures to mitigate them.

The Audit Committee has been periodically reviewing the risk profile of the Company and evaluating the adherence by the branches / functions of the systems and processes in place for monitoring, evaluation, assessment and mitigation of risk through a systematic and effective audit programme. The observations of Audit Committee, if any, on the risk management are reported to the Board.

GRUH manages various risks like financial risk, operational risk, marketing risk, external risk and regulatory risks associated with the mortgage business. The critical risks which can significantly impact profitability and financial strength are credit risk, interest rate risk and liquidity risk. GRUH manages credit risk through internal credit norms. Liquidity risk and interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profile.

Internal Audit and Control

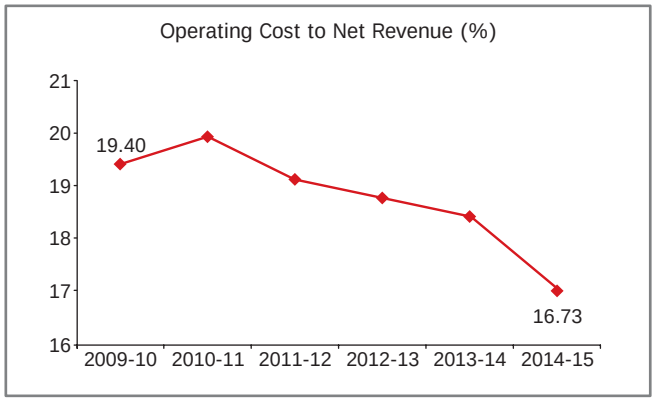
GRUH has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability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

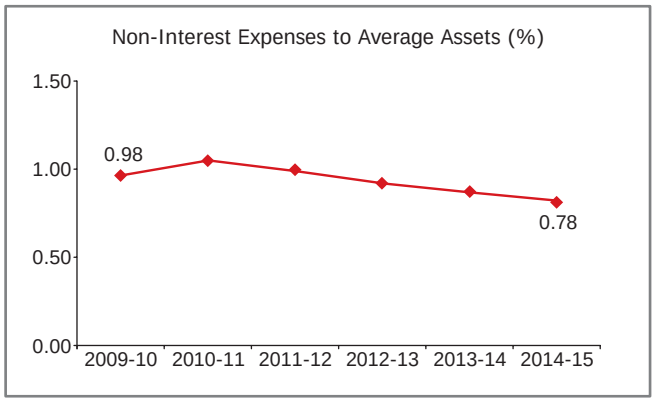
GRUH has robust internal audit programme, where the internal auditors, an independent firm of chartered accountants, conduct a risk-based audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems. Their audit program is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

IT Audit and Security

Information systems is the backbone of GRUH's business. GRUH has implemented an application software developed by Tata Consultancy Services (TCS) and has been enhanced and modified by the in-house IT software development group. The application software is integrated to record and process lending and deposit mobilization and accounting transactions of GRUH across its branches.

The Information System at GRUH operates under centralized IT environment and all the branches are connected through MPLS VPN connectivity. The centralized IT environment enables prompt





communication between its retail offices and head office and also provides highway for easy and quick MIS and preparation of various monthly reports.

Considering the significant dependence of GRUH's operations on its IT system, GRUH also takes initiative in maintaining adequate control for data integrity and its confidentiality. The Application Software and IT System at GRUH are upgraded from time to time. During the year, GRUH has moved its entire IT infrastructure to Cloud based model at Tier 4 Data Center. GRUH has also arranged for a Cold Disaster Recovery site at a different geographical location than the primary Data Center.

GRUH carries out audit of its IT system from external agency at regular intervals. The external agency's suggestions and recommendations are reported to Audit Committee and implemented where found necessary.

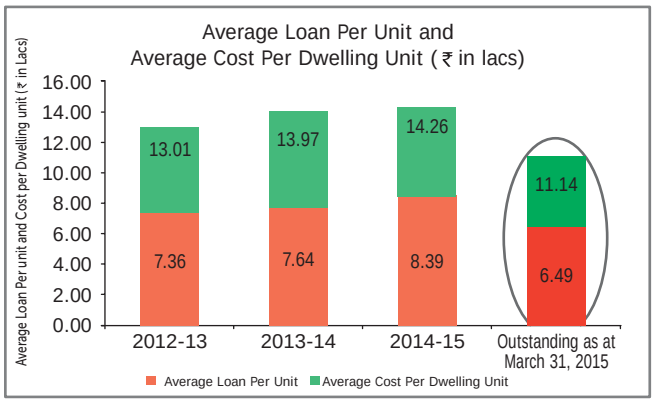
Statement of Profit and Loss

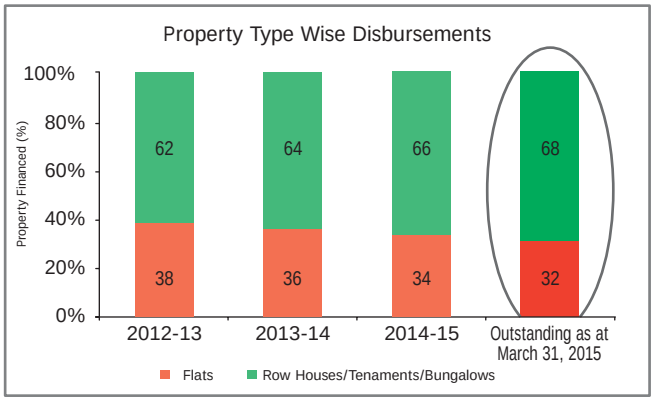
Key elements of the statement of profit and loss for the year ended March 31, 2015 are:

- Profit Before Tax grew by 23% as against 24% in the previous year.
- Profit After Tax before impact of DTL on Special Reserve grew by 26% as against 21% in the previous year.
- Profit After Tax grew by 15% as against 21% in the previous year.
- Current year income tax provision amounted to ₹ 80.56 crores as compared to ₹ 68.20 crores in the previous year. The effective income tax rate for the year is 27% as against 28% in previous year.
- Pre-tax return on average assets was 3.66% in the current year as against 3.81% in the previous year. Post-tax return on average assets was 2.48% as against 2.76% in the previous year.
- Return on Average Net worth before impact of DTL on Special Reserve for the year was 33.35% as against 32.23% in the previous year.
- Return on Average Net worth for the year was 30.91% as against 32.23% in the previous year.
- Ratio of Net-Interest margin to average assets was 4.18% for the current year as against 4.21% in the previous year.
- Cost to income ratio was 16.99% for the year as against 18.69% in the previous year.
- The Earnings Per Share (Basic) was ₹ 5.57 for the current year as against ₹ 4.93 for the previous year.

Human Resource

The enthusiasm of staff members continued to be high in sustaining positive growth of disbursements and in maintaining healthy recoveries. With the high level of commitment and loyalty by staff members, GRUH is confident to face the challenges of the tougher market conditions.





GRUH FINANCE LIMITED
We help you build homes

Relationship Marketing

A distinctive competent
redefined from our grass root experience

Relationship Marketing for us means the ability to evaluate customers without the bias of approval or disapproval. We endeavor to examine how the customer with his or her own native intuition reacts to a product feature or a repayment package. In this way we have been able to function within a limited bouquet of products. However, we constantly use 'idea extensions' to customize the product and service to meet the customer need. These 'idea extensions' are in effect the marketing equivalent of 'brand extensions'.

GRUH understands that it is only by effectively engaging with the customer in a face-to-face interface that we can enlarge the customer base and tap the untapped potential. The process also enables our teams to anticipate and stave off delinquencies, delay and default.



'Tears come to my eyes'

GRUH-ini ***Jalpaben Parekh***

Life is sometimes cruel. I live along with my daughter. I used to be in Mumbai, but then I moved to Surat and decided to fight my way back as a school teacher. Today I take science and math and thanks to a lot of support from my Principal I am able to find joy in my work and forget my problems.
My Rs.13 Lac loan from GRUH has helped me wipe away the tears and take pride in my grown up daughter who does all she can for me.



'My Husband's income was not enough'

GRUH-ini ***Madhuben Vanjari***

We had two daughters to bring up and my husband works really hard. But expenses don't come down.
We wanted to own our own house. My landlord has been a great help. He encouraged me to learn tailoring.
Today I do beading work and falls for saris and dupattas.
My elder daughter helps and we earn over Rs. 1 Lac per year.
GRUH took this into consideration and we now have our own house. This was always our dream.



'We are proud of our mother'

Children of GRUH-ini ***Savita Sattani***

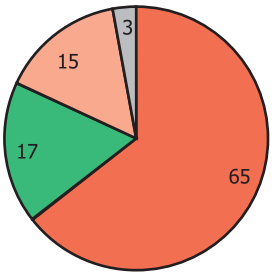
Our mother came from a rich family. So her parents did not want her to work. But marriage and two children forced her to think about our future. Today I am an engineer. My sister is a teacher in a secondary school. Our mother runs a profitable business with three tailors working in her shop.
It is all because of her determination and the pride of trying to do better. She has been a great inspiration. Thanks to her we also have this home of our own.



GRUH FINANCE LIMITED
We help you build homes

PROFILE OF GRUH's CUSTOMERS - CUMULATIVE DISBURSEMENTS IN INDIVIDUAL SEGMENT

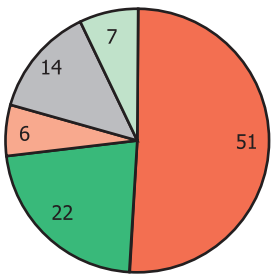
Properties Financed - Loan to Value Ratio (LTV) wise Distribution



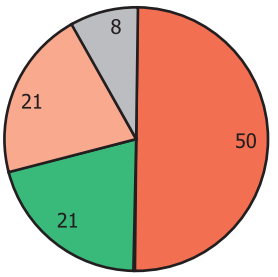
LTV in %	No.	%	
Up to 75	1,88,912	65	
76 to 80	50,244	17	
81 to 85	43,188	15	
> 85	7,814	3	
Total	**2,90,158**	**100**	

Properties Financed - Location wise Distribution

Population at Location	No.	%	
Up to 50,000	1,48,844	51	
> 50,000 to 2,00,000	64,143	22	
> 2,00,000 to 5,00,000	17,675	6	
> 5,00,000 to 25,00,000	39,481	14	
> 25,00,000	20,015	7	
Total	**2,90,158**	**100**	



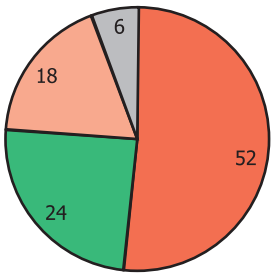
Properties Financed - Loan Amount Wise Distribution



Loan Amount (₹)	No.	%	
Up to 3,00,000	1,45,501	50	
> 3,00,000 to 5,00,000	60,976	21	
> 5,00,000 to 10,00,000	60,294	21	
> 10,00,000	23,387	8	
Total	**2,90,158**	**100**	

Property Financed - Family Income Wise Distribution

Family Income (₹)	No.	%	
Up to 15,000	1,50,239	52	
> 15,000 to 25,000	69,487	24	
> 25,000 to 50,000	52,760	18	
> 50,000	17,672	6	
Total	**2,90,158**	**100**	



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Corporate Governance is, essentially, a philosophy. It encompasses not only the regulatory and legal requirements, but also the voluntary practices developed by the Company to protect the best interests of all stakeholders. However, in the harsh realities of day to day economic stress and competitive growth, corporate governance can only deliver on an avowed philosophy if there is a strong and sustainable framework. It is this framework which fosters a high level of business ethics with effective supervision, transparency and accountability at all levels. A good corporate governance framework incorporates a system of robust checks and balances between Key players; namely, the Board, the management, auditors and various stakeholders. The role and responsibilities of each entity must be clearly understood and transparency must be enforced at each level and at all times.

Spin-offs from good Corporate Governance

Investors worldwide are looking for new areas and avenues to invest their funds but the emphasis is on safety of their funds rather than high returns. These investors value companies which show commitment to customer satisfaction; companies which nurture long-term stakeholder value. In the ultimate analysis, strong governance is, therefore, indispensable for the development of a resilient and vibrant capital market. It is an important instrument for investor protection.

Company's philosophy on Corporate Governance

GRUH has been fortunate to have a strong set of values drawn from its promoter and parent Company, Housing Development Finance Corporation Limited (HDFC).

At GRUH, we have assigned the highest importance to elements of good corporate governance like transparency, accountability and responsibility in every sphere of management practice be it with customers, shareholders, regulators, government, bankers, vendors or staff members. We have strived to introduce a high level of professionalism in carrying out the business with a strong belief that the organisation exists to serve the customer in a manner that can yield the best possible return to a shareholder. The Board of Directors at GRUH has always maintained the true spirit of being "Trustees" in directing the management team and also persisted in demanding a similar approach from the management team. The board has also inspired the management team to practice professional ethics in all its dealings.

With emphasis on transparency, integrity and accountability, the Board of Directors adopted the principles of good corporate governance by setting up an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee since 1997. GRUH has developed systems that allow sufficient freedom to the board and the management to take decisions which promote growth while remaining within the framework of effective accountability. Given below is the report of the directors on corporate governance in accordance with the provisions of the listing agreement.

Board of Directors

Composition

The Board of Directors comprises of ten directors, all professionals in their own right who bring in a wide range of skills and experience to the board. All the directors of the Company, except the Managing Director and the Executive Director are Non-Executive Directors. Out of the eight non-executive directors, five are independent directors. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Clause 49 II (B) of the listing agreements and the provisions of Section 149(6) of the Companies Act, 2013. None of the directors of the Company are related to each other. All directors are appointed by the members of the Company.

The directors bring to the board a wide range of experience and skills. Brief profiles of the directors, are set out elsewhere in the annual report. The composition of the board is in conformity with Clause 49 II (A) of the listing agreements. As per the Listing Agreement, no director can be a member in more than 10 committees or act as chairman of more than 5 committees across all public companies in which he is a director. Details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under:

Sr. No.	Directors	DIN	No. of Directorships	No. of Committees		Category of Director
				Member	Chairman	
1	Mr. Keki M. Mistry - Chairman	00008886	10	5	3	Non-Executive
2	Ms. Renu S. Karnad	00008064	10	2	1	Non-Executive
3	Mr. K. G. Krishnamurthy	00012579	6	1	-	Non-Executive
4	Mr. S. M. Palia	00031145	4	1	1	Independent Non-Executive
5	Mr. Rohit C. Mehta	00050173	4	2	2	Independent Non-Executive
6	Mr. Prafull Anubhai	00040837	5	4	3	Independent Non-Executive
7	Mr. S. G. Mankad	00086077	10	4	2	Independent Non-Executive
8	Mr. Biswamohan Mahapatra*	06990345	2	1	-	Independent Non-Executive
9	Mr. Kamlesh Shah (Executive Director)	03092230	1	-	-	Executive
10	Mr. Sudhin Choksey (Managing Director)	00036085	4	1	2	Executive

Directors at sr. Nos. 9 and 10 are executive directors. All other directors are non-executive directors.

Directors at sr. Nos. 4 to 8 are independent directors.

* Mr. Biswamohan Mahapatra was appointed as an Independent Director on the Board w.e.f. March 19, 2015.

Responsibilities

The board of directors represents the interest of the Company's shareholders, in optimising 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, housing, accountancy, law and public policy. 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, the Stakeholders Relationship Committee and the CSR Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the listing agreements 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

The Company has 5 (five) Independent Directors on its Board. Four Independent Directors, viz., Mr. S. M. Palia, Mr. Rohit C. Mehta, Mr. Prafull Anubhai and Mr. S. G. Mankad were appointed at the 28th AGM of the Company for a period of 3 years with effect from April 1, 2014 and are not liable to retire by rotation.

Formal letters of appointment were issued to the independent directors in terms of the provisions of the Companies Act, 2013 and the listing agreements. A copy of the letter detailing the terms and conditions of appointment of the independent directors is placed on the Company's website, www.gruh.com.

The Board has, upon the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Biswamohan Mahapatra as an Independent Director for a period of 3 years from March 19, 2015, subject to the approval of the shareholders.

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 under clause 49 of the listing agreement.

In the opinion of the Board, each independent director possesses appropriate balance of skills, experience and knowledge, as required.

Familiarisation Programme

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.

Evaluation of Directors and the 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.

Board Meetings

The meetings of the Board of Directors are generally held at the Registered Office of HDFC, the parent Company. Meetings are generally scheduled well in advance. The board meets at least once a quarter to review the quarterly performance and the financial results of the Company.

The Company Secretary, in consultation with the Managing Director, prepares the detailed agenda for the meetings. The board papers are circulated to the directors in advance. The members of the board have access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior management is invited to attend the board meetings and provide clarifications as and when required.

During the year, the board met 6 times. The meetings were held on April 11, 2014, May 13, 2014, July 17, 2014, October 15, 2014, January 19, 2015 and March 19, 2015. The attendance of each director at the board meetings and at the last annual general meeting is as under:

Directors	No. of Board meetings attended	Sitting fees paid (₹)	Attendance at the 28th AGM
Mr. Keki M. Mistry - Chairman	6	1,90,000	Yes
Ms. Renu S. Karnad	2	55,000	Yes
Mr. K. G. Krishnamurthy	6	1,90,000	No
Mr. S. M. Palia	6	1,90,000	Yes
Mr. Rohit C. Mehta	5	1,50,000	No
Mr. Prafull Anubhai	6	1,90,000	Yes
Mr. S. G. Mankad	6	1,90,000	No
Mr. Biswamohan Mahapatra*	1	40,000	-
Mr. Kamlesh Shah (Executive Director)	6	-	Yes
Mr. Sudhin Choksey (Managing Director)	6	-	Yes

* Mr. Biswamohan Mahapatra was appointed as an Independent Director on the Board w.e.f. March 19, 2015.

Leave of absence was granted to the Directors who could not attend the respective meetings.

Board Committees

To enable better and more focused attention on the affairs of the Company, the board delegates particular matters to committees of the directors set up for the purpose. These specialist committees prepare the groundwork for decision-making and report at the subsequent board meeting.

The board is assisted by various committees – Audit Committee, Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility (CSR) Committee, Committee of Directors, Compensation Committee (ESOS), Committee of Directors (Allotment) - all chaired by an independent director.

Audit Committee

The Audit Committee is constituted in accordance with the provisions of Clause 49 of the listing agreements and Section 177 of the Companies Act, 2013. The Audit Committee comprises of Mr. S. M. Palia (Chairman), Mr. Keki M. Mistry, Mr. Rohit C. Mehta, Mr. Prafull Anubhai and Mr. Biswamohan Mahapatra. The Audit Committee is chaired by an independent director. All the members of the committee are financially literate and have accounting and financial management expertise.

Meetings of the Audit Committee are scheduled well in advance. The Audit Committee met four times on April 11, 2014, July 17, 2014, October 15, 2014 and January 19, 2015. The committee reviewed the quarterly financial statements before submission to the Board for approval.

The committee reviews the reports of the internal auditors and statutory auditors along with the comments and corrective action taken by the management. The committee also reviews the asset-liability management system. The Audit Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the committee.

The Board has delegated responsibility of overseeing Risk Management framework to the Audit Committee. The Audit Committee reviews the key risks associated with the business of the Company, the procedures adopted to assess the risks, efficacy and mitigation measures.

The board at its meeting held on May 13, 2014, reviewed and approved the revised terms of reference of the Audit Committee to align the same with the provisions of the Companies Act, 2013 and Rules made there under.

The role of the Audit Committee *inter alia,* includes :

- oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- recommending the appointment, re-appointment, and if required, replacement or removal of statutory auditors, fixation of audit fees and approval of payment for any other services, as permitted;
- reviewing the adequacy of internal audit function; discussing with internal auditors any significant findings and follow-up thereon; reviewing with the management annual and quarterly financial statements before submission to the Board for approval;
- approval or any subsequent modification of any transactions of the Company with related parties;
- review and monitor the auditors independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; and reviewing the functioning of the Whistle blower mechanism.

The details of attendance at the Audit Committee meetings are as under:

Directors	No. of meetings attended	Sitting Fees paid (₹)
Mr. S. M. Palia - Chairman	4	1,35,000
Mr. Keki M. Mistry	4	1,35,000
Mr. Rohit C. Mehta	4	1,35,000
Mr. Prafull Anubhai	4	1,35,000
Mr. Biswamohan Mahapatra *	-	-

*Mr. Biswamohan Mahapatra was inducted in the Audit Committee w.e.f April 16, 2015

Nomination and Remuneration Committee (NRC)

The Board of Directors at its meeting held on April 11, 2014 has changed the nomenclature of the Compensation Committee to Nomination and Remuneration Committee, in accordance with section 178 of the Companies Act, 2013 and revised clause 49 of the listing agreement entered into with stock exchanges.

The Nomination and Remuneration Committee comprises of Mr. S. M. Palia (Chairman), Mr. Keki M. Mistry, Ms. Renu S. Karnad, Mr. S. G. Mankad and Mr. Biswamohan Mahapatra. The committee considers and approves salaries and other terms of the compensation package for the Managing Director and the Executive Director. The annual compensation of the Managing Director and the Executive Director is recommended by the committee, approved by the board and is within the limits set by the members at the annual general meetings.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Clause 49 of the Listing Agreement 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.

During the year, the Nomination and Remuneration Committee met two times on April 11, 2014, and March 19, 2015. The details of attendance at the Nomination and Remuneration Committee meeting are as under:

Directors	No. of meetings attended	Sitting Fees paid (₹)
Mr. S. M. Palia - Chairman	2	40,000
Mr. Keki.M. Mistry	2	40,000
Ms. Renu S. Karnad	1	15,000
Mr. S. G. Mankad*	1	25,000
Mr. Biswamohan Mahapatra @	-	-

* Mr. S. G. Mankad was inducted in the NRC w.e.f. April 11, 2014.

@ Mr. Biswamohan Mahapatra was inducted in the NRC w.e.f. April 16, 2015

Leave of absence was granted to the Directors who could not attend the respective meetings.

Stakeholders Relationship Committee

The Board of Directors at its meeting held on April 11, 2014 has changed the nomenclature of the Shareholders' Grievance Committee to Stakeholders Relationship Committee, in accordance with Section 178 of the Companies Act, 2013 and revised clause 49 of the listing agreement entered into with stock exchanges.

The Stakeholders Relationship Committee comprise of Mr. Rohit C. Mehta (Chairman) Mr. S. G. Mankad, Mr. K. G. Krishnamurthy and Mr. Sudhin Choksey. The committee looks into redressal of shareholders, investors, depositors and customer complaints. The Stakeholders Relationship Committee met four times during the year on June 21, 2014, September 27, 2014, December 27, 2014 and March 19, 2015. The details of attendance at the committee meetings are as under:

Directors	No. of meetings attended	Sitting Fees paid (₹)
Mr. Rohit C. Mehta - Chairman	3	75,000
Mr. S. G. Mankad	4	1,00,000
Mr. K. G. Krishnamurthy	1	25,000
Mr. Sudhin Choksey	4	-

Leave of absence was granted to the Directors who could not attend the respective meetings.

In order to expedite the process of share transfer, the board has delegated the authority to approve share transfers to Mr. Kamlesh Shah (Executive Director) and Mr. Marcus Lobo (Company Secretary/Compliance Officer). Share transfer formalities are normally attended to three times in a month. The details of share transfers are reported to the Board of Directors.

During the year, the Company received 11 complaints from the shareholders. The same have been resolved. There are no pending share transfers.

There is no non-compliance by the Company on any matter related to the capital markets during the last three years. Similarly, there are no penalties, strictures imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market.

Corporate Social Responsibility Committee

The Board of Directors at its Meeting held on April 11, 2014 constituted Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013. The Committee comprises of 5 Members, viz. Mr. S. M. Palia (Chairman), Mr. Rohit C. Mehta, Mr. Prafull Anubhai, Mr. S. G. Mankad and Mr. Sudhin Choksey. The Committee is primarily responsible for formulating and recommending to the Board of Directors, a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects. The CSR Committee met four times during the year on May 28, 2014, September 27, 2014, December 27, 2014 and March 18, 2015. The details of attendance at the CSR Committee meeting are as under:

Directors	No. of meetings attended	Sitting Fees paid (₹)
Mr. S. M. Palia - Chairman	4	1,00,000
Mr. Rohit C. Mehta	2	50,000
Mr. Prafull Anubhai	4	1,00,000
Mr. S. G. Mankad*	2	50,000
Mr. Sudhin Choksey	4	-

* Mr. S. G. Mankad was inducted in CSR Committee w.e.f. Oct 15, 2014.

Leave of absence was granted to the Directors who could not attend the respective meetings.

Remuneration Policy

The remuneration policy, including the criteria for remunerating non-executive directors is recommended by the Nomination & Remuneration Committee and approved by the board. The key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company. The policy ensures that it is fair and reasonable to attract and retain necessary talent, is linked to attaining performance benchmarks and involves a judicious balance of fixed and variable components. The remuneration policy is placed on the website of the Company. The remuneration paid to the directors is in line with the remuneration policy of the Company.

Remuneration to Directors

Non-Executive Directors

The remuneration for non-executive directors consists of sitting fees and commission. The payment of the annual commission to the non-executive directors is based on the performance of the Company. The commission payable to the Independent directors / non-executive directors is approved by the board and is within the overall limits as approved by the shareholders of the Company. No other payment is made to the non-executive directors.

Details of the remuneration, shareholding and stock options granted to non-executive directors is provided in MGT-9 given elsewhere in the Annual Report.

Executive Directors

The executive directors of the Company have been appointed on a contractual basis, in terms of the resolutions passed by the shareholders at the annual general meetings. Elements of the remuneration package comprise of salary, perquisites and other benefits including *ex-gratia* as approved by the members at the annual general meeting. Details of the remuneration paid to the executive directors during the year is provided in MGT-9.

Employee Stock Option Scheme (ESOS)

The disclosure as required under Clause 12 of the SEBI (Share Based Employee Benefits) Regulations, 2014 / SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, have been made in the annexure to the Directors' Report.

Proceeds from Private Placement Issues

During the year under review, the Company issued non-convertible debentures. Details of these issues are provided in the Directors' Report. As specified in the respective offer documents, the funds were utilised for the purpose of on lending for housing finance, details of which were provided to the Audit Committee and Board of Directors.

Transactions with Non-executive Directors

The non-executive directors of the Company do not have any material pecuniary relationship or transactions vis-à-vis Company.

Shareholding of Directors

The shareholding details of the directors as at March 31, 2015 are included in MGT-9 forming part of the Directors' Report.

Share Dealing Code

The Company has framed a share dealing code for its employees based on the SEBI (Prohibition of Insider Trading) Regulations, 1992 and amendments taken place thereafter in this regards. The code ensures that the employees deal in the shares of the Company only at a time when any price sensitive information that could be known to the employee is also known to the public at large. This code is applicable to every employee and director of the Company. During the year, there has been no violation of the provision of the said code.

Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all the Board members and all the employees in the management grade of the Company. During the year, the Board of Directors amended the code in accordance with the revised Clause 49 of the listing agreements. The Code of Conduct is posted on the website of the Company. For the year under review, all directors and members of senior management have affirmed their adherence to the provisions of the Code.

Vigil Mechanism / Whistle Blower Policy

GRUH believes to conduct its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any wrongful conduct.

The Board of Directors has approved the vigil mechanism/whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances / complaints / grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. The policy is placed on the website of the Company.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has formulated a policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year, no complaint of sexual harassment was received by the Company.

Disclosures

Related party transactions

During the year, the Board of Directors, on the recommendation of the Audit Committee, approved the Policy on Related Party Transactions. The policy is placed on the website of the Company. There were no transactions with related parties that may have potential conflict with the interest of the Company. Details of related party transactions entered into by the Company in the ordinary course of its business and at arm's length price are included in the notes forming part of the financial statements. There were no financial or commercial transactions by the senior management with the Company where they have personal interests that may have a potential conflict with the interests of the Company at large.

Accounting Standards / Treatment

The Company has complied with the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006. The financial statements for the year have been prepared in accordance with and in compliance of the revised Schedule VI notified by the Ministry of Corporate Affairs (MCA).

Management Discussion and Analysis Report

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

Annual General Meetings

The Annual General Meetings for the last 3 years were held on June 18, 2012, July 8, 2013 and May 28, 2014. The AGMs were held at 10.30 a.m. at H.T. Parekh Convention Centre, Ahmedabad Management Association (AMA), ATIRA Campus, Ahmedabad. Five special resolutions were passed at the previous three Annual General Meetings. No resolution was passed using postal ballots. No resolution is proposed to be passed at this 29th AGM using postal ballot.

Dematerialisation of shares

GRUH's shares are available for trading with National Securities Depository Ltd. (NSDL) w.e.f. July 15, 2000 and with Central Depository Services (India) Limited (CDSL) w.e.f. December 22, 2001. The ISIN allotted to GRUH's equity shares is INE580B01029.

As at March 31, 2015, 98.28% of equity shares of GRUH have been dematerialised by members through NSDL and CDSL.

Listing of Equity Shares:

GRUH's shares are listed on The BSE Ltd. and National Stock Exchange of India Ltd.

The Stock Code Nos. are: BSE: 511288; NSE: GRUH

The Company has paid the listing fees for the year 2015-16 as per the listing agreement with the respective stock exchanges.

Shareholder Relations

GRUH has over 43,400 shareholders. The main source of information for the shareholders is the Annual Report that includes *inter alia,* the Directors' Report, the shareholders' information and the audited financial results. GRUH recognizes the importance of regular dialogue with its shareholders to ensure that the Company's strategy is clearly understood. Since the year 2002, the Annual Report has also included the Report of Directors on Corporate Governance and Management Discussion and Analysis Report. Shareholders are intimated through the press, email and GRUH's website, *www.gruh.com* of the quarterly 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 Corporate 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 guidelines such as Annual Report and Shareholding Pattern are being uploaded on BSE website under "BSE Listing Centre" and on NSE website under "NSE Electronic Application Processing System (NEAPS)". The Company generally does not make any presentation to analysts or to institutional investors.

The Ministry of Corporate Affairs (MCA) vide its circulars dated 21.04.2011, 29.04.2011 and the Companies Act, 2013, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The listing agreement with the stock exchanges and the Companies Act, 2013 permits companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/Depository participant. In every Annual Report, the Company has been requesting the shareholders holding shares both in physical / demat form to register / update their e-mail addresses to the Company / depository participants. Accordingly, the annual report for 2014-15, 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 'Shareholders' Information' which *inter alia* provides information relating to the AGM date, time and venue, shareholding pattern, distribution of shareholding, top shareholders, the monthly high and low quotations of the equity share during the year and other information as required under Clause 49 of the listing agreements.

Certification of Financial Reporting and Internal Controls / (CEO/CFO certificate)

In accordance with Clause 49 IX of the listing agreements, Mr. Sudhin Choksey, the Managing Director and CEO and Mr. Hitesh Agrawal, the CFO of the Company, have *inter alia,* certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

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 Clause 49 of the listing agreements. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

Risk Management

The Company has formulated a risk management framework, which lays the procedures for risk assessment and mitigation. The Risk Management Committee (RMC) comprises of the Managing Director as the chairman and the members include senior managers holding key positions in the Company. The RMC apprises the Audit Committee of the key risks associated with the business of the Company and the measures to mitigate them.

The Audit Committee has been periodically reviewing the risk profile of the Company and evaluating the adherence by the branches / functions of the systems and processes in place for monitoring, evaluation, assessment and mitigation of risk through a systematic and effective audit programme. The observations of Audit Committee, if any, on the risk management are reported to the Board.

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.

On behalf of the Board of Directors

Mumbai
April 16, 2015

Keki M. Mistry
Chairman

Declaration

This is to confirm that for the year 2014-15, all Board members and senior management personnel have affirmed compliance with the Code of Conduct of GRUH.

Mumbai
April 16, 2015

Marcus Lobo
Company Secretary

Sudhin Choksey
Managing Director / CEO

AUDITORS' CERTIFICATE

To the Members of GRUH Finance Limited

We have examined the compliance of conditions of Corporate Governance by GRUH Finance Limited, for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 our information and according to the explanation given to us and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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 SORAB S. ENGINEER & Co.
Firm's Registration No. 110417W
Chartered Accountants

CA. N. D. Anklesaria
Partner
Membership No. 10250

Mumbai
April 16, 2015

Review of the Chairman of the Audit Committee of Directors

The Audit Committee of directors, comprising of five non-executive directors – majority of them independent directors - met four times during the last financial year. The Committee reviewed with the Management and the Auditors all the issues which are required to be reviewed by the Audit Committee pursuant to the Listing Agreement with the Stock Exchanges as also the Companies Act, 2013, which *inter alia* included review of Management Discussion and Analysis of financial conditions and results of operations, and other matters pertaining to disclosures of related party transactions and disclosures of accounting treatment. The Audit Committee has also reviewed the observations of the Internal and Statutory Auditors in relation to all areas of operations of the Company as also the internal control systems. In addition, the Committee has been examining all areas of risks associated with the business of the Company and has reviewed the measures initiated by the Company for mitigating these risks. The Audit Committee has also reviewed the actions taken by the Company on various observations and queries of the Auditors. The Audit Committee oversees the implementation of the Asset Liability Management (ALM) and reviews the ALM position vis-à-vis risk management.

S. M. PALIA
Chairman
Audit Committee of Directors

Review of the Chairman of the Nomination and Remuneration Committee of Directors

The Nomination and Remuneration Committee of directors (NRC), which primarily reviews the compensation payable to the whole-time directors of the Company, met two times during the last financial year. The Compensation Committee comprises of five non-executive directors. The Committee has considered the contribution of the Managing Director of the Company and the Executive Director of the Company in development of business and improving the performance of the Company and kept in view salaries paid to senior executives of other companies in the financial and banking sector, whilst fixing the remuneration of the Managing Director of the Company and the Executive Director of the Company. The NRC also reviewed the 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.

S. M. PALIA
Chairman
Nomination and Remuneration Committee of Directors

Review of the Chairman of the Stakeholders Relationship Committee of Directors

The Stakeholders Relationship Committee of directors, comprising of four directors met four times during the last financial year. The Committee reviewed the different activities being carried out by the secretarial department of the Company and also reviewed the share transfers and dematerialisation of shares during the period. The Committee also reviewed the steps taken by the Company to redress the grievances of the shareholders, investors, depositors and customers. There were no complaints pending for being resolved during the year.

ROHIT C. MEHTA
Chairman
Stakeholders Relationship Committee of Directors

GRUH FINANCE LIMITED
We help you build homes

People Focus

The 5th P in GRUH's marketing armory

Our founder used to often say: Excellence is only achieved when a performer takes pride in doing his or her best. So we must autograph our work with excellence and be forever in pursuit of excellence.

The home grown training, knowledge dissemination and motivation programs which we have in place continue to enhance skill sets, and reinforce the morale and team spirit of our people. Our programs stress on collaboration with local stakeholders to suit less urbanized environments. We entrust them with the responsibility of understanding livelihoods of local populace. The goal is to not only provide loans but to integrate people into the main stream of social and economic development. This transformation takes time and it only comes from understanding the aspiration and activities of the community and individuals who are willing to change.

It is pertinent in this context to mention the unique people powered distribution and outreach program which GRUH has perfected over the years. This is a 3rd party 'people channel' referred to as the GRA (GRUH Referral Associate). GRAs are trained to understand borrower needs and offer impartial advice. They co-ordinate up to the point of sourcing the loan and thereafter handover to the GRUH team to deal with the sensitive stages of Credit, Legal and Technical evaluations, Loan approval and disbursement. In a way, GRUH has thus integrated and will continue to use 'in-house hands' with 'outsourced feet'.

This quantum leap in People performance helps us consistently deliver robust financial results. GRUH's prudent risk management is borne out by the AAA rating from CRISIL and the AAA rating from ICRA for its fixed deposit program. It is also reflected in the sterling award winning performances which our people deliver year after year.



'Imagine life without a husband'



GRUH-ini ***Meera Yadav***

Our dream was to move out of the slums. My late husband had a paan-bidi cum general stores near a well-known college and we had a decent income. Then when my husband passed away I was left to look after the business and my two sons. I applied to GRUH and they sanctioned our loan based on faith and my determination to put my life together again. We are no longer slum dwellers. My sons now have a future.

'Not everyone is lucky in marriage'



GRUH-ini ***Bhavna Parekh***

Some men simply do not change their bad habits. So I won't say anything about my late husband. But with my mother, son, daughter-in-law and grandson we have all fought our way. My mother helped me to start selling hosiery products. After this we started selling home-made farsan and pickles. For the last 2 years we supplied breakfast to the civil hospital. We have our own roof above our heads with a Rs. 7 Lac loan from GRUH. We can now dream about a better future.

INFORMATION FOR SHAREHOLDERS

This section inter alia provides information pertaining of the Company, its shareholding pattern, means of dissemination of information, service standards, share price movements and such other information, in terms of point no.9 of Annexure XII to Clause 49 of the listing agreements relating to Corporate Governance.

Shareholders / Investors Services:

GRUH has its in-house secretarial department under the overall supervision of Mr. Marcus Lobo – Company Secretary / Compliance Officer. For any assistance regarding share transfers, transmissions, change of address, non receipt of dividend, duplicate / missing share certificates and other matters pertaining to your shares, please write to the following address:

Secretarial Department :

GRUH Finance Ltd.
"GRUH"
Netaji Marg,
Nr. Mithakhali Six Roads,
Ellisbridge,
Ahmedabad 380 006
Tel : 079–3290 1222 - 1223;
Fax : 079-2656 0649
Website : www.gruh.com
Email : investorcare@gruh.com
CIN : L65923GJ1986PLC008809

Registrar & Transfer Agent :

Link Intime India Pvt. Ltd.
Unit : "GRUH"
303, Shopper's Plaza-V,
Opp. Municipal Market, Off. C.G. Road,
Navrangpura,
Ahmedabad- 380 009
Tel : 079–2646 5179
Fax : 079-2646 5179

Listing of Equity Shares :

GRUH's shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

The Stock Code Nos. are : BSE: 511288; NSE: GRUH

The listing fees have been paid to BSE and NSE for the financial year 2015-16.

Listing of Debt Securities:

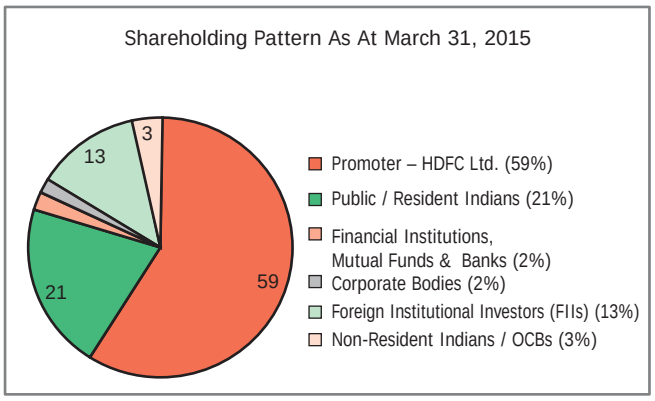
GRUH's NCDs (Series - SD-001 and SD-002 aggregating to ₹ 35 crore) are listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Limited (NSE).

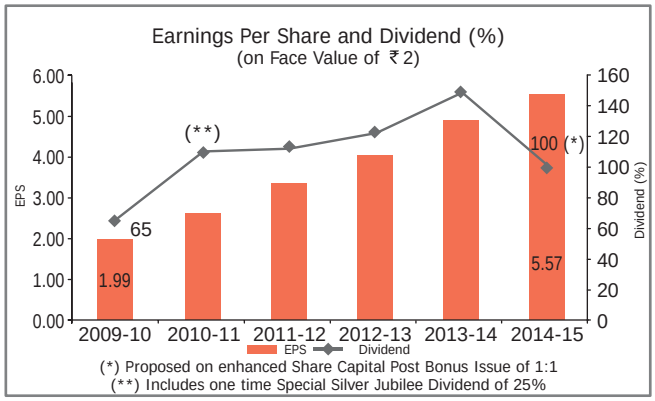
Debenture Trustees:

IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 021.

Shareholding Pattern as at March 31, 2015:

Category	No. of Share-holders	Total No. of Shares Held	% to Capital
Promoter - HDFC Ltd.	1	213077850	58.64
Public / Resident Indians	41456	73417766	20.20
Financial Institutions,			
Mutual Funds & Banks	23	8098686	2.23
Corporate Bodies	798	10173513	2.80
Foreign Institutional Investors (FIIs)	94	46121811	12.69
Non-Resident Indians / OCBs	1116	12494954	3.44
Total	43488	363384580	100.00





Distribution of Shareholding As At March 31, 2015

No. of Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Upto 500	28925	66.51	3995933	1.10
501 to 1000	5055	11.62	4342900	1.20
1001 to 2000	3245	7.46	5064868	1.39
2001 to 3000	1934	4.45	4988331	1.37
3001 to 4000	1250	2.88	4421039	1.22
4001 to 5000	720	1.66	3378916	0.93
5001 to 10000	1202	2.76	8719143	2.40
10001 and above	1157	2.66	328473450	90.39
Total	43488	100.00	363384580	100.00

Dematerialisation of Shares:

As at March 31, 2015, 98.28 % of equity shares of GRUH have been dematerialised by shareholders through National Securities Depository Limited and Central Depository Services (India) Limited .

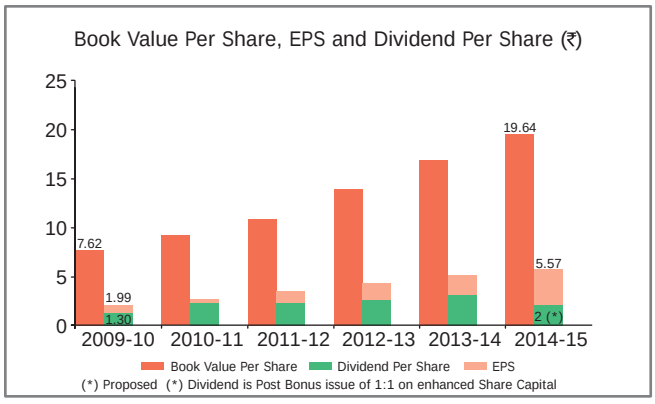
ISIN for NSDL & CDSL : INE 580B01029

The status of shares which have been dematerialised and shares which are held in physical form as at March 31, 2015 are as under:

Particulars	No.of shares	(%)
Shares held in physical form	6252428	1.72
Shares held in electronic form	357132152	98.28
Total Shares	363384580	100.00

Share Transfer System

In terms of Clause 49 VIII E (5) of the listing agreements, the Board of Directors has delegated the authority to approve share transfers to Mr. Kamlesh Shah (Executive Director) and Mr. Marcus Lobo (Company Secretary/Compliance Officer). Share transfer formalities are normally attended to three times in a month. The details of share transfers are reported to the Board of Directors.



Details regarding dividend paid during the last 7 years :

Year	Rate (%)	Book Closure Date	AGM Date	Payment Date
2007-08	40	July 15, 2008 to July 25, 2008	July 25, 2008	July 25, 2008
2008-09	48	June 18, 2009 to June 30, 2009	June 30, 2009	June 30, 2009
2009-10	65	June 17, 2010 to June 29, 2010	June 29, 2010	June 29, 2010
2010-11	110	July 5, 2011 to July 14, 2011	July 14, 2011	July 18, 2011
2011-12	115	June 8, 2012 to June 18, 2012	June 18, 2012	June 18, 2012
2012-13	125	June 28, 2013 to July 8, 2013	July 8, 2013	July 10, 2013
2013-14	150	May 7, 2014	May 28, 2014	May 28, 2014

NB: Shareholders who have not received the dividends may kindly contact the secretarial department.

Unclaimed Dividend and Deposits:

The Company has transferred all unclaimed/unpaid dividends up to the financial year 2006-2007 to the Investor Education and Protection Fund, as applicable. The Company has transferred matured deposits and interest thereon for the year 2006-2007 remaining unclaimed / unpaid, to the Investor Education and Protection Fund, in accordance with the current regulations.

Members who have either not received or have not encashed their dividend warrant(s) for the financial years 2007-2008 to 2013-2014 are requested to claim the unpaid dividend from the Company before transfer to the above mentioned fund. After transfer of unpaid/ unclaimed dividend amount to the Investor Education and Protection Fund, the same cannot be claimed subsequently.

Dividends that have not been claimed by the shareholders for the financial year 2007-2008 will have to be transferred to the Investor Education and Protection Fund in August 2015 in accordance with the provisions of the Companies Act.

The details of the unclaimed dividend and the last date for claiming the same, prior to its transfer to the IEPF, are as under:

Financial year	No. of Members who have not claimed their dividend	Unclaimed dividend as on March 31, 2015 (₹)	Unclaimed dividend as % to total dividend	Date of declaration	Last date for claiming the dividend prior to its transfer to IEPF
07-08	959	5,77,920	0.42	July 25, '08	Aug 23, '15
08-09	1,052	7,95,299	0.48	June 30, '09	July 28, '16
09-10	1,069	10,66,009	0.47	June 29, '10	July 27, '17
10-11	1,041	16,52,508	0.43	July 14, '11	Aug 11, '18
11-12	1,157	18,67,655	0.46	June 18, '12	July 17, '19
12-13	1,183	20,06,117	0.45	July 8, '13	Aug 5, '20
13-14	1,266	24,86,127	0.46	May 28, '14	June 26, '21

Unclaimed Share Certificates:

In terms of the provisions of Clause 5A of the listing agreement, shares issued pursuant to the public issues or any other issue which remain unclaimed are required to be credited to a demat suspense account with one of the depository participants opened by the Company for this purpose. The Company has initiated the process of sending reminder letters to the shareholders, The Company shall be sending further reminder(s) and take other appropriate measures as may be required before the Company proceeds to transfer the unclaimed shares to a suspense account.

Nomination Facility:

Where shares are held in single name, in case of an unfortunate death of the shareholder, the process of transmission is cumbersome as it requires submission of succession certificate / letter of probate / will, etc. Shareholders holding shares in single name and in physical form are requested to submit the prescribed form 2B (in duplicate) to the secretarial department to avail of the nomination facility. Shareholders may contact the secretarial department for the said form. Shareholders holding shares in demat form are requested to contact their depository participants for availing the nomination facility.

Financial year:

The Company follows financial year starting from April 1 to March 31 each year.

Outstanding GDRs / ADRs / warrants:

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

Book Closure:

Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014, the register of members and share transfer books of the Company will remain closed from June 18, 2015 to June 26, 2015 (both days inclusive) for the purpose of AGM/Dividend for the financial year 2014-15.

Dividend Payment:

The Board of Directors of GRUH has recommended a dividend of 100% (₹ 2 per share) for the financial year ended March 31, 2015 for approval of the shareholders at the annual general meeting.

Dividend entitlement is as follows:

(i) For shares held in physical form: shareholders whose names appear on the register of members of the Company as on Thursday, June 18, 2015.

(ii) For shares held in electronic form: beneficial owners whose names appear in the statement of beneficial position downloaded by NSDL and CDSL as at the relevant book close date.

Dividend, if approved by the members, shall be paid on or after June 26, 2015 but within the statutory time limit.

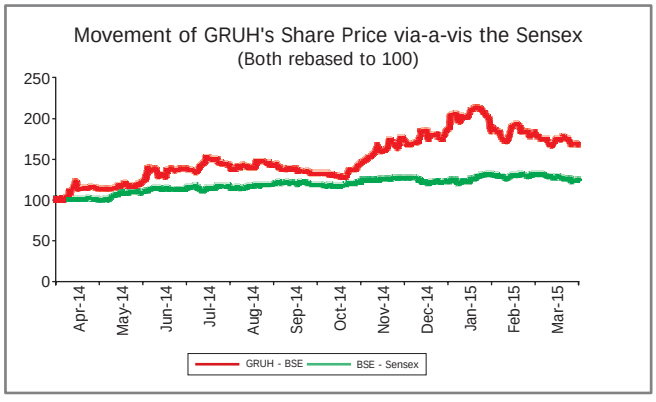
29TH Annual General Meeting

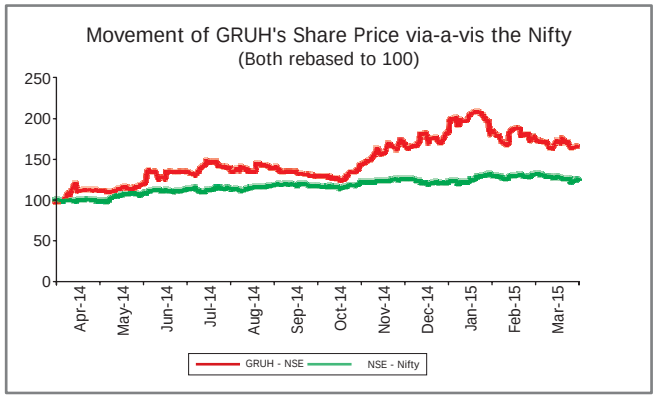
Date : June 26, 2015

Day : Friday

Time : 10.30 a.m.

Venue : H.T. Parekh Convention Centre,
Ahmedabad Management Association (AMA),
ATIRA Campus, Dr. Vikram Sarabhai Marg,
Ahmedabad 380 015





Service Standards

GRUH is committed to providing effective and prompt service to its investors. The Secretarial Department has been entrusted with the responsibility of ensuring that the investors of the Company are serviced in accordance with the service standards. Listed below are the service standards adopted by the Company in respect of various services being rendered by the Secretarial Department.

Nature of Service	Time Taken*
Transfer of shares	10 working days
Issue of duplicate/re-validation of dividend warrant(s)	7 working days
Change of address/ECS/Bank details	7 working days
Registration of Nomination	4 working days
Transmission of shares/Deletion of name	10 working days
Split/Replacement/Consolidation of share certificate(s)	10 working days

* Subject to receipt and verification of valid documents and requisite approvals.

The investors are requested to contact the Secretarial Department for availing any of the said services. The Company has designated an exclusive e-mail address viz. investorcare@gruh.com, which would enable investors to post their grievance.

A status report on adherence to the said service standards is reviewed by the Company secretary on a monthly basis and a detailed report is presented at the meetings of the Stakeholders Relationship Committee, for its review and noting.

Measuring Shareholders' Value :

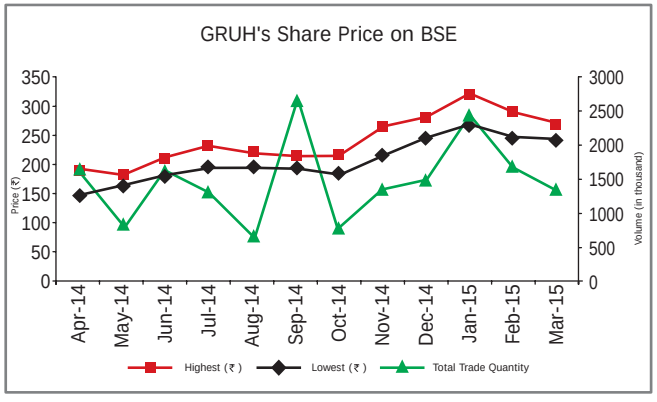
At GRUH, we believe in maximizing the wealth of its shareholders and our endeavors are in the direction of providing maximum value to our shareholders either in the form of dividend or capital appreciation. The value of Shareholders' return is measured as follows:

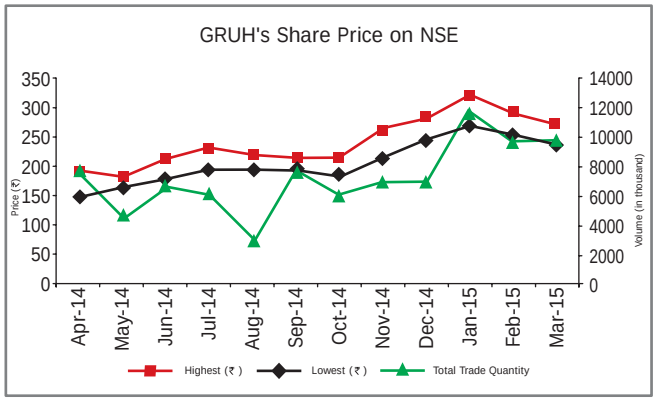
A. Total Shareholders' Return :

Total Shareholders' return includes the dividend paid by the Company as well as the capital appreciation of the shares of the Company in the stock markets. During the past five years return to shareholders has been as follows :

(₹ in crores)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Closing Market Capitalisation	8,866.58	5,319.27	3,753.36	2,248.60	1,266.38
Opening Market Capitalisation	5,319.27	3,753.36	2,248.60	1,266.38	756.14
Money raised during the year from Shareholders	10.56	10.52	12.30	2.39	7.12
Net Capital Appreciation	3,536.75	1,555.39	1,492.46	979.83	503.12
Dividend including Dividend Tax	87.48	63.49	52.46	47.29	45.04
Total Gain	3,624.23	1,618.88	1,544.92	1,027.12	548.16
Gain to Opening Market Capitalisation (%)	68.13	43.13	68.71	81.11	72.50





B. Enterprise Value :

Enterprise Value (EV) measures the value of a Company as on a particular date. It is calculated by making adjustments to the market capitalisation of a Company. The formula for measuring Enterprise Value is :

Enterprise Value (EV) = Market Capitalisation + Total Debt – Cash Balance

With the Enterprise Value as a measure, the companies can be compared easily irrespective of their capital structure. Moreover, Enterprise value is used to calculate the ratio of EV to EBIDTA multiple.

EBIDTA stands for Earnings before Interest, Depreciation, Tax and other appropriations. Hence, it can be calculated by adding back the figures of interest, depreciation and other appropriations to the amount of Profit Before Tax (PBT). It indicates that the value of enterprise is equal to number of times of the Company's earnings. As the figures of Interest, depreciation and tax are added back, it makes the comparison between two enterprises easier by eliminating all the accounting and tax differences.

The above measure for GRUH for a period of five years is as follows :

(₹ in crores)

Particulars As At March 31,	2015	2014	2013	2012	2011
Number of Equity Shares of ₹ 2 each (crores)*	36.34	36.03	35.70	35.30	35.16
Market Price per share on face value of ₹ 2 each*	244.00	147.65	105.15	63.70	36.02
Market Capitalisation	8,866.58	5,319.27	3,753.36	2,248.60	1,266.38
Total Debt	8,215.59	6,447.50	4,914.52	3,833.00	2,966.33
Cash	6.80	15.67	13.12	114.98	93.69
Enterprise Value(EV)	17,075.37	11,751.10	8,654.76	5,966.62	4,139.02
EBIDTA	979.86	790.54	603.20	475.23	328.32
EV/ EBIDTA (Times)	17.43	14.86	14.35	12.56	12.61
Total Income	1,060.32	846.16	650.45	514.24	361.27
EV / Total Income (Times)	16.10	13.89	13.31	11.60	11.46

*During FY 2012-13, equity shares were sub-divided from ₹ 10 to ₹ 2 per share. Further, during current year, Company has allotted bonus shares in the ratio of 1:1. Number of shares and share price per share of previous years are adjusted to give effect of Split and Bonus shares. Market price on the stock exchange where maximum numbers of shares have been traded is considered.

Stock Market Data:

Monthly high and low quotations as well as the volume of shares traded at the BSE Limited and the NSE for 2014-15 along with the BSE Sensex and NIFTY are as follows:

BSE 2014-15:

Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	BSE Sensex (monthly close)
April 2014	187.50	143.03	1601296	22418
May 2014	181.00	162.80	848660	24217
June 2014	210.95	178.00	1594499	25414
July 2014	229.45	194.00	1305465	25895
August 2014	217.45	198.75	671062	26638
September 2014	212.55	190.05	2639064	26631
October 2014	213.85	183.00	786682	27866
November 2014	261.00	211.00	1336021	28694
December 2014	280.50	240.00	1488424	27499
January 2015	317.00	266.50	2445849	29183
February 2015	286.00	245.00	1681724	29362
March 2015	266.50	239.55	1397944	27957

NSE 2014-15:

Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	NIFTY (monthly close)
April 2014	187.75	143.00	7746318	6696
May 2014	181.10	164.00	4506272	7230
June 2014	211.00	176.05	6794594	7611
July 2014	229.90	193.00	5867972	7721
August 2014	217.50	198.50	2893573	7954
September 2014	212.75	189.90	7559354	7965
October 2014	213.65	183.00	6118143	8322
November 2014	261.05	210.05	6860322	8588
December 2014	280.80	239.70	6852415	8283
January 2015	317.70	266.40	11769442	8809
February 2015	285.90	245.55	9723789	8902
March 2015	266.90	238.00	9886675	8491

OTHER INFORMATION :

Equity History:

Particulars	No. of shares issued (of ₹ 2 each)	Year
Subscription by Institutions	1,00,00,000	1987
Rights Issue	50,00,000	1992
Public Issue	1,07,50,000	1992
Reserved for allotment in Rights issue (conversion of Part "A" of FCDs issued to GRUH Employees Welfare Trust)	6,25,000	1994
Rights issue (conversion of Part "A" of FCDs issued to Shareholder(s)	1,28,75,000	1995
Reserved for allotment in Rights issue (conversion of Part "B" of FCDs issued to GRUH Employees Welfare Trust)	12,50,000	1995
Rights issue (conversion of Part "B" of FCDs issued to Shareholder(s)	2,57,50,000	1995
Rights Issue (conversion of FCDs issued to Shareholder(s)	6,62,50,000	1999
Rights Issue	3,97,50,000	2006
Allotment under ESOS	9,25,990	FY 2006-07
Allotment under ESOS	62,505	FY 2007-08
Allotment under ESOS	21,305	FY 2008-09
Allotment under ESOS	3,65,950	FY 2009-10
Allotment under ESOS	21,62,415	FY 2010-11
Allotment under ESOS	7,25,025	FY 2011-12
Allotment under ESOS	19,63,485	FY 2012-13
Allotment under ESOS	16,54,475	FY 2013-14
Bonus Issue (1:1)	18,01,31,150	June 10, 2014
Allotment under ESOS	31,22,280	FY 2014-15
Total : (as on March 31, 2015)	36,33,84,580	

Note: The nominal face value of the equity shares of the Company was sub-divided from ₹ 10 per equity share to ₹ 2 per equity share, with effect from July 26, 2012. Thereafter, at the 28th Annual General Meeting (AGM) of the Company held on May 28, 2014, the members of the Company had approved the issue of Bonus Shares in the proportion of 1:1 (i.e. one new fully paid up Equity Share of ₹ 2/- each for every 1 (one) fully paid-up Equity Share of ₹ 2/- each held. Accordingly, for ease of comparison, all issues have been represented by equity shares of ₹ 2 each.

Web links:

As required under the various provisions of the Companies Act, 2013 and Clause 49 of the listing agreements, the web link of some of the important documents placed on the website of the Company is provided below :

Sr. No.	Details of document	Web link
1	Code of Conduct for directors and senior management	http://www.gruh.com/policies/Code-of-Conduct.pdf
2	Corporate Social Responsibility Policy	http://www.gruh.com/policies/CSR-Policy.pdf
3	Whistle Blower Policy	http://www.gruh.com/policies/Whistle-Blower-Policy.pdf
4	Policy on Related Party Transaction	http://www.gruh.com/policies/RPT-Policy.pdf
5	Familiarization Programme	http://www.gruh.com/policies/Familiarization-Programme.pdf
6	Policy on Remuneration of Directors, Senior Management, KMPs and other employees	http://www.gruh.com/policies/Remuneration-Policy.pdf

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRUH FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GRUH Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 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.

Auditors' 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 thereunder.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, of the state of affairs of the Company as at March 31, 2015, and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purposes 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164 (2) of the Act.

(f) 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27.1 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SORAB S. ENGINEER & Co.
Firm's Registration No. 110417W
Chartered Accountants

CA. N. D. Anklesaria
Partner
Membership No. 10250

Mumbai
April 16, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Re : GRUH Finance Limited

Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date,

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the fixed assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.

(ii) (a) The stocks of acquired properties have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of stock of acquired properties followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of acquired properties. No discrepancy was noticed on verification between the physical properties and the book records.

(iii) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, requirement of clauses (iii,a) and (iii,b) of paragraph 3 of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to acquisition of properties, fixed assets and with regard to the sale of properties and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73 to 76 of the Act and the Housing Finance Companies (NHB) Directions, 2010 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) The Company is not engaged in production, processing, manufacturing or mining activities. Therefore, the provisions of clause (vi) of paragraph 3 of the order are not applicable.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, following amounts have not been deposited as at March 31, 2015 on account of any dispute :

Nature of Statute	Nature of the dues	(₹) in crore	Period to which the matter pertains	Forum where matter is pending
Income Tax Act	Income Tax	0.24	2007-2008	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	0.66	2010-2011	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	0.52	2008-2009	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	0.77	2011-2012	Commissioner of Income Tax (Appeals)

(c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

(ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or debenture holders.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial Institutions.

(xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, *prima facie,* applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.

(xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context and size of the Company and the nature of its business and which have been provided for.

For SORAB S. ENGINEER & Co.
Firm's Registration No. 110417W
Chartered Accountants

CA. N. D. Anklesaria
Partner
Membership No. 10250

Mumbai
April 16, 2015

GRUH FINANCE LIMITED
We help you build homes

BALANCE SHEET AS AT MARCH 31, 2015

(₹ in crores)

	Notes		March 31, 2015	March 31, 2014
EQUITY AND LIABILITIES				
Share Holders' Funds				
Share Capital	2	72.68		36.03
Reserves and Surplus	3	638.81		571.21
			711.49	607.24
Non-Current Liabilities				
Long-Term Borrowings	4	6,624.14		5,054.33
Deferred Tax Liability (Net)	13	18.78		0.00
Other Long-Term Liabilities	5	35.94		15.52
Long-Term Provisions	6	66.43		52.87
			6,745.29	5,122.72
Current Liabilities				
Short-Term Borrowings	7	973.18		472.99
Trade Payables	8	0.92		0.80
Other Current Liabilities	9	661.50		974.35
Short-Term Provisions	6	89.14		65.12
			1,724.74	1,513.26
			9,181.52	7,243.22
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	10	12.73		11.03
Intangible Assets	11	1.00		0.00
Non-Current Investments	12	50.50		43.28
Deferred Tax Asset (Net)	13	0.00		16.90
Long-Term Loans and Advances				
Loans	14.1	8,380.31		6,579.62
Others	14.6	31.87		26.82
Other Non-Current Assets	17.2	21.20		0.00
			8,497.61	6,677.65
Current Assets				
Current Investments	12	29.32		9.68
Cash and Bank Balances	15	74.07		83.17
Short-Term Loans and Advances	16	39.06		37.09
Other Current Assets				
Loans	17.1	535.04		429.42
Others	17.2	6.42		6.21
			683.91	565.57
			9,181.52	7,243.22
Significant Accounting Policies	1			

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached
For Sorab S. Engineer & Co.
Firm's Registration No. 110417W
Chartered Accountants

CA. N. D. Anklesaria
Partner
Membership No. 10250

Keki M. Mistry
Chairman

Sudhin Choksey
Managing Director

Directors
S. M. Palia
Prafull Anubhai
Renu S. Karnad
K. G. Krishnamurthy
S. G. Mankad
Biswamohan Mahapatra
Kamlesh Shah

Mumbai
April 16, 2015

Hitesh Agrawal
Chief Financial Officer

Marcus Lobo
Company Secretary

GRUH FINANCE LIMITED
We help you build homes

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in crores)

	Notes		Current Year	Previous Year
INCOME				
Revenue from Operations	18		1,060.31	845.69
Other Income	19		0.01	0.47
			1,060.32	846.16
EXPENDITURE AND CHARGES				
Finance Cost	20		677.73	543.63
Employee Benefit Expenses	21		35.19	31.73
Establishment Expenses	22		8.02	7.14
Other Expenses	23		37.25	16.75
Depreciation and Amortisation Expenses	24		1.29	2.45
			759.48	601.70
PROFIT BEFORE TAX FOR THE YEAR			300.84	244.46
Tax Expenses :				
Current Tax		80.56		68.20
Deferred Tax (Net)		(2.85)		(0.70)
Deferred Tax on Special Reserve	3.2	19.33		0.00
			97.04	67.50
PROFIT AFTER TAX FOR THE YEAR			203.80	176.96
Earnings per Equity Share				
(Face value of ₹ 2 per Share)	33			
Basic			5.571	4.930
Diluted			5.566	4.896
Significant Accounting Policies	1			

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

For Sorab S. Engineer & Co.
Firm's Registration No. 110417W
Chartered Accountants

CA. N. D. Anklesaria
Partner
Membership No. 10250

Keki M. Mistry
Chairman

Sudhin Choksey
Managing Director

Directors
S. M. Palia
Prafull Anubhai
Renu S. Karnad
K. G. Krishnamurthy
S. G. Mankad
Biswamohan Mahapatra
Kamlesh Shah

Mumbai
April 16, 2015

Hitesh Agrawal
Chief Financial Officer

Marcus Lobo
Company Secretary

GRUH FINANCE LIMITED
We help you build homes

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ in crores)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	300.84	244.46
Adjustments for :		
Depreciation	1.29	2.45
Brokerage and Incentive Expenses written off	3.40	1.90
Bad Debts Written off	2.03	0.77
Retirement Benefits	0.41	0.48
Loss on Sale of Acquired Properties	0.23	0.05
Provision for NPAs, Standard Assets and Contingencies	13.71	0.00
Provision for Loss to arise on redemption of SLR Investments	1.98	1.66
Loss/(Profit) on sale of Tangible Assets (Net)	0.02	(0.46)
	23.07	6.85
Operating Profit Before working Capital Changes	323.91	251.31
Changes in Working Capital :		
Increase / (Decrease) in Trade Payables	0.12	0.05
Increase / (Decrease) in Long-Term Provisions	(0.56)	(0.31)
Increase / (Decrease) in Short-Term Provisions	(0.24)	(0.21)
Increase / (Decrease) in Other Current Liabilities	(11.09)	(21.66)
Increase / (Decrease) in Other Long-Term Liabilities	20.42	(6.54)
(Increase) / Decrease in Long-Term Loans and Advances	(0.54)	(0.29)
(Increase) / Decrease in Short-Term Loans and Advances	(3.04)	(14.73)
(Increase) / Decrease in Other Current Assets	(0.21)	(4.23)
Amount spent and utilised on CSR Activities	(1.93)	0.00
Brokerage and Incentive Paid	(6.47)	(2.91)
(Increase) / Decrease in Other Bank Balances	(19.47)	(58.50)
Stock of Acquired Properties	(0.35)	(1.46)
Investments (Net)	(28.84)	10.52
	(52.20)	(100.27)
Cash Generated from Operations	271.71	151.04
Taxes Paid (Net of refunds)	(79.77)	(65.83)
Net Cash from Operations	191.94	85.21
Non-Current Portion of Loans	(1,802.72)	(1,565.04)
Current Portion of Loans	(105.62)	(6.97)
	(1,908.34)	(1,572.01)
Net Cash used in operations before extraordinary items	(1,716.40)	(1,486.80)
Extraordinary items	0.00	0.00
Net Cash used in Operating Activities	(1,716.40)	(1,486.80)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible / Intangible Assets	(4.05)	(2.12)
Sale of Tangible Assets	0.04	0.88
Capital Advances	(0.26)	0.16
Net Cash used in Investing Activities	(4.27)	(1.08)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Share Allotment under Employee Stock Option Schemes	0.62	0.33
Securities Premium Received	9.94	10.19
NCD Issue Expenses	(1.73)	(0.73)
Bonus Issue Expenses	(0.55)	0.00
Dividends Paid	(53.79)	(44.63)
Dividend Distribution Tax	(9.18)	(7.62)
Unclaimed Dividend Paid	(0.10)	(0.09)
Availment / (Repayment) of Long-Term Borrowings	1,569.81	1,348.58
Availment / (Repayment) of Short-Term Borrowings	500.19	404.22
Changes in Current maturities of Long-Term Borrowings	(306.74)	(220.35)
Changes in Unclaimed Matured Deposits and Interest Accrued thereon	4.83	0.53
Net Cash Generated from Financing Activities	1,713.30	1,490.43
Net increase in Cash and Cash Equivalents	(7.37)	2.55
Cash and Cash Equivalents at the Beginning of the year	15.67	13.12
Cash and Cash Equivalents at the End of the year	8.30	15.67
Cash and Cash Equivalents comprise of :		
Cash on Hand	0.05	0.05
Cheques on Hand	1.27	0.62
Balances with Banks as Highly Liquid Investments*	6.98	15.00
	8.30	15.67
* Includes the following balances which are not available for use by the Company		
Unpaid dividend account	1.05	0.90

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached

For Sorab S. Engineer & Co.
Firm's Registration No. 110417W
Chartered Accountants

CA. N. D. Anklesaria
Partner
Membership No. 10250

Keki M. Mistry
Chairman

Sudhin Choksey
Managing Director

Directors
S. M. Palia
Prafull Anubhai
Renu S. Karnad
K. G. Krishnamurthy
S. G. Mankad
Biswamohan Mahapatra
Kamlesh Shah

Mumbai
April 16, 2015

Hitesh Agrawal
Chief Financial Officer

Marcus Lobo
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

The Financial Statements have been prepared in accordance with historical cost convention, the accounting principles generally accepted in India including the applicable Accounting Standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 and guidelines issued by the National Housing Bank.

The preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 System of Accounting

The Company adopts the accrual concept in the preparation of the accounts. The Balance Sheet and Statement of Profit and Loss of the Company are prepared in accordance with the provisions contained in the Companies Act, 2013, read with Schedule III thereto.

1.3 Inflation

Assets and Liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

1.4 Interest on Loans

Repayments of loans is by way of Equated Monthly Installments (EMIs) comprising principal and interest. Interest on loans is computed either on an annual rest, on a monthly rest or on a daily rest basis depending upon loan product. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.

Interest on loan assets classified as "Non-Performing" is recognised only on actual receipt.

1.5 Income from Investment

Income from investment is accounted on an accrual basis. The gain/loss on account of investments in debentures/bonds and government securities held as long-term investments and acquired at a discount/premium, is recognised over the life of the security on a pro-rata basis.

1.6 Investments

Investments are stated at cost inclusive of related expenses and are classified into Current or Long-Term categories. Provision for diminution in value of investments is made, if management perceives that there is significant permanent diminution in value of investments or in accordance with the norms prescribed by the National Housing Bank and Accounting Standard on 'Accounting for Investments' (AS-13).

1.7 Brokerage and Incentive on Deposits

Brokerage and incentive on deposits is amortised over the period of the deposit.

1.8 Stock of Acquired and/or Developed Properties

Stock of acquired and/or developed properties is valued at realisable value or outstanding dues, whichever is less. In case of properties acquired and developed, the value includes appropriate share of development expenses.

1.9 Tax on Income

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax.

Deferred tax is recognised for all timing differences, being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

1.10 Tangible Fixed Assets

Tangible Fixed Assets are capitalised at cost inclusive of legal and/or installation expenses.

1.11 Intangible Assets

Intangible Assets comprising of Computer Software are stated at cost of acquisition, including any cost attributable for bringing the same in its working condition less accumulated amortisation. Any expenses on such software for support and maintenance payable annually are charged to revenue.

1.12 Depreciation and Amortisation

Tangible Fixed Assets :

Depreciation is provided on all assets on a pro-rata basis on the "Straight Line Method" over the useful lives and in the manner prescribed under schedule II to the Companies Act, 2013 except for Computers where based on a technical evaluation, useful lives is estimated at four years in order to reflect the actual usage of the assets.

Intangible Assets :

Application software is amortised over a period of four years.

1.13 Provision for Standard Assets, Non-Performing Assets (NPAs) and Contingencies

The Company's policy is to carry adequate amounts towards Provision for Standard Assets, Non-Performing Assets (NPAs) and other contingencies. All loans and other credit exposures where the installments are overdue for ninety days and more are classified as NPAs in accordance with the prudential norms prescribed by the National Housing Bank (NHB). The provisioning policy of the Company covers the minimum provisioning required as per the NHB guidelines. Excess provisions over and above provisioning requirement for Standard Assets and NPAs are carried under Provision for Contingencies Account.

1.14 Employee Benefits

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognised by the Income Tax Authorities. These funds are administered through trustees and the Company's contributions thereto are charged to revenue every year. The Company's Contribution to State Plans namely Employee's Pension Scheme is charged to revenue every year.

The Company has Defined Benefit Plans namely leave encashment / compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end based on the Projected Unit Credit method and incremental liability, if any, is provided for in the books. Gratuity scheme is administered through trust recognised by the Income Tax Authorities.

Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in Statement of Profit and Loss as income or expense.

1.15 Contingent Liabilities

Contingent liabilities, if any, are disclosed in the notes on accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialise into liabilities after the year end till the adoption of accounts by Board of Directors and which have material effect on the position stated in the Balance Sheet.

1.16 Capital Issue Expenses

Expenses in connection with issue of Shares and Debentures are being adjusted against Security Premium as permitted by section 52 of the Companies Act, 2013.

2 SHARE CAPITAL

(₹ in crores)

		As At March 31, 2015	As At March 31, 2014
Authorised			
50,00,00,000	Equity Shares of ₹ 2 each	100.00	50.00
	(Previous Year 25,00,00,000 Shares of ₹ 2 each)		
		100.00	50.00
Issued and Subscribed			
36,33,84,580	Equity Shares of ₹ 2 each	72.68	36.03
	(Previous Year 18,01,31,150 Shares of ₹ 2 each)		
		72.68	36.03
Paid Up			
36,33,84,580	Equity Shares of ₹ 2 each	72.68	36.03
	(Previous Year 18,01,31,150 Shares of ₹ 2 each)		
		72.68	36.03

2.1 (a) Reconciliation of Number of Shares

Particulars	As At March 31, 2015		As At March 31, 2014	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Equity Shares outstanding at the beginning of the year	18,01,31,150	36.03	17,84,76,675	35.70
Add : Shares issued as fully paid-up Bonus Shares	18,01,31,150	36.03	0	0.00
Add : Shares allotted pursuant to exercise of stock options under ESOS	31,22,280	0.62	16,54,475	0.33
Equity Shares outstanding at the end of the year	36,33,84,580	72.68	18,01,31,150	36.03

(b) Aggregate number of shares allotted as fully paid-up by way of Bonus Shares (During 5 years immediately preceding March 31, 2015)

During the year, pursuant to approval of share holders at the 28th Annual General Meeting (AGM) of the Company held on May 28, 2014, the Company allotted 18,01,31,150 Bonus Equity Shares of ₹ 2 each as fully paid-up shares in the proportion of 1:1. In order to facilitate issue of bonus equity shares, the authorised Share Capital of the Company is increased from ₹ 50 crores to ₹ 100 crores.

2.2 Terms/Rights attached to Equity Shares

The Company has one class of share referred to as equity shares having a par value of ₹ 2 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

2.3 Shares held by Holding Company

Particulars	As At March 31, 2015	As At March 31, 2014
Holding Company - HDFC Limited	21,30,77,850	10,65,38,925

2.4 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As At March 31, 2015	As At March 31, 2014
Holding Company - HDFC Limited	21,30,77,850	10,65,38,925
% of Shareholding	58.64	59.15

2.5 Shares reserved for issue under options

(a) During the year, the Company has issued 31,22,280 (Previous Year 16,54,475) shares on exercise of options granted to its employees and Directors under ESOS Schemes.

(b) As at March 31, 2015, the Company has following Employee Stock Option Schemes, the features of the same are as follows :

Scheme	ESOS - 2015	ESOS – 2011 Tranche - II	ESOS - 2011 Tranche - I
Date of Grant	January 30, 2015	October 25, 2011	February 10, 2011
Number of options granted	45,00,000	51,050	11,72,849
Exercise Price per option	₹ 268.20	₹ 548.80	₹ 317.85
Date of vesting	The vesting will be as under : 30% on January 30, 2016 35% on January 30, 2017 35% on January 30, 2018	The vesting will be as under : 30% on October 25, 2012 35% on October 25, 2013 35% on October 25, 2014	The vesting will be as under : 30% on February 10, 2012 35% on February 10, 2013 35% on February 10, 2014
Exercise Period	Within 3 years from the date of respective vesting.	Within 3 years from the date of respective vesting.	Within 3 years from the date of respective vesting.
Method of settlement	Through allotment of one Equity Share for each option granted.	Through allotment of Ten Equity Shares for each option granted.	Through allotment of Ten Equity Shares for each option granted.

(c) Intrinsic Value Method has been used to account for the employee share based payment plans. The intrinsic value of each stock option granted under the ESOS - 2015, ESOS - 2011 (Tranche I and II) plan is ₹ Nil, since the market price of the underlying share at the grant date was same as the exercise price and consequently the accounting value of the option (compensation cost) is ₹ Nil.

(d) Further details of the stock option plans are as follows :

Particulars	ESOS - 2015	ESOS - 2011 Tranche II	ESOS - 2011 Tranche I
Options Outstanding at start of the year	Nil	20,634	3,28,787
Options granted during the year	45,00,000	Nil	Nil
Options not vested at the start of the year	Nil	11,116	Nil
Options Lapsed during the year	Nil	Nil	9,228
Options Exercised during the year	Nil	27,682	2,84,546
Options vested but not exercised at end of the year	Nil	4,068	35,013
Options not vested at end of the year	45,00,000	Nil	Nil
Weighted Average Exercise Price per Option	₹ 268.20	₹ 548.80	₹ 317.85

(e) The Black-Scholes Model have been used to derive the estimated value of stock option granted, if the fair value method to account for the employee share based payment plans were to be used. The estimated value of each stock options and the parameters used for deriving the estimated value of Stock Option granted under Black-Scholes Model is as follows :

Particulars	ESOS - 2015			ESOS - 2011 (Tranche - II)			ESOS - 2011 (Tranche - I)		
	Vesting on January 30,			Vesting on October 25,			Vesting on February 10,		
	2016	2017	2018	2012	2013	2014	2012	2013	2014
Estimated Value of Stock Options (₹)	35.00	51.00	64.00	70.00	101.00	116.00	51.00	67.00	75.00
Share Price at Grant Date (₹)	268.20	268.20	268.20	548.80	548.80	548.80	317.85	317.85	317.85
Exercise Price (₹)	268.20	268.20	268.20	548.80	548.80	548.80	317.85	317.85	317.85
Expected Volatility (%)	20.00	20.00	20.00	25.00	25.00	25.00	30.00	30.00	30.00
Dividend Yield Rate (%)	0.80	1.00	1.10	2.20	2.90	3.75	2.20	2.90	3.75
Expected Life of Options (in days)	455	821	1186	366	731	1096	455	821	1186
Risk Free Rate of Interest (%)	7.77	7.74	7.73	8.65	8.69	8.61	7.54	7.65	7.85

(f) Had the compensation cost for the stock options granted under ESOS - 2015, ESOS - 2011 (Tranche - I and II) been determined on fair value approach, the Company's Profit After Tax and earnings per share would have been as per the pro-forma amounts indicated below :

(₹ in crores)

Particulars	2014-15	2013-14
Adjusted Profit After Tax as reported (Note 33.2)	201.87	176.96
Less : Amortisation of Compensation Cost (pro-forma)	1.91	0.76
Profit considered for computing EPS (pro-forma)	199.96	176.20
Earnings Per Share - Basic		
- as reported	5.571	4.930
- pro-forma	5.518	4.909
Earnings Per Share - Diluted		
- as reported	5.566	4.896
- pro-forma	5.513	4.875

Previous year figures of Basic and Diluted Earnings Per Share have been adjusted to give effect of Bonus Shares issued during current year to make them comparable with current year figures.

2.6 Proposed Dividend

The final dividend proposed for the year is as follows :

Particulars	As At March 31, 2015	As At March 31, 2014
On Equity Shares of ₹ 2 each		
Dividend Per Equity Share (₹)	2.00	3.00*
Dividend Proposed (%)	100	150

* Dividend Per share of previous year is before giving effect of Bonus issue in the ratio of 1:1 made during current year.

(₹ in crores)

3 RESERVES AND SURPLUS	As At March 31, 2015	As At March 31, 2014
Special Reserve		
Opening Balance	229.21	184.21
Add : Transfer from Statement of Profit and Loss	56.87	45.00
	286.08	229.21
General Reserve		
Opening Balance	78.13	58.13
Add : Transfer from Statement of Profit and Loss	40.00	20.00
Less : Utilised for 25% Deferred Tax Liability of Opening Special Reserve	19.20	0.00
	98.93	78.13
Additional Reserve (U/S 29C of the NHB Act, 1987)		
Opening Balance	27.74	20.00
Add : Transfer from Statement of Profit and Loss	0.00	15.00
Less : Utilised during the year	0.00	7.26
[Net of Deferred Tax of ₹ Nil (Previous Year ₹ 3.74 crores)]	27.74	27.74
Securities Premium		
Opening Balance	92.54	82.83
Add : Received during the year	9.94	10.19
Less : Utilised for issue of fully paid-up Bonus Shares	36.03	0.00
Less : Utilised during the year for NCD Issue Expenses [Net of tax of ₹ 0.59 crore (Previous Year ₹ 0.25 crore)]	1.14	0.48
Less : Utilised during the year for Bonus Issue Expenses [Net of tax of ₹ 0.19 crore (Previous Year ₹ Nil)]	0.36	0.00
	64.95	92.54
Surplus in Statement of Profit and Loss		
Opening Balance	143.59	110.12
Add : Profit for the year	203.80	176.96
Amount Available for Appropriation	347.39	287.08
Appropriation :		
Special Reserve	56.87	45.00
General Reserve	40.00	20.00
Additional Reserve (u/s 29C of the NHB Act, 1987)	0.00	15.00
Amount spent and utilised towards CSR Activities (Note 29)	1.93	0.00
Proposed Dividend	72.68	54.04
Tax on Proposed Dividend	14.80	9.18
Dividend pertaining to previous year paid during the year	0.00	0.27
	161.11	143.59
	638.81	571.21

3.1 As per section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The Company has transferred an amount of ₹ 56.87 crores (Previous Year ₹ 45 crores) to Special Reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961. The Company doesn't anticipate any withdrawal from Special Reserve in foreseeable future.

3.2 Vide circular NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014, the National Housing Bank ("NHB") has directed Housing Finance Companies (HFCs) to provide for a deferred tax liability in respect of amount transferred to "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961. As per the circular, NHB has advised HFCs to create deferred tax liability in respect of accumulated balance of Special Reserve as on April 1, 2014 from the reserves over a period of 3 years starting with current financial year, in a phased manner in the ratio of 25:25:50. Accordingly, the Company has created 25% of deferred tax liability of ₹ 19.20 crores on accumulated Special Reserve as on April 1, 2014 out of General Reserve.

Also, the Company has charged its Statement of Profit and Loss by ₹ 19.33 crores for the year ended March 31, 2015 with the deferred tax liability on additional amount appropriated towards Special Reserve out of profits. The deferred tax liability charged to the Statement of Profit and Loss has been separately disclosed.

3.3 The Company has transferred an amount of ₹ Nil (Previous Year ₹ 15 crores) to Additional Reserve u/s 29C of the National Housing Bank Act, 1987. During the year, an amount of ₹ Nil (Previous Year ₹ 7.26 crores) net of Deferred Tax of ₹ Nil (Previous year ₹ 3.74 crores) has been transferred from Additional Reserve as per section 29C of the National Housing Bank Act, 1987 pursuant to circular NHB(ND)/DRS/Pol-No.03/2004-05 dated August 26, 2004 to Provision for Contingencies Account.

3.4 A sum of ₹ 36.03 crores was utilised out of the Securities Premium Account in accordance with section 52 of the Companies Act, 2013 for the issue of fully paid-up bonus shares to the equity shareholders of the Company.

3.5 In respect of equity shares issued pursuant to Employee Stock Option Scheme, the Company has paid dividend of ₹ Nil for the year 2013-14 (Previous year ₹ 0.23 crore) and tax on dividend of ₹ Nil (Previous year ₹ 0.04 crore) as approved by the shareholders at the Annual General Meeting.

3.6 In terms of requirement of NHB's Circular No. NHB(ND)/DRS/Pol.Circular.61/2013-14 dated April 7, 2014 following information on Reserve Fund under section 29C of the National Housing Bank Act, 1987 is provided :

(₹ in crores)

	Particulars	As At March 31, 2015	As At March 31, 2014
	Balance at the beginning of the year		
(a)	Statutory Reserve u/s 29C of the NHB Act, 1987	27.74	20.00
(b)	Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	229.21	184.21
		256.95	204.21
	Addition / Appropriation / Withdrawal during the year		
	Add :		
(a)	Amount transferred u/s 29C of the NHB Act, 1987	0.00	15.00
(b)	Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	56.87	45.00
	Less :		
(a)	Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	0.00	7.26
(b)	Amount withdrawn from Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	0.00	0.00
		313.82	256.95
	Balance at the end of the year		
(a)	Statutory Reserve u/s 29C of the NHB Act, 1987	27.74	27.74
(b)	Amount of Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	286.08	229.21
		313.82	256.95

4 LONG-TERM BORROWINGS

(₹ in crores)

	Non-Current Portion		Current Maturities	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
Secured Borrowings				
Term Loans				
National Housing Bank	2,378.62	2,547.71	398.55	398.88
Banks	2,525.00	1,715.00	0.00	200.00
Redeemable Non-Convertible Debentures	650.00	0.00	0.00	80.70
From Holding Company				
HDFC LOC KfW	10.19	11.31	1.12	1.02
	5,563.81	4,274.02	399.67	680.60
Unsecured Borrowings				
Redeemable Non-Convertible Subordinated Debentures				
From Related Parties	12.00	12.00	0.00	0.00
From Others	23.00	23.00	0.00	0.00
Public Deposits				
From Related Parties	0.05	0.05	0.00	0.00
From Others	1,025.28	745.26	210.20	236.01
	1,060.33	780.31	210.20	236.01
Amount disclosed under the head "Other Current Liabilities" (Note 9)	0.00	0.00	(609.87)	(916.61)
	6,624.14	5,054.33	0.00	0.00

4.1 Refinance from National Housing Bank (NHB) and Term Loans from Banks :

(a) Nature of Security

Refinance from National Housing Bank (NHB) and Term Loans from Banks are secured against negative lien on all the assets of the Company excluding :

(i) The specific immovable property mortgaged in favour of Debenture Trustees against the Secured Redeemable Non-Convertible Debentures;

(ii) The Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against the Public Deposits; and

(iii) Dwelling units financed under line of credit of KfW through HDFC .

(b) Maturity Profile of Term Loans from National Housing Bank :

Previous Year figures are in (bracket)

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
5.50% - 8.00%	125.22 (128.31)	173.21 (193.73)	76.70 (95.10)	56.02 (12.69)	431.15 (429.83)
8.01% - 10.00%	273.33 (216.85)	508.23 (417.71)	432.01 (365.45)	1,132.45 (788.12)	2,346.02 (1,788.13)
10.01% - 12.00%	0.00 (53.72)	0.00 (107.44)	0.00 (107.44)	0.00 (460.03)	0.00 (728.63)

(c) Maturity Profile of Term Loans from Banks :

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
10.00%	0.00	0.00	0.00	0.00	0.00
	(0.00)	(66.67)	(66.67)	(66.66)	(200.00)
10.01% - 11.50%	0.00	490.00	490.00	1,545.00	2,525.00
	(200.00)	(290.00)	(290.00)	(935.00)	(1,715.00)

4.2 Redeemable Non-Convertible Debentures :

Nature of Security

Redeemable Non-Convertible Debentures are secured by the mortgage of specific immovable property created in favour of Debenture Trustees and by a negative lien on all the assets of the Company excluding (i) the Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against the Public Deposits and (ii) Dwelling units financed under the line of credit of KfW through HDFC.

Terms of Repayment

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
9.01% - 10.00%	0.00	350.00	300.00	0.00	650.00
	(80.70)	(0.00)	(0.00)	(0.00)	(80.70)

4.3 Term Loan under Line of Credit from Kreditanstalt fur Wiederaufbau (KfW) through HDFC :

Nature of Security

Loan from HDFC is secured by negative lien on dwelling units financed under line of credit of KfW.

Terms of Repayment

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
9.50% - 10.20%	1.12	2.60	3.15	4.44	11.31
	(1.02)	(2.36)	(2.86)	(6.09)	(12.33)

4.4 Unsecured Non-Convertible Subordinated Debentures :

Redeemable Non-Convertible Subordinated Debentures, for value aggregating to ₹ 35 crores are subordinated debt to present and future senior indebtedness of the Company and qualify as Tier II Capital under National Housing Bank's (NHB) guidelines for assessing capital adequacy. These NCDs are redeemable at par on March 22, 2023 (₹ 10 crores) and on March 25, 2023 (₹ 25 crores).

4.5 Public Deposits :

Public deposits as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of section 29B of the National Housing Bank Act, 1987.

5 OTHER LONG-TERM LIABILITIES

(₹ in crores)

	Non-Current Portion		Current Portion	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
Security Deposits	0.48	1.50	0.00	0.00
Interest Accrued but not Due on Borrowings	35.46	14.02	15.97	35.60
	35.94	15.52	15.97	35.60
Amount disclosed under the head "Other Current Liabilities" (Note 9)	0.00	0.00	(15.97)	(35.60)
	35.94	15.52	0.00	0.00

6 PROVISIONS

(₹ in crores)

	Long-Term		Short-Term	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
Provision for Retirement Benefits	2.26	2.41	1.66	1.90
Provision for Standard Assets as per NHB norms	39.11	30.82	0.00	0.00
Provision for NPAs as per NHB norms	8.47	7.60	0.00	0.00
Provision for Contingencies	16.59	12.04	0.00	0.00
Proposed Dividend	0.00	0.00	72.68	54.04
Tax on Proposed Dividend	0.00	0.00	14.80	9.18
	66.43	52.87	89.14	65.12

6.1 The movement in provision for NPAs, Standard Assets and Contingencies during the year is as under :

(₹ in crores)

Particulars	Current Year	Previous Year
Opening Balance	50.46	39.46
Provided during the year	13.71	0.00
Addition during the year (Note 3.3)	0.00	11.00
Closing Balance	64.17	50.46

7 SHORT-TERM BORROWINGS

(₹ in crores)

	As At March 31, 2015	As At March 31, 2014
Secured Borrowings		
Banks	175.00	0.00
Unsecured Borrowings		
Commercial Papers	750.00	455.00
Public Deposits	48.18	17.99
	973.18	472.99

7.1 Term Loans from Banks :

Nature of Security

Term Loans from Banks are secured against negative lien on all the assets of the Company excluding :

(i) The specific immovable property mortgaged in favour of Debenture Trustees against the Secured Redeemable Non-Convertible Debentures;

(ii) The Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against the Public Deposits; and

(iii) Dwelling units financed under line of credit of KfW through HDFC.

Rate of interest

Secured Loans from Banks carry interest rate 10.20% per annum.

7.2 Public Deposits

Public deposits as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of section 29B of the National Housing Bank Act, 1987.

8 TRADE PAYABLES

Trade Payables ₹ 0.92 crore (Previous Year ₹ 0.80 crore) include ₹ Nil (Previous Year ₹ Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / payable by the Company during the year to the "Suppliers" covered under the Micro, Small and Medium Enterprise Development Act, 2006.

9 OTHER CURRENT LIABILITIES

(₹ in crores)

	As At March 31, 2015	As At March 31, 2014
Current Maturities of Long-Term Borrowings (Note 4)	609.87	916.61
Current Portion of Other Long-Term Liabilities (Note 5)	15.97	35.60
Installments Received in Advance	7.55	5.11
Unclaimed Matured Deposits and Interest accrued thereon	8.40	3.57
Unpaid Dividends	1.05	0.90
Book Overdraft	8.26	3.52
Statutory Remittances	4.75	4.89
Other Liabilities	5.65	4.15
	661.50	974.35

9.1 There are no amounts due for payment to the Investor Eduction and Protection Fund under section 205C of the Companies Act, 1956 (1 of 1956) as at the year end in respect of Unclaimed Matured Deposits and Unpaid Dividends.

10 TANGIBLE ASSETS

Previous Year figures except other adjustment are in (bracket)

(₹ in crores)

Particulars	Gross Block (At Cost)				Depreciation					Net Block	
	As At 1.4.2014	Additions	Disposals	As At 31.3.2015	As At 1.4.2014	Other Adjustment	Additions	Deductions	As At 31.3.2015	As At 31.3.2015	As At 31.3.2014
Own Assets											
Freehold Land	0.97	0.00	0.00	0.97	0.00	0.00	0.00	0.00	0.00	0.97	0.97
	(0.97)	(0.00)	(0.00)	(0.97)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.97)	(0.97)
Office Building	4.85	0.01	0.00	4.86	1.32	0.00	0.08	0.00	1.40	3.46	3.53
	(4.85)	(0.00)	(0.00)	(4.85)	(1.24)	(0.00)	(0.08)	(0.00)	(1.32)	(3.53)	(3.61)
Residential Flat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(0.22)	(0.00)	(0.22)	(0.00)	(0.06)	(0.00)	(₹2,959)	(0.06)	(0.00)	(0.00)	(0.16)
Furniture & Fixtures	7.77	1.17	0.10	8.84	5.40	(0.84)	0.63	0.08	5.11	3.73	2.37
	(7.38)	(0.75)	(0.36)	(7.77)	(5.02)	(0.00)	(0.62)	(0.24)	(5.40)	(2.37)	(2.36)
Office Equipments	3.92	0.83	0.21	4.54	1.53	(0.68)	1.61	0.18	2.28	2.26	2.39
	(3.40)	(0.83)	(0.31)	(3.92)	(1.38)	(0.00)	(0.34)	(0.19)	(1.53)	(2.39)	(2.02)
Electrical Installation	1.25	0.20	0.00	1.45	0.87	(0.59)	0.15	0.00	0.43	1.02	0.38
	(1.15)	(0.10)	(0.00)	(1.25)	(0.80)	(0.00)	(0.07)	(0.00)	(0.87)	(0.38)	(0.35)
Computers	6.76	0.77	0.12	7.41	5.45	(0.71)	1.61	0.11	6.24	1.17	1.31
	(6.57)	(0.44)	(0.25)	(6.76)	(4.37)	(0.00)	(1.31)	(0.23)	(5.45)	(1.31)	(2.20)
Vehicles	0.23	0.00	0.00	0.23	0.15	(0.07)	0.03	0.00	0.11	0.12	0.08
	(0.23)	(0.00)	(0.00)	(0.23)	(0.12)	(0.00)	(0.03)	(0.00)	(0.15)	(0.08)	(0.11)
Total	25.75	2.98	0.43	28.30	14.72	(2.89)	4.11	0.37	15.57	12.73	11.03
Previous Year	(24.77)	(2.12)	(1.14)	(25.75)	(12.99)	(0.00)	(2.45)	(0.72)	(14.72)	(11.03)	(11.78)

10.1 Depreciation for the year includes

(₹ in crores)

Particulars	Current Year	Previous Year
(a) Effect due to change in Accounting Policy (Note 28)	(2.89)	0.00
	(2.89)	0.00
(b) Effect due to change in useful lives (Note 28)	0.62	0.00
(c) Depreciation	3.49	2.45
	4.11	2.45
Depreciation for the year	1.22	2.45

11 INTANGIBLE ASSETS

Previous Year figures are in (bracket)

(₹ in crores)

Particulars	Gross Block (At Cost)				Amortisation				Net Block	
	As At 1.4.2014	Additions	Disposals	As At 31.3.2015	As At 1.4.2014	Additions	Deductions	As At 31.3.2015	As At 31.3.2015	As At 31.3.2014
Own Assets Computer Software	0.37	1.07	0.00	1.44	0.37	0.07	0.00	0.44	1.00	0.00
	(0.37)	(0.00)	(0.00)	(0.37)	(0.37)	(0.00)	(0.00)	(0.37)	(0.00)	(0.00)
Total	0.37	1.07	0.00	1.44	0.37	0.07	0.00	0.44	1.00	0.00
Previous Year	(0.37)	(0.00)	(0.00)	(0.37)	(0.37)	(0.00)	(0.00)	(0.37)	(0.00)	(0.00)

12 INVESTMENTS

(₹ in crores)

Government Securities (At Cost)	Non-Current		Current	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
12.60 % Government of India Loan 2018 (₹ 4.58 crores purchased during the year)	8.82	4.24	0.00	0.00
12.30 % Government of India Loan 2016 (₹ 10.66 crores purchased during the year)	27.90	17.24	0.00	0.00
11.50 % Government of India Loan 2015 (₹ 6.03 crores purchased during the year)	0.00	14.11	20.14	0.00
11.43 % Government of India Loan 2015 (₹ 6.21 crores purchased during the year)	0.00	3.51	9.72	0.00
10.79 % Government of India Loan 2015	0.00	0.74	0.74	0.00
8.07 % Government of India Loan 2017	5.68	5.68	0.00	0.00
11.60 % Government of India Loan 2020 (Purchased during the year)	1.14	0.00	0.00	0.00
10.71 % Government of India Loan 2016 (Purchased during the year)	9.77	0.00	0.00	0.00
11.83 % Government of India Loan 2014 (Matured during the year)	0.00	0.00	0.00	1.44
10.50 % Government of India Loan 2014 (Matured during the year)	0.00	0.00	0.00	7.42
10.47 % Government of India Loan 2015 (Matured during the year)	0.00	0.00	0.00	1.24
	53.31	45.52	30.60	10.10
Less : Provision for Loss to arise on redemption of Investments	2.81	2.24	1.28	0.42
	50.50	43.28	29.32	9.68
Aggregate of Quoted Investments				
Book Value	53.31	45.52	30.60	10.10
Market Value	53.31	45.52	30.60	10.10

12.1 The above Investments are made as Statutory Liquid Assets in accordance with the norms prescribed by the National Housing Bank.

12.2 In case of quoted investments, where quotes are not available, book value has been considered as market value.

12.3 Disclosure as per Accounting Standard on 'Accounting for Investments' (AS 13) is as under :

(₹ in crores)

Particulars	As At March 31, 2015	As At March 31, 2014
Long-Term Investments	83.91	55.62
Current Investments	0.00	0.00
	83.91	55.62

13 DEFERRED TAX LIABILITY / (ASSET)

In accordance with Accounting Standard on 'Accounting for Taxes on Income' (AS 22), the Company is accounting for Deferred Tax.

The Break up of Deferred Tax Liability / (Asset) is as follows : (₹ in crores)

Particulars		As At March 31, 2015	As At March 31, 2014
(a)	Deferred Tax Asset		
	Provision for NPAs, Standard Assets and Contingencies	21.81	17.15
	Others	1.45	1.96
		23.26	19.11
(b)	Deferred Tax Liability		
	Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	38.53	0.00
	Depreciation	0.83	0.57
	Others	2.68	1.64
		42.04	2.21
	Net Deferred Tax Liability / (Asset)	18.78	(16.90)

14 LONG-TERM LOANS AND ADVANCES

14.1 Loans (₹ in crores)

	Non-Current Portion		Current Maturities	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
Home Loans				
Individuals	7,842.89	6,174.62	380.27	284.52
Others	166.62	64.20	115.84	108.17
	8,009.51	6,238.82	496.11	392.69
Other Loans				
Individuals	357.40	326.87	14.04	15.00
Others	13.40	13.93	24.89	21.73
	370.80	340.80	38.93	36.73
Amount disclosed under the head "Other Current Assets" (Note 17.1)	0.00	0.00	(535.04)	(429.42)
	8,380.31	6,579.62	0.00	0.00

14.2 Loans granted by the Company are secured or partly secured by :

(a) Equitable mortgage of property and / or

(b) Pledge of Shares, Units, Other Securities, assignments of Life Insurance policies and / or

(c) Hypothecation of assets and / or

(d) Bank guarantees, Company guarantees or Personal guarantees and / or

(e) Undertaking to create a security.

14.3 Loans includes ₹ 0.47 crore (Previous Year ₹ 0.42 crore) given to the related parties of the Company under the Staff Loan Scheme.

14.4 The Company has complies with the norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognising Non-Performing Assets (NPAs) in preparation of Accounts. As per the norms, NPAs are recognised on the basis of 90 days overdue. NPAs are to be treated as Bad & Doubtful, if they remain outstanding for more than 15 months. The Company has made adequate provisions on Non-Performing Assets and Standard Assets in respect of Housing and Non-Housing Loans as prescribed under Housing Finance Companies (NHB) Directions, 2010.

Classification of loans made for Non-Performing Loan Assets are given below :

(₹ in crores)

Particulars	Standard	Sub – Standard	Bad & Doubtful	Total
As At March 31, 2015				
Home Loans				
Individuals	8,200.30	11.57	11.29	8,223.16
Others	282.46	0.00	0.00	282.46
Other Loans				
Individuals	369.25	0.83	1.36	371.44
Others	38.29	0.00	0.00	38.29
Total	8,890.30	12.40	12.65	8,915.35
Percentage to Total Loans (%)	99.72	0.14	0.14	100.00

Particulars	Standard	Sub – Standard	Bad & Doubtful	Total
As At March 31, 2014				
Home Loans				
Individuals	6,441.33	7.11	10.70	6,459.14
Others	172.37	0.00	0.00	172.37
Other Loans				
Individuals	340.81	0.31	0.75	341.87
Others	35.66	0.00	0.00	35.66
Total	6,990.17	7.42	11.45	7,009.04
Percentage to Total Loans (%)	99.73	0.11	0.16	100.00

14.5 The total provision carried by the Company in terms of paragraph 29(2) of the Housing Finance Companies (NHB) Directions, 2010 and NHB circular no. NHB(ND)/DRS/Pol-No. 09/2004-05 dated May 18, 2005 in respect of Housing and Non-Housing Loans is as follows :

(₹ in crores)

Particulars	Current Year			Previous Year		
	Standard Assets	Sub-Standard Assets	Doubtful Assets	Standard Assets	Sub-Standard Assets	Doubtful Assets
Housing	35.01	1.74	5.84	27.06	1.07	6.17
Non-Housing	4.10	0.12	0.77	3.76	0.05	0.31

14.6 Others

(Unsecured and Considered good)

(₹ in crores)

Particulars	As At March 31, 2015	As At March 31, 2014
Stock of Acquired Properties	11.87	11.75
Rent Deposits	1.42	1.21
Other Deposits :		
To Related Parties	0.05	0.05
To Others	1.10	0.77
Advance Income Tax [Net of Provision for Taxation of ₹ 372.79 crores (Previous Year ₹ 293.01 crores)]	10.24	10.25
Advance recoverable in cash or in kind or for value to be received	6.88	2.74
Capital Advances	0.31	0.05
	31.87	26.82

Stock of acquired properties is valued at realisable value or outstanding dues whichever is less.

15 CASH AND BANK BALANCES

(₹ in crores)

	Non-Current		Current	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
15.1 Cash & Cash Equivalents				
(a) Balances with Banks :				
In Current Accounts	0.00	0.00	4.43	14.10
In Fixed Deposits with original maturity upto three months	0.00	0.00	1.50	0.00
In Unpaid Dividend Accounts	0.00	0.00	1.05	0.90
(b) Cheques on Hand	0.00	0.00	1.27	0.62
(c) Cash on Hand	0.00	0.00	0.05	0.05
	0.00	0.00	8.30	15.67
15.2 Other Bank Balances				
Fixed Deposits with original maturity of more than three months up to twelve months	0.00	0.00	0.77	63.00
Fixed Deposits with original maturity of more than twelve months	21.20	0.00	65.00	4.50
	21.20	0.00	65.77	67.50
Amount disclosed under the head "Other Non-Current Assets" (Note 17.2)	(21.20)	0.00	0.00	0.00
	0.00	0.00	74.07	83.17

16 SHORT-TERM LOANS AND ADVANCES

(Unsecured and Considered good unless otherwise stated)

(₹ in crores)

	As At March 31, 2015	As At March 31, 2014
Installments due from Borrowers (Secured)	22.49	18.22
Loan Against Deposit (Secured)	1.14	0.86
Advance recoverable in cash or kind or for value to be received	15.43	18.01
	39.06	37.09

16.1 Installments due from borrowers includes ₹ 9.00 crores (Previous Year ₹ 10.28 crores) which are accrued but not due.

17 OTHER ASSETS

(₹ in crores)

	Non-Current		Current	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
17.1 Loans				
Current Maturities of Loans (Note 14.1)	0.00	0.00	535.04	429.42
	0.00	0.00	535.04	429.42
17.2 Others				
Non-Current Bank Balances (Note 15.2)	21.20	0.00	0.00	0.00
Interest Accrued on Investments	0.00	0.00	2.63	1.72
Interest Accrued on Deposits	0.00	0.00	3.79	4.49
	21.20	0.00	6.42	6.21

18 REVENUE FROM OPERATIONS

(₹ in crores)

	Current Year	Previous Year
Interest Income		
Interest on Loans	1,007.00	793.44
Other Interest	14.06	19.60
Fees and Other Charges	33.10	27.06
Bad Debts Recovered	0.37	0.25
Surplus from deployment in Cash Management Schemes of Mutual Funds	0.34	1.24
Other Operating Income	5.44	4.10
	1,060.31	845.69

18.1 Surplus from deployment in Cash Management Schemes of Mutual Funds amounting to ₹ 0.34 crore (Previous Year ₹ 1.24 crores) is in respect of Investments held as Current Investments.

18.2 Fees and Other Charges is net of Loan Referral Charges of ₹ 8.10 crores (Previous Year ₹ 6.63 crores).

19 OTHER INCOME

(₹ in crores)

	Current Year	Previous Year
Other Non-Operating Income	0.01	0.01
Profit on Sale of Fixed Assets (Net)	0.00	0.46
	0.01	0.47

(₹ in crores)

20 FINANCE COST

	Current Year	Previous Year
Interest On		
Loans	338.52	305.76
Non-Convertible Debentures	14.04	23.10
Commercial Papers	197.60	124.71
Public Deposits	117.93	81.26
Other Charges		
Brokerage on Deposits	3.40	3.50
Bank Charges	0.49	0.50
Other Borrowing Cost	5.75	4.80
	677.73	543.63

(₹ in crores)

21 EMPLOYEE BENEFIT EXPENSES (Note 26)

	Current Year	Previous Year
Salaries and Bonus	31.87	28.43
Contribution to Provident Fund and other funds	2.07	2.20
Staff Welfare Expenses	1.03	0.79
Staff Training Expenses	0.22	0.31
	35.19	31.73

(₹ in crores)

22 ESTABLISHMENT EXPENSES

	Current Year	Previous Year
Rent	4.52	3.98
Rates and Taxes	0.23	0.26
Electricity Charges	0.91	0.82
Repairs and Maintenance - Building	0.01	0.05
Office Maintenance	2.23	1.90
Insurance Charges	0.12	0.13
	8.02	7.14

(₹ in crores)

23 OTHER EXPENSES

		Current Year	Previous Year
Travelling and Conveyance		1.57	1.35
Printing and Stationery		1.48	1.38
Postage, Telephone and Fax		2.68	2.08
Advertising and Business Promotion		3.12	2.01
Legal and Professional Charges		6.39	3.93
Repairs and Maintenance - Others		0.88	0.71
Staff Recruitment Expenses		0.31	0.25
Bad Debts written off		2.03	0.77
Expenses for Recovery		0.58	0.64
Directors' Fees		0.30	0.12
Auditors' Remuneration :			
Audit Fees	0.13		0.10
Tax Audit Fees	0.04		0.03
Other Certification Work	0.10		0.08
Reimbursement of Expenses	0.02		0.01
		0.29	0.22
Provision for NPAs, Standard Assets & Contingencies		13.71	0.00
Provision for Loss to arise on redemption of SLR Investments		1.98	1.66
Miscellaneous Expenses		1.93	1.63
		37.25	16.75

(₹ in crores)

24 DEPRECIATION AND AMORTISATION EXPENSES	Current Year	Previous Year
Depreciation on Tangible Assets (Note 10.1)	1.22	2.45
Amortisation of Intangible Assets (Note 11)	0.07	0.00
	1.29	2.45

25 DISCLOSURE REQUIRED BY NATIONAL HOUSING BANK

The following additional disclosures have been given in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010 issued by the National Housing Bank :

25.1 Capital to Risk Assets Ratio (CRAR) :

Items	Current Year	Previous Year
(a) CRAR (%)	15.36	16.36
(b) CRAR – Tier I Capital (%)	13.89	14.70
(c) CRAR – Tier II Capital (%)	1.47	1.66

25.2 Exposure to Real Estate Sector :

Items	Current Year	Previous Year
1. Direct Exposure		
(a) Residential Mortgages : Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented : (Individual housing loans up to ₹ 15 lacs shown separately)	i) Loans ≤ ₹ 15 Lacs : ₹ 6,745.75 crores ii) Loans > ₹ 15 Lacs : ₹ 1,477.41 crores iii) Total : ₹ 8,223.16 crores	i) Loans ≤ ₹ 15 Lacs : ₹ 5,406.45 crores ii) Loans > ₹ 15 Lacs : ₹ 1,052.69 crores iii) Total : ₹ 6,459.14 crores
(b) Commercial Real Estate : Lending secured by mortgages on commercial real estates.	₹ 692.19 crores	₹ 549.90 crore
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures : (i) Residential (ii) Commercial Real Estate	Nil	Nil
2. Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

25.3 Asset Liability Management

Assets and Liabilities are classified in the maturity buckets as per the guidelines issued by the National Housing Bank.

Maturity pattern of certain items of Assets and Liabilities As At March 31, 2015 :

(₹ in crores)

Maturity Buckets	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30 days (one month)	0.00	38.14	41.92	0.00
Over one month to 2 months	0.00	399.94	42.08	0.00
Over 2 months to 3 months	99.64	415.79	48.19	20.04
Over 3 months to 6 months	99.64	38.71	146.56	9.28
Over 6 months to 1 Year	374.27	125.32	256.29	0.00
Over 1 to 3 Years	1,171.43	1,191.13	1,015.33	40.92
Over 3 to 5 Years	998.71	475.42	965.46	8.45
Over 5 to 7 Years	664.96	16.52	878.03	1.13
Over 7 to 10 Years	412.89	37.45	1,371.84	0.00
Over 10 Years	1,655.63	0.00	4,149.65	0.00
Total	5,477.17	2,738.42	8,915.35	79.82

Maturity pattern of certain items of Assets and Liabilities As At March 31, 2014 :

(₹ in crores)

Maturity Buckets	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30 days (one month)	0.00	9.39	35.10	0.00
Over one month to 2 months	0.00	218.42	35.17	0.00
Over 2 months to 3 months	99.72	12.28	45.82	0.00
Over 3 months to 6 months	99.72	316.94	96.36	0.00
Over 6 months to 1 Year	399.44	237.26	216.97	9.68
Over 1 to 3 Years	1,075.54	586.62	843.30	39.21
Over 3 to 5 Years	924.66	150.17	665.48	4.07
Over 5 to 7 Years	627.76	16.59	689.86	0.00
Over 7 to 10 Years	440.15	38.24	1,068.88	0.00
Over 10 Years	1,194.60	0.00	3,312.10	0.00
Total	4,861.59	1,585.91	7,009.04	52.96

26. In compliance with the Accounting Standard on 'Employee Benefits' (AS 15) (Revised 2005), following disclosures have been made :

26.1 Defined Contribution Plans

The Company has recognised the following amounts in Statement of Profit and Loss which are included under Contribution to Provident Fund and Other Funds :

(₹ in crore)

Particulars	Current Year	Previous Year
Provident Fund	0.68	0.71
Superannuation Fund	0.68	0.61

The Rules of the Company's Provident Fund administered by a Trust require that if the Board of the Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

26.2 State Plans

The Company has recognised expenses of ₹ 0.40 crore (Previous Year ₹ 0.30 crore) in Statement of Profit and Loss for Contribution to State Plan namely Employees' Pension Scheme.

26.3 Defined Benefit Plans

(a) Leave Encashment/Compensated Absences :

Salaries and Bonus includes ₹ 0.41 crore (Previous Year ₹ 0.48 crore) towards provision made as per actuarial valuation in respect of accumulated leave salary encashable on retirement.

(b) Contribution to Gratuity Fund :

The details of the Company's post-retirement benefit plans for its employees are given below which is certified by the actuary and relied upon by the auditors :

(₹ in crores)

Particulars	Current Year	Previous Year
Change in the Benefit Obligations		
Liability at the beginning of the year	5.75	5.03
Current Service Cost	0.40	0.41
Interest Cost	0.54	0.42
Benefits Paid	(0.30)	(0.16)
Actuarial Loss/(Gain)	(0.17)	0.05
Liability at the end of the year	6.22	5.75
Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	5.17	4.01
Expected Return on Plan Assets	0.45	0.35
Contributions	0.76	1.02
Benefits Paid	(0.30)	(0.16)
Actuarial (Loss)/Gain on Plan Assets	0.01	(0.05)
Fair Value of Plan Assets at the end of the year	6.09	5.17
Total Actuarial Loss/(Gain) to be recognised	(0.18)	0.10
Actual Return on Plan Assets		
Expected Return on Plan Assets	0.45	0.35
Actuarial (Loss)/Gain on Plan Assets	0.01	(0.05)
Actuarial Return on Plan Assets	0.46	0.30
Amount Recognised in the Balance Sheet		
Liability at the end of the year	6.22	5.75
Fair Value of Plan Assets at the end of the year	6.09	5.17
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	0.13	0.58

Expense Recognised in Statement of Profit and Loss		
Current Service Cost	0.40	0.41
Interest Cost	0.54	0.42
Expected Return on Plan Assets	(0.45)	(0.35)
Net Actuarial Loss/(Gain) to be recognised	(0.18)	0.10
Expense recognised in Statement of Profit and Loss under "Employee Benefit Expenses"	0.31	0.58
Reconciliation of the Liability Recognised in the Balance Sheet		
Opening Net Liability	0.58	1.02
Expense Recognised	0.31	0.58
Contribution by the Company	(0.76)	(1.02)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	0.13	0.58

Investment Pattern:

Particulars	% Invested Current Year	% Invested Previous Year
Central Government Securities	36.72	43.65
State Government Securities / Securities guaranteed by State / Central Government	14.50	11.15
Public Sector / Financial Institutional Bonds	35.94	30.42
Private Sector Bonds	4.90	5.75
Special Deposit Scheme	0.20	0.23
Investment in Insurance Company	7.38	8.70
Others (including bank balances)	0.36	0.10
	100.00	100.00

Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at.

Principal actuarial assumptions at the Balance Sheet Date (expressed as weighted averages) :

Particulars	31.03.2015	31.03.2014
Discount Rate (%)	7.94	9.31
Expected Return on Plan Assets (%)	7.94	8.70
Attrition Rate (%)	2.00	2.00
Annual increase in Salary Cost (%)	3.00	6.00

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous periods are as follows :

(₹ in crores)

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of Defined Benefit Obligation	6.22	5.75	5.03	3.78	2.75
Fair Value of Plan Assets	6.09	5.17	4.01	2.92	2.15
Surplus/(Deficit) in the Plan	(0.13)	(0.58)	(1.02)	(0.86)	(0.60)
Experience adjustments on plan Liabilities (loss)/Gain	(0.45)	(0.47)	(0.39)	(0.69)	(0.01)
Experience adjustments on plan assets (loss)/Gain	0.01	(0.05)	-	(0.02)	-

27.1 Contingent liability in respect of Income-tax and Interest-tax demands, amounts to ₹ 17.77 crores (Previous year ₹ 15.63 crores) disputed by the Company and matters in dispute are under appeal. The Company expects to succeed in these matters before appellate authority and hence no additional provision is considered necessary. Against the said demand, ₹ 15.58 crores (Previous year ₹ 14.48 crores) has been paid / adjusted and will be received as refund if the matters are decided in favour of the Company.

27.2 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 0.03 crore (Previous Year ₹ Nil).

28 Changes in Accounting Policies and estimates :

(a) Depreciation :

The Company has reviewed its policy of providing for depreciation on its tangible fixed assets and has also reassessed their useful lives. On and from April 1, 2014, the straight line method is being used to depreciate all classess of fixed assets. Previously, the straight line method was used for depreciating buildings while other tangible fixed assets were being depreciated using the reducing balance method. The revised useful lives, as assessed by management, match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets other than Computers. Management believes that the revised useful lives of the assets reflect the periods over which these assets are expected to be used.

As a result of (a) the change in accounting policy, the depreciation charge for the year is lower by ₹ 2.89 crores and (b) the change in useful lives estimates, the depreciation charge is higher by ₹ 0.62 crore as compared to the method and estimated useful lives used respectively during previous year.

(b) Incentive on Deposits :

The Company has reviewed its accounting policy of incentive payable on public deposits. On and from April 1, 2014, the Company has started amortising incentive paid over the period of the deposit. Previously, incentive was charged to revenue on accrual basis.

As a result of the change, the incentive amortisation charge for the year is lower by ₹ 1.24 crores compared to the method used previously.

29 During the year, ₹ 1.93 crores have been spent and utilised towards Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013. Details of the same are as under :

(₹ in crores)

	Particulars	Current Year	Previous Year
a)	Contribution to various Trusts / NGOs / Societies / Agencies and utilisation thereon	1.84	0.00
b)	Expenditure on Administrative Overheads for CSR	0.09	0.00
		1.93	0.00

30 In the opinion of the Company, there is only one identified reportable Business Segment i.e. Housing Finance Business Segment geographically only located in India for the purpose of Accounting Standard on 'Segment Reporting' (AS 17).

31 CATEGORY-WISE SUMMARY OF BORROWINGS & LOANS

(₹ in crores)

Borrowings	Current Year	Previous Year
Bonds and Debentures	685.00	115.70
Term Loans		
Banks	5,477.17	4,861.59
Others	11.31	12.33
Commercial Papers	750.00	455.00
Public Deposits	1,292.11	1,002.88
	8,215.59	6,447.50

Loans	Current Year	Previous Year
Individual Home Loans	8,223.16	6,459.14
Individual NRP Loans	371.44	341.87
Developer Loans	320.75	208.03
	8,915.35	7,009.04

32 As per the Accounting Standard on 'Related Party Disclosures' (AS 18), the related parties of the Company with whom the Company had carried out transactions are as follows. These transactions were carried out in ordinary course of business and were at arm's length price.

(a) Holding Company

Housing Development Finance Corporation Limited (HDFC)

(b) Fellow Subsidiary Companies

(i) HDFC Standard Life Insurance Co. Limited
(ii) HDFC ERGO General Insurance Co. Limited

(c) Key Management Personnel

(i) Mr. Sudhin Choksey, Managing Director
(ii) Mr. Kamlesh Shah, Executive Director
(iii) Mr. Marcus Lobo, Company Secretary
(iv) Mr. Jayesh Jain, Chief Financial Officer (Resigned w.e.f. August 19, 2014)
(v) Mr. Hitesh Agrawal, Chief Financial Officer (Appointed w.e.f. January 19, 2015)

(d) Entities in which Key Management Personnel exercise significant influence

(i) GRUH Foundation

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

2014-15 (₹ in crores)

Particulars	Holding Company	Fellow Subsidiary Companies	Key Management Personnel	Entities in which Key Management Personnel exercise significant influence
Dividend Paid	31.96	Nil	Nil	Nil
Remuneration	Nil	Nil	3.92	Nil
Insurance Premium Paid	Nil	0.04	Nil	Nil
Exercise of Stock Options	Nil	Nil	1.32	Nil
Security Deposit	Nil	0.05	Nil	Nil
Repayment of Borrowing	1.02	Nil	Nil	Nil
Repayment of Loan	Nil	Nil	0.04	Nil
Interest on Borrowing	1.16	1.19	Nil	0.01
Interest Income	Nil	Nil	0.01	Nil
Balance As At March 31, 2015				
Account Payable	Nil	0.02	Nil	Nil
Account Receivable	Nil	0.05	0.47	Nil
Borrowing Payable	11.31	12.00	Nil	0.05

2013-2014				(₹ in crores)
Particulars	Holding Company	Fellow Subsidiary Companies	Key Management Personnel	Entities in which Key Management Personnel exercise significant influence
Dividend Paid	26.63	Nil	Nil	Nil
Remuneration	Nil	Nil	3.48	Nil
Insurance Premium Paid	Nil	0.04	Nil	Nil
Exercise of Stock Options	Nil	Nil	1.23	Nil
Security Deposit	Nil	0.05	Nil	Nil
Repayment of Borrowing	0.94	Nil	Nil	Nil
Repayment of Loan	Nil	Nil	0.03	Nil
Interest on Borrowing	1.23	1.19	Nil	(₹ 46,345)
Interest Income	Nil	Nil	0.01	Nil
Balance As At March 31, 2014				
Account Payable	Nil	0.02	Nil	Nil
Account Receivable	Nil	0.05	0.42	Nil
Borrowing Payable	12.33	12.00	Nil	0.05

33 In accordance with the Accounting Standard on 'Earnings Per Share' (AS 20), the Earnings Per Share is as follows :

33.1 The Earnings Per Share (EPS) is calculated as follows :

	Particulars	2014-15	2013-14
(i)	Adjusted Net Profit attributable to Equity Share Holders (₹ in crores)	201.87	176.96
(ii)	Weighted Average number of shares for computation of Basic Earnings Per Share	36,23,55,641	35,89,58,488
(iii)	Nominal Value of Equity Share	2	2
(iv)	EPS - Basic	5.571	4.930
(v)	EPS - Diluted	5.566	4.896

33.2 Adjusted Net Profit attributable to Equity Share Holders (₹ in crores)

	Particulars	2014-15	2013-14
(i)	Net Profit as per Statement of Profit and Loss	203.80	176.96
(ii)	Less : Expenditure and utilisation towards CSR Activities	1.93	0.00
(iii)	Adjusted Net Profit attributable to Equity Share Holders	201.87	176.96

33.3 The Basic Earnings Per Share have been computed by dividing the Profit After Tax by the weighted average number of equity shares for the respective periods. The weighted average number of shares have been derived as follows :

(a) For the year 2014-15 :

	Particulars	No. of Shares	Days
(i)	Equity Shares of ₹ 2 each at the beginning of the year	36,02,62,300	95
(ii)	Allotment of Shares under ESOS 2011 Tranche I & II	31,22,280	270
(iii)	Weighted Average number of shares for computation of Basic Earnings Per Share	36,23,55,641	

(b) For the year 2013 - 14 :

	Particulars	No. of Shares	Days
(i)	Equity Shares of ₹ 2 each at the beginning of the year	35,69,53,350	39
(ii)	Allotment of Shares under ESOS 2011	33,08,950	326
(iii)	Weighted Average number of shares for computation of Basic Earnings Per Share	35,89,58,488	

33.4 The Diluted Earnings Per Share have been computed by dividing the Profit After Tax by the weighted average number of equity shares, after giving dilute effect of outstanding Stock Options for the respective periods. The relevant details are as follows :

	Particulars	2014-15	2013-14
(i)	Weighted Average number of shares for computation of Basic Earnings Per Share	36,23,55,641	35,89,58,488
(ii)	Dilute effect of outstanding Stock Options	3,30,379	24,96,140
(iii)	Weighted Average number of shares for computation of Diluted Earnings Per Share	36,26,86,020	36,14,54,628

33.5 The number of equity shares considered in the above computation includes 18,01,31,150 equity shares allotted as fully paid-up Bonus Shares during the year. The figures for the previous year have been adjusted for the Bonus Shares in accordance with the Accounting Standard - 20 on “Earnings per share”.

34 Amount remitted during the year in foreign currency on account of dividend :

	Particulars	2014-15	2013-14
(i)	Number of Non-resident Shareholder	1	1
(ii)	Number of shares held of ₹ 2 each	6,25,000	6,25,000
(iii)	Year to which dividend relates	2013-14	2012-13
(iv)	Amount remitted (₹ in crore)	0.19	0.16

35 During previous year, some of software amounting to ₹ 0.56 crore being integral part of hardware and inseparable from hardware was shown as intangible assets. The same was not deducted from Net owned funds (NOF) reported to National Housing Bank in Statutory Return and NOF was therefore overstated to that extent.

36 There are no indications which reflects that any of the assets of the Company had got impaired from its potential use and therefore no impairment loss was required to be accounted in the current year as per Accounting Standard on ‘Impairment of Assets’ (AS 28).

37 Figures less than ₹ 50,000 which are required to be shown separately, have been shown as actual in brackets.

38 Previous year’s figures have been re-grouped / re-classified wherever necessary to correspond with current year’s classification disclosure.

GRUH FINANCE LIMITED
We help you build homes

PROPERTIES FINANCED BY GRUH



Town : Abu Road
District : Sirohi
Property Cost : ₹ 10,56,000/-
Loan Amount : ₹ 5,50,000/-



Town : Beed
District : Beed
Property Cost : ₹ 12,61,000/-
Loan Amount : ₹ 9,00,000/-



Town : Himatnagar
District : Himatnagar
Property Cost : ₹ 15,24,000/-
Loan Amount : ₹ 10,00,000/-



Town : Ujjain
District : Ujjain
Property Cost : ₹ 6,42,680/-
Loan Amount : ₹ 4,60,000/-



GRUH celebrates the GRUH-ini

You see her now with that welcome smile
More than a number in a borrower file
Total commitment to a task well begun
Worries hidden beneath the setting sun

She faces challenges and overcomes setbacks
She deals with life's many ups and downs
She has courage to take the road less traveled
A role model in our villages and smaller towns

Destiny never gave her a name
For she seeks neither power nor fame
Surely, you guessed her name by now
"GRUH-ini namaskar"- it's time for you to take a bow



GRUH FINANCE LIMITED
We help you build homes
(A subsidiary of HDFC Ltd)

Registered Office: "GRUH", Netaji Marg, Near Mithakhali Six Roads,
Ellisbridge, Ahmedabad - 380 006.
CIN : L65923GJ1986PL008809
Phone: 91-79-2642 1671 to 74, 3290 1222 / 23
www.gruh.com

GRUH FINANCE LIMITED

We help you build homes

FORM A

Sr. No.	Particulars	Details
1.	Name of the Company	GRUH Finance Limited
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified Audit Report
4.	Frequency of observation	Not Applicable

Sudhin Choksey
Managing Director and CEO

Hitesh Agrawal
Chief Financial Officer

For Sorab S. Engineer & Co.
Firm's Registration Number 110417W
Chartered Accountants

CA N. D. Anklesaria
Partner
Membership No. 10250

S. M. Palia
Chairman - Audit Committee
GRUH Finance Limited

GRUH FINANCE LIMITED
Regd. Office: "GRUH", Netaji Marg, Nr. Mithakhali Six Roads,
Ellisbridge, Ahmedabad 380 006 • Phone 079 26421671-74
E-mail:investorcare@gruh.com
www.gruh.com • CIN : L65923GJ1986PLC008809

GRUH FINANCE LIMITED
We help you build homes

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF GRUH FINANCE LIMITED WILL BE HELD AT 10.30 A.M., ON FRIDAY, THE 26TH DAY OF JUNE, 2015 AT H.T. PAREKH CONVENTION CENTRE, AHMEDABAD MANAGEMENT ASSOCIATION (AMA), ATIRA CAMPUS, DR. VIKRAM SARABHAI MARG, AHMEDABAD 380 015 TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement of the Company for the year ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in place of Mr. K. G. Krishnamurthy, (holding DIN No. 00012579), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

4. To ratify the appointment of Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, the appointment of M/s. Sorab S. Engineer & Co., (Firm Registration No 110417W), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 30TH Annual General Meeting be and is hereby ratified and their appointment be at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Biswamohan Mahapatra (holding DIN 06990345), who was appointed as additional director with effect from March 19, 2015 and holds office upto the ensuing Annual General Meeting and who qualifies for appointment as independent director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to March 18, 2018."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Kamlesh Shah (holding DIN No. 03092230) as a Whole-time Director, designated as an Executive Director of the Company for the period from April 16, 2015 to March 31, 2017, upon terms and conditions including remuneration as set out in the draft agreement to be entered into by the Company with Mr. Kamlesh Shah and placed before this meeting, duly initialed by the Chairman for the purpose of identification and which draft is hereby specifically approved."

   "RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'board') be and is hereby authorized to vary and/or modify the terms and conditions of the Agreement that may be entered as set out in the said draft agreement including remuneration payable to Mr. Kamlesh Shah in such manner as may be agreed between the board and Mr. Kamlesh Shah and within the limits as prescribed in Schedule V of the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof."

   "RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Kamlesh Shah, the remuneration mentioned in the above referred draft agreement shall be paid to Mr. Kamlesh Shah as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013."

   "RESOLVED FURTHER THAT any revision in the remuneration payable to Mr. Kamlesh Shah shall be within the overall limits as approved by the members in terms of this resolution and as recommended by the Nomination and Remuneration Committee to the board for its approval, from time to time."

   "RESOLVED FURTHER THAT the board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of directors to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

   "RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and SEBI (Issue and Listing of Debt Securities) Regulations, 2008, including any amendment, modification, variation or re-enactment thereof, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof), to issue Redeemable Non-Convertible Debentures (NCDs) for cash, upto an amount not exceeding Rs. 2000 Crores (Rupees two thousand crores only) and to issue Unsecured Redeemable Subordinated Debt – Tier II NCD upto an amount of ₹ 115 crores (Rupees one hundred and fifteen crores only), both aggregating to ₹ 2115 crores, under one or more self disclosure document, during the period commencing from the date of this meeting hereof until the conclusion of 30th (thirtieth) Annual General Meeting, on a private placement basis on such terms and conditions as the Board may deem fit and appropriate for each series as the case may be."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto."

"RESOLVED FURTHER THAT the board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to the resolution."

Notes:

(A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carry voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(B) The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 in respect of the special business under item No. 5 to 7 are annexed hereto.

(C) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, June 18, 2015 to Friday, June 26, 2015, (both days inclusive) for determining the entitlement of the shareholders to the payment of dividend.

(D) Subject to the provisions of Section 126 of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be dispatched/remitted commencing on or from June 29, 2015.

(E) All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and National Holidays, from the date hereof up to the date of the annual general meeting.

(F) In terms of the provisions of Section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2007-08 is due for transfer to the said Fund in August 2015. In terms of provisions of Section 124 of the Companies Act, 2013, no claim shall lie against the Company after the said transfer.

(G) Members who have either neither received nor encashed their dividend warrant(s) for the financial years 2007-08 upto 2013-14, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).

(H) Members holding shares in physical form are requested to promptly notify in writing any changes in their address/bank account details to the Secretarial Department of the Company at "GRUH", Netaji Marg, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad – 380 006. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

(I) Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in future.

(J) Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 29TH Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 23rd June, 2015 (10:00 am) and ends on 25th June, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th June, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "GRUH remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "GRUH FINANCE LIMITED".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to gruhscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the 29th AGM :

EVEN (Remote e-voting Event Number)

USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th June, 2015.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th June, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investorcare@gruh.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. M.C.Gupta, of M/s. M. C. Gupta & Co., Company Secretaries, (Membership No. FCS : 2047) (Address : A-201, Fairdeal House, Swastik Char Rasta, Navrangpura, Ahmedabad -380 009) has been appointed for as the Scrutinizer *inter alia* for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.gruh.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Ltd., Mumbai.

MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

INFORMATION AS REQUIRED UNDER CLAUSE 49 (VIII) (E) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING RE-APPOINTED/APPOINTED:

Re-appointment of Mr. K. G. Krishnamurthy (Item No 3)

Mr. K.G. Krishnamurthy is the Managing Director & CEO of HDFC Property Ventures Limited (HPVL). Prior to that he was employed with HDFC as Senior General Manager – Technical Services. He played a major role in HPVL's successful closure of India's first real estate venture fund scheme, HDFC India Real Estate Fund with a corpus of 1.20 billion dollars. He is a graduate from IIT Kharagpur with a management degree from Jamnalal Bajaj Institute of Management, Mumbai. He has vast experience of over two decades in real estate and has been widely consulted by the industry on real estate matters. He has offered his services to the Asian Development Bank - to develop a housing package for Project Affected Persons under Karnataka Urban Infrastructure Project, and to the US AID to build-up a mortgage market in Sri Lanka. Besides his responsibilities within the HDFC group, he is on the board of several companies including HDFC Venture Capital Limited, Vascon Engineers Limited, New Consolidated Construction Co. Ltd., etc. He has been appointed on the board of GRUH since 2004. He is a member of Stakeholders Relationship Committee of GRUH. Mr. K.G. Krishnamurthy holds 3,91,650 shares of the Company.

Appointment of Mr. Biswamohan Mahapatra (Item No 5)

For details of Mr. Biswamohan Mahapatra, please refer to the below Explanatory Statement in respect of special business set out at item No 5 of the Notice of the AGM pursuant to Section 102 of the Companies Act 2013.

Re-appointment of Mr Kamlesh Shah (Item No 6)

Mr. Kamlesh Shah, the Executive Director of GRUH is a Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. He is working with GRUH since 1990. He has the working experience of handling functional areas of operations, finance, human resources and administration and was elevated to the Board of GRUH in 2010. He does not hold any other board positions in any other company. Mr. Kamlesh Shah holds 3,33,946 shares of the Company.

April 16, 2015 — By Order of the Board

Registered Office:
"GRUH", Netaji Marg,
Nr. Mithakhali Six Roads,
Ellisbridge, Ahmedabad 380 006. — Marcus Lobo
CIN : L65923GJ1986PLC008809 — Company Secretary

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013.

Item No. 5

Mr. Biswamohan Mahapatra is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on March 19, 2015 as an additional Independent director.

Mr. Biswamohan Mahapatra has a career as central banker spanning over 33 years with the Reserve Bank of India (RBI). In the RBI he worked in various capacities and retired as Executive Director in 2014. He spent most of his career in the RBI in the important areas of banking regulation, policy and supervision. Post-retirement, the RBI retained him as an Advisor on full time contract basis for six months on new bank licensing. He holds Master of Science in Management (MSM) degree from Arthur D. Little Management Education Institute, Cambridge, USA; Master of Business Administration (MBA) degree from the University of Delhi, Delhi; and Master of Arts (MA) degree from Jawaharlal Nehru University, New Delhi. He is also a Certified Associate of the Indian Institute of Bankers (CAIIB). He was associated with various working groups and committees of RBI. He is an external Senior Advisor to Ernst & Young LLP. He is a director on the boards of Edelweiss Financial Services Ltd. and Credila Financial Services Pvt. Ltd.

Mr. Biswamohan Mahapatra and his relatives donot hold any share of the Company.

Mr. Biswamohan Mahapatra was appointed as an additional Independent Director w.e.f. March 19, 2015 for a period of three consecutive years i.e. upto 18th March 2018. A notice has been received from a member proposing Mr. Biswamohan Mahapatra as a candidate for the office of Director of the Company as Independent Director.

Mr. Biswamohan Mahapatra fulfils the conditions specified in Section 149(6) read with Schedule IV of the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Biswamohan Mahapatra as an Independent Director setting out the terms and conditions would be available for inspection by a member at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays, Sundays and National Holidays.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Biswamohan Mahapatra as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Biswamohan Mahapatra as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Biswamohan Mahapatra, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

The members of the Company at the 24th Annual General Meeting (AGM) of the Company held on June 29, 2010 had appointed Mr. Kamlesh H. Shah as a whole time director designated as an Executive Director of the Company for a period of 5 years with effect from April 16, 2010.

The term of office of Mr. Kamlesh Shah as Executive Director was upto April 15, 2015. The Board of Directors at its meeting held on March 19, 2015 re-appointed Mr. Kamlesh Shah as the Executive Director of the Company for a period from April 16, 2015 to March 31, 2017, subject to the approval of the members in the general meeting. Further, the Board of Directors at its meeting held on April 16, 2015, approved the terms of remuneration of Mr. Kamlesh Shah as Executive Director. The terms of re-appointment have been recommended by the Nomination and Remuneration Committee in its meetings held on March 19, 2015 and April 16, 2015.

The main terms and conditions of re-appointment including remuneration of Mr. Kamlesh Shah as the Executive Director as set out in the draft agreement, subject to the limits prescribed in Part II of Schedule V of the Companies Act, 2013, placed before the Meeting are as follows:

I. Salary: Monthly salary within the range of ₹ 2,50,000/- to ₹ 5,00,000/- as may be decided by the Board of Directors or Nomination and Remuneration Committee from time to time.

II. Perquisites: Perquisites including allowances in such form and to such extent as may be decided by the Board of Directors or the Nomination and Remuneration Committee subject to a ceiling of 60% of the annual salary.

III. *Ex-Gratia*: As may be decided by the Board of Directors or Nomination and Remuneration Committee subject to the ceiling of twice the annual salary.

IV. Other Benefits: Other benefits to Mr. Kamlesh Shah shall include use of car (with driver) and telephone for the Company's business at residence (the expenses whereof, excepting car for private use and personal long distance calls, would be borne and paid by the Company), contribution to Provident Fund and Superannuation Fund as may be decided by the Board of Directors or Nomination and Remuneration Committee, and all other benefits as are applicable to senior employees of the Company (including but not limited to gratuity, leave entitlement, encashment of leave, entitlement to housing and other loans in accordance with schemes of the Company).

V. Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of office of Mr. Kamlesh Shah, the remuneration as above shall be paid to him as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.

In accordance with the resolution, within the aforesaid limits, the amount of salary, ex-gratia and perquisites payable to Mr. Kamlesh Shah (including the types and amount of each type of perquisite) will be decided by the Board of Directors or Nomination and Remuneration Committee from time to time as it may deem fit in its absolute discretion. Further, Mr. Kamlesh Shah shall be entitled to benefits as provided to senior employees, in accordance with schemes made by the Company from time to time. The valuation of perquisites will be as per the Income – Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

VI. Other Terms: Apart from the above terms & conditions governing remuneration, the terms of appointment provide for the term of office, the reimbursement of expenses incurred for the business of the Company, provision for earlier determination of the appointment by either party by giving six months' notice in writing etc. The agreement also provides for variation in the terms of appointment / agreement in accordance with the Companies Act, 2013, in force from time to time.

Your directors commend passing of the resolution proposed at Item No. 6.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Kamlesh Shah are concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

Item No 7

For the purpose of the business of the company, the board of directors of your Company are required to borrow funds, within the limits approved by the members, *inter alia*, by issue of Non-Convertible Debentures (NCDs) in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities Regulations, 2008) as amended.

In terms of Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities including NCDs subject to prior approval of the shareholders by way of special resolution. The Rules further provides that the said special resolution shall be passed in respect of all offers / invitations for such debentures made during the year. Such an approval from the members to borrow funds by way of NCD is valid till the conclusion of the succeeding AGM.

In terms of the resolution passed by the members of the Company at the 28TH annual general meeting (AGM) held on May 28, 2014, the members had accorded approval under the provisions of Section 180(1)(c) of the Companies Act, 2013 to the Board of Directors to borrow from time to time such sums of money on behalf of the Company not exceeding ₹ 12,000 crores outstanding at any one point of time. At the said 28th AGM, the members had also approved borrowing by way of NCDs upto an amount not exceeding ₹ 2,000 crores on a private placement basis. GRUH has during the year 2014-15, raised NCDs aggregating to ₹ 650 crore, through private placement.

As at March 31, 2015, the total borrowings of the Company amounted to ₹ 8,215.59 crores, are inclusive of Non-Convertible Debentures of ₹ 650 crores and unsecured redeemable subordinated debt Tier II NCD of ₹35 crores. These borrowings are within the overall limits of ₹ 12,000 crores as approved by the members at the 28th AGM held on May 28, 2014 and also subject to the NHB prescribed ceiling of 16 times of Net Owned Funds (NOF) at GRUH.

The NCDs proposed to be issued for cash either at par or premium or at a discount to face value depending upon the prevailing market conditions, shall be within the overall borrowing limits of ₹ 12,000 crores as approved by the members at the 28th AGM held on May 28, 2014 and also subject to the NHB prescribed ceiling of 16 times of NOF at GRUH.

Accordingly the approval of the members is being sought by way of special resolution as set out at Item No.7 for issue of Non-Convertible Debentures on a private placement basis during the period from the date of this meeting until the conclusion of the 30th Annual General Meeting, under one or more shelf disclosure document in or more series or trenches.

Your Directors recommend the passing of the special resolution proposed at Item No.7 of the Notice.

None of the directors or Key Managerial Personnel (KMP) of the company or their relatives, are in any way, financial or otherwise, concerned or interested in the said resolution.

April 16, 2015

By Order of the Board

Registered Office:
"GRUH", Netaji Marg,
Nr. Mithakhali Six Roads,
Ellisbridge, Ahmedabad 380 006.
CIN : L65923GJ1986PLC008809

Marcus Lobo
Company Secretary

GRUH FINANCE LIMITED

Regd. Office: "GRUH", Netaji Marg, Nr. Mithakhali Six Roads,
Ellisbridge, Ahmedabad 380 006 • phone 079 26421671-74 www.gruh.com
CIN : L65923GJ1986PLC008809

PROXY FORM

Name of the member (s): .....

Registered Address: .....

..... E-mail ID: .....

Folio No. / Client Id: ..... DP ID: .....

I/We, being the member (s) of ..... shares of the GRUH Finance Limited, hereby appoint.

1. Name : ..... Address : .....

   Email Id : ..... Signature : .....

2. Name : ..... Address : .....

   Email Id : ..... Signature : .....

3. Name : ..... Address : .....

   Email Id : ..... Signature : .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29TH Annual General Meeting of the Company, to be held on Friday, June 26, 2015 at 10:30 a.m. at H.T. Parekh Convention Centre, Ahmedabd Management Association (AMA), Atira Campus, Dr. Vikram Sarabhai Marg, Ahmedabad 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above Proxy to vote in the manner as indicated in the box below:

Sr No.	Resolutions	Optional*	
		For	Against
1	Adoption of the Audited Financial Statement and Reports of the Board of Directors and the Auditors thereon for the year ended March 31, 2015.		
2	Declaration of Dividend on Equity Shares		
3	Re-appointment of Mr. K.G. Krishnamurthy (DIN : 00012579) who retires by rotation.		
4	Ratification of appointment of M/s. Sorab S. Engineer & Co., (Firm Registration No. 110417W) as Auditors and fixing their remuneration.		
5	Appointment of Mr. Biswamohan Mahapatra (DIN : 06990345) as an Independent Director.		
6	Re-appointment of Mr Kamlesh Shah (DIN : 03092230) as whole time Director, designated as an Executive Director for the period from April 16, 2015 to March 31, 2017.		
7	Approval for issue of Redeemable Non Convertible Debentures (NCDs) upto an amount not exceeding Rs.2000 crores and issue of Unsecured Redeemable Subordinated Debt - Tier II NCDs upto an amount of Rs.115 crores (both aggregating to Rs.2115 crores)		

Signed this _____ day of _____ 2015.

Signature of Shareholder: _____

(Affix Revenue Stamp)

Note :

1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2) **A proxy need not be a member of the Company.**
*3) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 29TH Annual General Meeting.
It is optional to put a"✓" in the appropriate column against the Resolutions indicated in the box. If you leave the "For' or "Against" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.

GRUH FINANCE LIMITED

We help you build homes

FORM A

Sr. No.	Particulars	Details
1.	Name of the Company	GRUH Finance Limited
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified Audit Report
4.	Frequency of observation	Not Applicable

Sudhin Choksey
Managing Director and CEO

Hitesh Agrawal
Chief Financial Officer

For Sorab S. Engineer & Co.
Firm's Registration Number 110417W
Chartered Accountants

CA N. D. Anklesaria
Partner
Membership No. 10250

S. M. Palia
Chairman - Audit Committee
GRUH Finance Limited