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, 2013
3.	Type of Audit observation	Un-qualified Audit Report
4.	Frequency of observation	Not Applicable

Sudhin Choksey
Managing Director and CEO

Jayesh Jain
Chief Financial Officer

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

S. M Palia
Chairman Audit Committee
GRUH Finance Limited

GRUH FINANCE LTD. AHMEDABAD

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HAPPY FACES. HAPPIER FAMILIES.

GRUH FINANCE LIMITED

We help you build homes

(A subsidiary of HDFC Ltd.)

27TH ANNUAL REPORT 2012-2013



A company is made up of its hard-working employees, its loyal stakeholders and most importantly, its happy customers. The image above appropriately showcases this harmony between the three pillars of GRUH.

Over the years, we have acquired the insight that enables us to gauge a genuine borrower from his expressive face while the stakeholders' faces rely on us to make proper judgements. This invigorating expectation and the bright smile on our customers' faces encourage us to perform efficiently year after year and deliver consistently better results and robust outcomes.

GRUH FINANCE LIMITED
We help you build homes

HIGHLIGHTS

(₹ in crores)

Financial Highlights	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Loan Disbursements	2174	1487	1211	780	655	632	474	360	300	218
Net Interest Income	218	179	143	115	85	74	52	36	28	21
Fees & Other Charges	22	17	14	12	7	6	6	6	5	6
Operating Cost	46	39	32	25	21	18	14	12	9	9
Operating Profit	198	159	127	103	72	63	44	30	23	19
Provisions & Write Offs (net)	1	(4)	1	8	3	4	7	4	3	4
Profit Before Tax	197	163	126	94	70	59	37	26	21	16
Profit After Tax	146	120	92	69	50	42	30	22	17	13
Stockholders' Equity	491	386	318	265	221	190	164	87	73	63
Borrowed Funds	4915	3833	2966	2323	2245	1773	1305	1080	806	572
Loan Assets	5438	4067	3172	2449	2086	1770	1377	1069	817	582

Key Financial Ratios

Capital Adequacy Ratio (%)	14.56	13.95	13.32	16.55	16.21	18.15	16.31	14.24	15.71	19.26
Debt Equity Ratio (times)	10	10	9	9	10	9	8	12	11	9
Loans to Total Assets (%)	97	94	94	92	82	88	90	89	87	87
Gross NPAs to Loan Assets (%)	0.32	0.52	0.82	1.11	0.94	1.12	1.36	1.48	1.95	1.68
Net NPAs to Loan Assets (%)	0.05	0	0	0	0	0	0	0.23	0.66	0.30
Net Interest Margin to Average Assets (%)	4.38	4.64	4.73	4.42	3.73	4.18	3.82	3.37	3.49	3.19
Non Interest Expenses to Average Assets (%)	0.93	1.01	1.06	0.98	0.91	1.01	1.02	1.10	1.18	1.29
Cost to Income Ratio (%)	19	20	20	20	22	22	24	28	29	32
PAT to Average Assets (%)	2.94	3.12	3.02	2.65	2.21	2.39	2.17	2.03	2.09	2.02
Return on Average Networth (%)	33	34	31	28	24	24	24	27	24	22

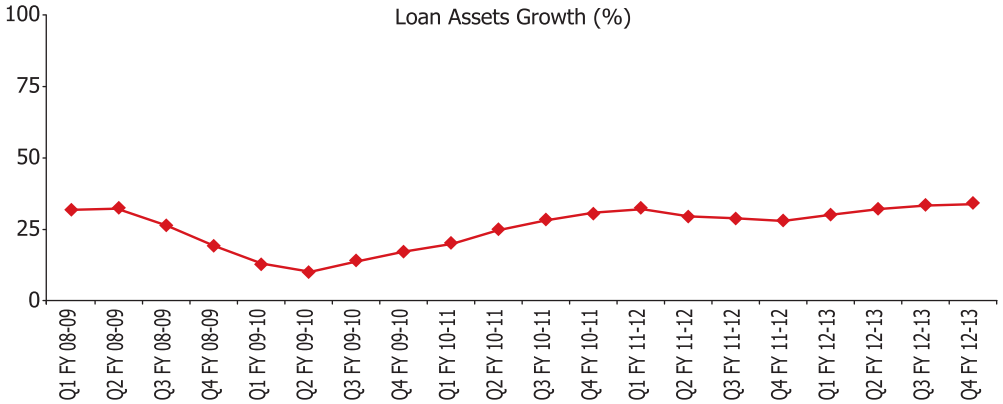
Measuring Shareholders' Wealth

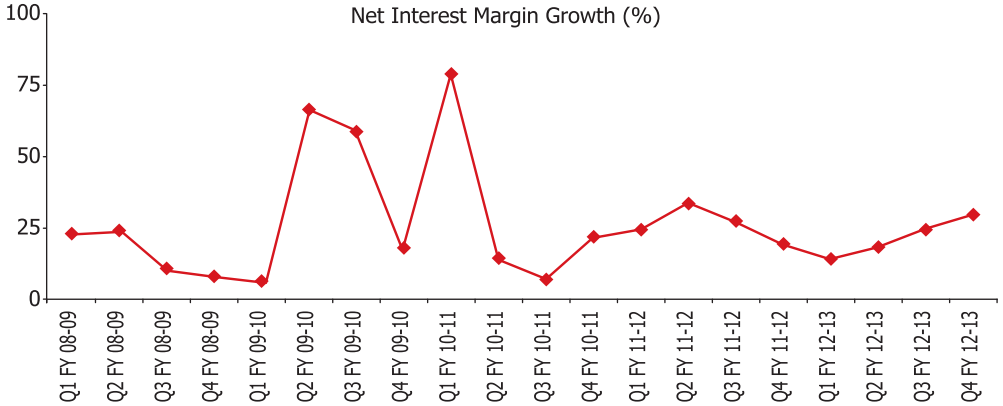
Earnings Per Share (₹) ^	8.21	6.83	5.24	3.98	2.90	2.44	1.88	1.47	1.26	1.01
Dividend Rate (%)	125	115	110*	65	48	40	30	25	21	18
Dividend Payout Ratio (%)	36	39	49	38	39	38	41	35	38	40
Book Value Per Share as at March 31 (₹) ^	27.63	21.87	18.20	15.24	12.75	10.98	9.48	6.56	5.54	4.78
Market Price Per Share as at March 31 (₹) ^	210.30	127.39	72.04	43.55	18.74	30.87	27.47	18.66	9.01	5.94
Price to Value Ratio (times)	7.61	5.83	3.96	2.86	1.47	2.81	2.90	2.85	1.63	1.24
Price to Earning Ratio (times)	26	19	14	11	6	13	15	11	7	6
Market Capitalisation (in Crores)	3753	2249	1266	756	325	535	476	247	119	79

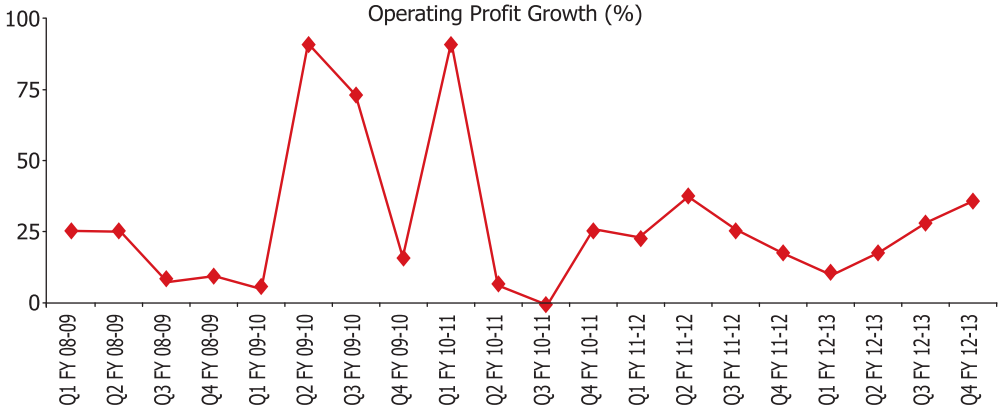
* Includes one time Special Silver Jubilee Year Dividend of 25%

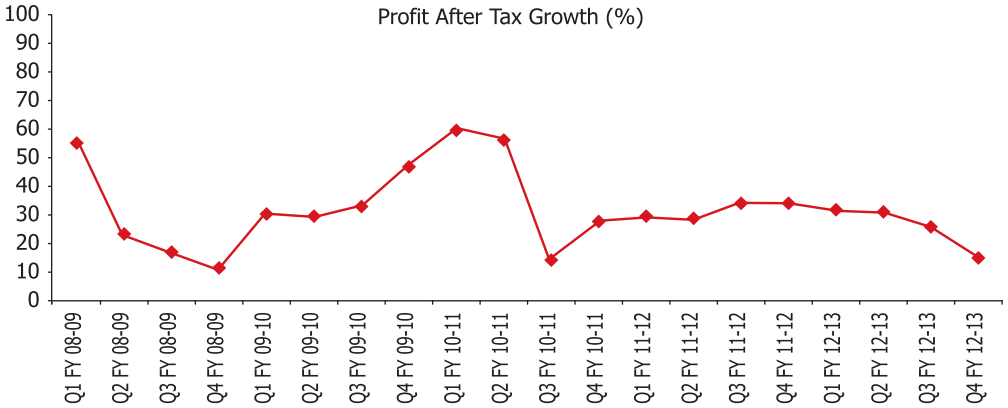
^ During the year, w.e.f. July 26, 2012, face value of equity shares of the Company was sub-divided to ₹ 2 per equity share from ₹ 10 per equity share. Previous years figures have been adjusted to reflect the revised value.

QUARTER-TO-QUARTER MOVEMENT OF KEY FINANCIAL PARAMETERS











"I try to be like a forest: revitalizing and constantly growing."

– **Forest Whitaker,** *well-known actor, producer and director*



And so do we. Our focus has always been the same but constantly growing. We continue penetrating deeper into remote geographic locations and targeting Low Income Group segments at urban and semi-urban locations. From being a nascent institution for mortgage housing finance to becoming a preferred brand when it comes to rural housing finance and garnering of public savings, we have really come a long way.

Our sound financials are borne out not only by the recently awarded "AAA" rating by CRISIL but also the "AAA" rating by ICRA for our Fixed Deposit Program. There is an ever-increasing number of HFCs (both small as well as branches of big corporate houses) that have entered this market. It is significant that most of these have derived inspiration from GRUH's business model.

BOARD OF DIRECTORS AND THEIR BRIEF PROFILE :


Mr. Keki M. Mistry
Chairman

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., The Great Eastern Shipping Co. Ltd., Sun Pharmaceutical Industries Ltd., Next Gen Publishing Ltd., Infrastructure Leasing & Financial Services Ltd., Shrenuj & Company Ltd., Torrent Power Ltd., Bombay Stock Exchange Ltd., HCL Technologies Ltd., etc. 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 Compensation Committee of GRUH.


Mr. S.M. Palia

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 ACC Limited., The Bombay Dyeing & Mfg. Co. Ltd., and AI Champdany Industries Limited. 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 and the Compensation Committee of GRUH.


Mr. Prafull Anubhai

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, Management Structure & Systems Pvt. Ltd., Botil Oil Tools (India) Pvt. Ltd., EMSAF (Emerging Market South Asia Fund) – Mauritius etc. He has been on the board of GRUH since 1987. He is a member of the Audit Committee of GRUH.


Mr. K.G. Krishnamurthy

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 Shareholders'/ Investors' Grievance Committee of GRUH.

BOARD OF DIRECTORS AND THEIR BRIEF PROFILE :


Ms. Renu S. Karnad

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 the Chairperson of HDFC Property Ventures Ltd. She is also a director in companies like Credit Information Bureau (India) Ltd., HDFC Bank Ltd., HDFC Asset Management Company Ltd., HDFC Standard Life Insurance Company Limited, HDFC ERGO General Insurance Company Limited, Indraprastha Medical Corporation Limited, Bosch Ltd., Akzo Nobel India Ltd., etc. She has been on the board of GRUH since 2000. She is a member of the Compensation Committee of GRUH.


Mr. Rohit C. Mehta

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 Gujarat Hotels Ltd., Universal Trustees 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 Shareholders'/ Investors' Grievance Committee of GRUH and a member of the Audit Committee of GRUH.


Mr. S.G. Mankad

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 has served as a Director/Chairman on Board of several cement, power, fertilizer and finance companies. He is chairman of Gujarat Institute of Desert Ecology (GUIDE) 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., Shri Dinesh Mills Ltd., NSDL Depository Limited and Mahindra Intratrade Ltd. He is on the Board of GRUH since 2010. He is a member of Shareholders'/ Investors' Grievance Committee of GRUH.


Mr. Kamlesh Shah
Executive Director

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

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. and Hunnar Shaala Foundation for Building Technology and Innovations. He is a member of the Shareholders'/ Investors' Grievance Committee of GRUH.

GRUH FINANCE LIMITED
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MANAGEMENT TEAM

Ajay Kumar	Amar Vyas	Amit Chokshi	Anand Rehpade
Anil Dave	Anita Srivastav	Ashish Sutaria	Dahyabhai Vadher
Deven Varadkar	Dharmesh Bhavsar	Dilip Dafda	Dushyant Joshi
Harish Sharma	Harshal Vaidya	Hiren Visavadiya	Hitesh Agrawal
Jagdish Vartak	Jayesh Gangwani	Jayesh Patel	Manish Gandhi
Mehul Buch	Mit Mehta	Narayanan T	Narendra S.
Nisha Mekaad	Nitin Unadkat	Om Prakash	Partha K R
Pramod A	Pritesh Karnawat	Rahul Jakotiya	Rahul Sharma
Rakesh Chowdhary	Rakesh Hardiya	Ramchandrappa H	Ramprasad Murugesan
Ravindra Golannavar	Rupali Shelar	Sadashiv Pimplaskar	Santosh Kulkarni
Shilpa Kulkarni	Sridhar Subbiah V.S.	Suresh Iyer	Trishul Soman
Umesh Agrawal	Venu Menon	Vikas Jain	

Company Secretary Marcus Lobo

Chief Financial Officer Jayesh Jain

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

AUDITORS

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

SOLICITORS AND ADVOCATES

M/s Singhi & Co.,
Advocates, Solicitors and Notary

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 * 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. * The Jammu and Kashmir Bank Ltd. * 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

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"A challenge only becomes an obstacle when you bow to it."

– **Ray Davis**, *motivational writer, thinker and speaker*

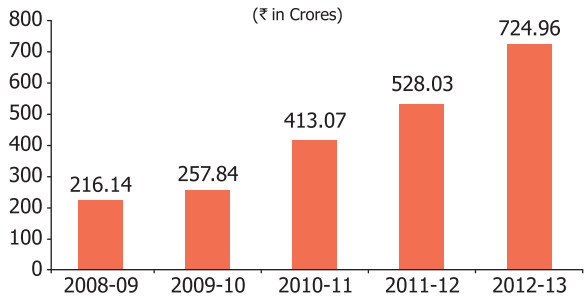
In these 26 years, GRUH has withstood some really harsh times and conditions. Some of the initial problems were in estimating the level of income of borrowers (in the informal sector), geographical restrictions and cultural differences. In contrast to these, the current challenges which the housing mortgage finance sector is facing are rapid increase in property prices, increasing inflation and high interest rates.

But challenges seem overpowering only when you get deterred by them. But we, at GRUH, enjoy challenging the challenges. We convert every piece of rock into a nugget of gold; we solve every jigsaw puzzle through our innovative problem-solving passion and commitment. In fact, it is these trying times that inspire us to revisit our original mandate and shape our strong will power to achieve success and drive our quest to do better.

GRUH FINANCE LIMITED
We help you build homes

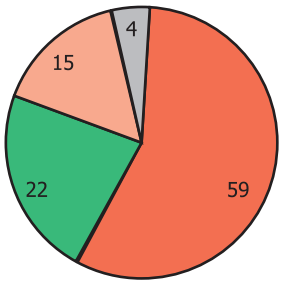
GRUH'S RURAL FOCUS

Disbursements under Golden Jubilee Rural Housing Finance Scheme

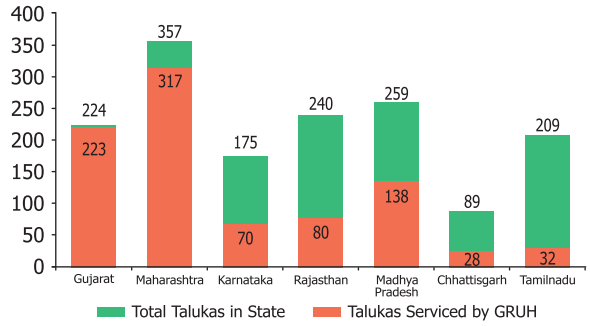


Disbursements under Rural Housing Fund Scheme (Since April 1, 2007)

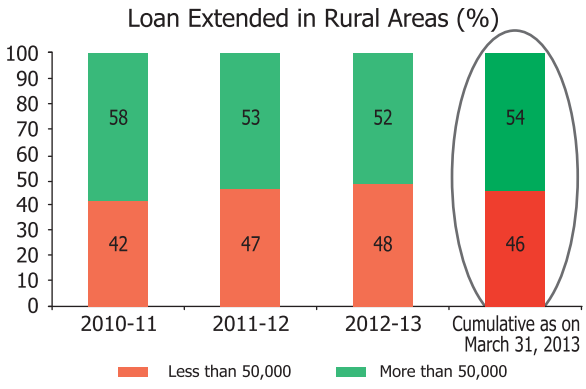
Category of Customers	₹ in Crores	%	
Individuals in Rural areas with annual income up to ₹ 2 Lacs	485.05	59	
Backward Class	185.39	22	
Women	128.32	15	
Minority Community	33.11	4	
Total	**831.87**	**100**	



Taluka Penetration - Customers being Serviced



Loan Extended in Rural Areas (%)



DIRECTORS' REPORT

TO THE MEMBERS,

Your directors are pleased to present the Twenty Seventh Annual Report of your Company with the audited accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

(₹ in Crores)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Profit Before Tax	196.81	162.76
Provision for Tax (Net of deferred tax)	50.93	42.42
Profit After Tax	145.88	120.34
Add:		
Balance brought forward from last year	83.70	61.15
Amount available for appropriation	229.58	181.49
Appropriations:		
Special Reserve	37.00	28.00
General Reserve	17.50	15.00
Additional Reserve u/s 29C of NHB Act, 1987	12.50	7.50
Proposed Dividend	44.62	40.60
Additional Tax on Proposed Dividend	7.58	6.59
Dividend pertaining to previous year paid during the year	0.26	0.10
Balance carried to Balance Sheet	110.12	83.70
	229.58	181.49

Dividend

Your directors recommend payment of dividend of ₹ 2.50 per share of face value of ₹ 2 each for the year ended March 31, 2013 against a dividend of ₹ 11.50 per share of face value of ₹ 10 each for the previous year (₹ 2.30 per equity share of face value of ₹ 2 each). The dividend payout ratio for the year, inclusive of additional tax on dividend will be 36%.

Sub-division of Shares

Pursuant to your approval at the 26th Annual General Meeting (AGM) of the Company held on June 18, 2012, the nominal face value of equity shares of the Company was sub-divided from ₹ 10 per equity share to ₹ 2 per equity share, with effect from July 26, 2012.

To facilitate this sub-division, shareholders were issued 5 equity shares of ₹ 2 each in lieu of one equity share of ₹ 10 each held by them as on the record date i.e. July 25, 2012, fixed for this purpose.

Total number of retail shareholders has increased to 17,775 representing an increase of 32% post sub-division of shares.

Disbursements

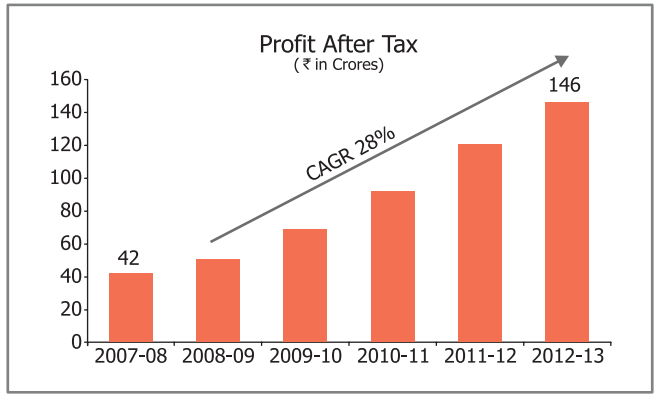
Loan disbursements during the year were ₹ 2,174.39 crores as against ₹ 1,486.52 crores in the previous year. GRUH continued to focus mainly on the retail segment and disbursed ₹ 1,877.08 crores to 26,370 families. Cumulative disbursements as at March 31, 2013 were ₹ 9,516.78 crores.

Golden Jubilee Rural Housing Finance Scheme

GRUH disbursed ₹ 724.96 crores in respect of 12,094 dwelling units during the year under the Golden Jubilee Rural Housing Finance Scheme of the Government of India. Cumulative disbursements under the scheme were ₹ 3,227.60 crores in respect of 91,313 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 has claimed ₹ 168.87 crores covering 3,942 families under this scheme. Cumulative disbursements under this scheme were ₹ 831.87 crores to 22,444 families.



Urban Low Income Housing Scheme

The Ministry of Housing and Urban Poverty Allievation (MHUPA) has launched a special scheme called the Urban Low Income Housing Scheme to finance families in the EWS / LIG segment in urban areas. The NHB is the nodal agency for monitoring this scheme. GRUH has funded customers falling under this scheme and has sent its claim to NHB aggregating ₹ 21.05 crores in respect of 668 customers during the year.

Credit Risk Guarantee Fund Scheme

The Government of India has launched the Credit Risk Guarantee Fund Scheme for Low Income Housing in urban areas. GRUH has signed the agreement with the Credit Risk Guarantee Fund Trust for participating in the scheme.

Loan Assets

As at March 31, 2013, the loan assets increased to ₹ 5,437.80 crores recording a growth of 34%. Loan assets in respect of the retail segment grew by 34% and stood at ₹ 5,194.28 crores.

Non-Performing Loans

As per the prudential norms of NHB, GRUH's non-performing loans stood at ₹ 17.64 crores as at March 31, 2013, constituting 0.32% of the total outstanding loans of ₹ 5,437.80 crores. The non-performing loans as at March 31, 2012 were ₹ 21.11 crores, constituting 0.52% of the total outstanding loans of ₹ 4,066.80 crores.

As at March 31, 2013, GRUH is required to carry a provision of ₹ 6.58 crores towards non-performing loans as per NHB norms. However, as a measure of precaution, GRUH carries a provision of ₹ 14.94 crores. Net non-performing loans was ₹ 2.70 crores on outstanding loans of ₹ 5,437.80 crores.

During the year, GRUH has written off ₹ 1.59 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 ₹ 2.26 crores 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.

NHB Refinance

GRUH received refinance sanction of ₹ 925 crores from NHB during the year. GRUH availed refinance aggregating to ₹ 495.20 crores including ₹ 168.87 crores under the Rural Housing Fund. The refinance outstanding as at March 31, 2013 was ₹ 2,310.10 crores.

Bank Term Loans

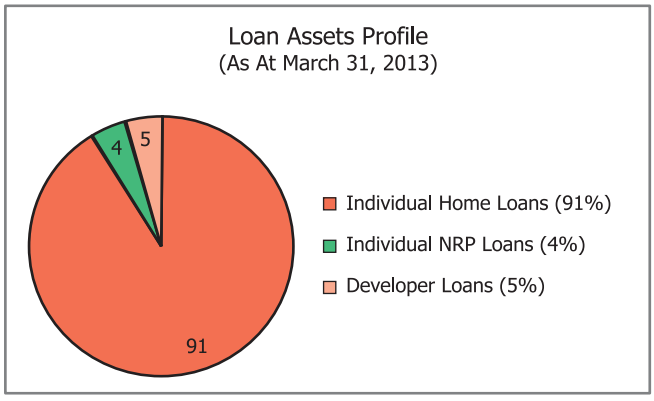
GRUH received sanctions from banks amounting to ₹ 1,215 crores of which GRUH availed loans aggregating to ₹ 1,184.50 crores. The outstanding bank term loans as at March 31, 2013 were ₹ 1,364.50 crores.

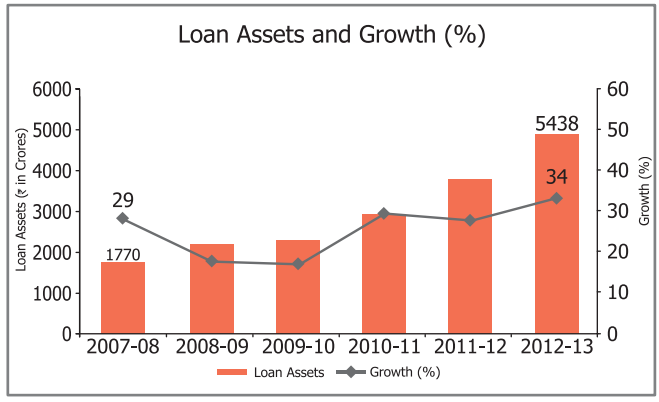
Subordinated Debt

During the year, GRUH retired subordinated debt aggregating to ₹ 40 crores raised in the FY 2005-06. GRUH issued subordinated debt during the year. As at March 31, 2013, 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+" by ICRA Limited (ICRA) and "CRISIL AA+" by CRISIL, indicating high safety with regard to timely payment of interest and principal. This rating carries a stable outlook. Based on the balance term to maturity, as at March 31, 2013, ₹ 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 of ₹ 350 crores on private placement basis. The NCDs are rated "ICRA AA+" by ICRA, indicating high safety with regard to timely payment of interest and principal. This rating carries a stable outlook. The outstanding NCDs as at March 31, 2013 were ₹ 491.70 crores.





Commercial Paper

GRUH raised ₹ 4,625 crores through issuance of commercial paper during the year. GRUH's short term borrowings including commercial paper and short term NCD is rated "CRISIL A1+" and "ICRA A1+". This rating indicates highest safety regarding timely payment of Financial obligations. Both ratings carry a stable outlook. The outstanding balance of commercial paper as at March 31, 2013 was ₹ 50 crores.

Deposits

GRUH mobilised deposits of ₹ 277.52 crores and experienced a renewal ratio of 57.48% during the year. The outstanding balance of deposits as at March 31, 2013 was ₹ 649.95 crores.

During the year, CRISIL has upgraded GRUH's fixed deposit programme rating to FAAA from FAA+. The rating indicates Highest Safety as regards repayment of principal and interest. ICRA has retained GRUH's rating for its fixed deposit programme at MAA+. The rating of MAA+ indicates High Safety as regards repayment of principal and interest. Both ratings carry a stable outlook.

Unclaimed Deposits

As at March 31, 2013, public deposits amounting to ₹ 3.04 crores had not been claimed by 680 depositors. 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 205C of the Companies Act, 1956, deposits 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. In terms of Section 205C of the Companies Act, 1956, no claim would lie against the Company or the said fund after the said transfer. Accordingly, an amount of ₹ 5.83 lacs was transferred to the IEPF during the year.

Unclaimed Dividends

As at March 31, 2013, dividend amounting to ₹ 77.61 lacs 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 205C of the Companies Act, 1956, 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 ₹ 3.99 lacs in respect of the financial year 2004-2005 was transferred to IEPF during the year. Unclaimed dividend amounting to ₹ 4.38 lacs in respect of the financial year 2005-2006 is due for transfer to IEPF in August 2013. In terms of Section 205C of the Companies Act, 1956, no claim would lie against the Company or the said fund after the said transfer.

Dematerialisation of Shares

As at March 31, 2013, 97.92% of equity shares of GRUH have been dematerialised by shareholders through National Securities Depository Limited and Central Depository Services (India) Limited.

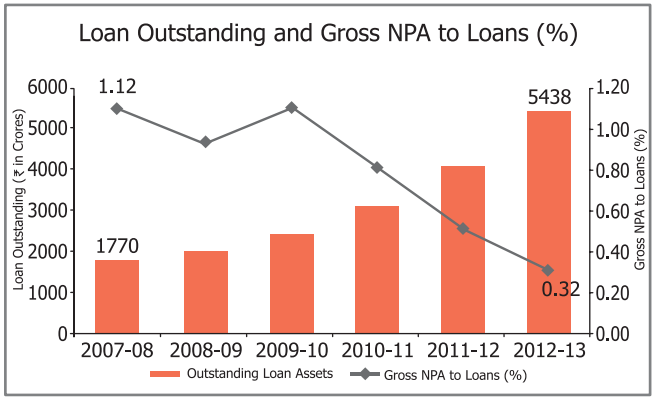
Risk Management Framework

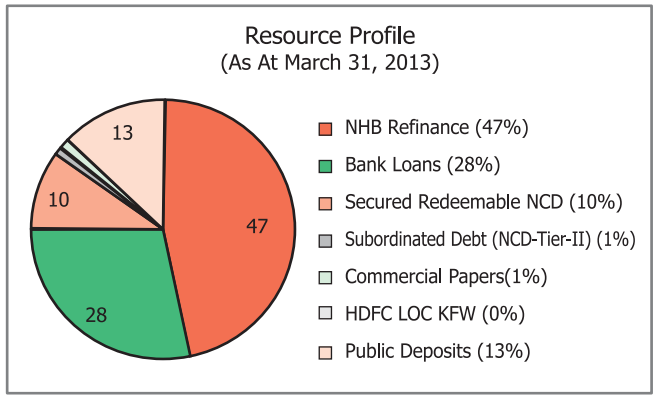
The Company has a Risk Management Framework, which provides the mechanism for risk assessment and mitigation. The Risk Management Committee (RMC) of the Company comprises the Managing Director, the Executive Director and some members of senior management.

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 ₹ 79.10 crores as at March 31, 2013 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.





Regulatory Guidelines

Over and above the provisioning required for non performing assets, GRUH is required to carry a provision of ₹ 19.79 crores on standard individual home loans of ₹ 4,946.93 crores and a provision of ₹ 4.73 crores on standard loans other than individual home loans of ₹ 473.24 crores as at March 31, 2013. Accordingly, GRUH carries a total provision of ₹ 39.46 crores (₹ 14.94 crores in respect of Non Performing Assets and ₹ 24.52 crores in respect of Standard Assets).

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 National Housing Bank Act, 1987, empowers NHB to levy a penalty on Housing Finance Companies for contravention of the Act or any of its provisions. NHB has not levied any penalty on GRUH during the year.

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 14.56% as against the minimum requirement of 12%. Tier – I capital was 12.93% 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 has registered with CERSAI and submitted data in respect of all outstanding loans as at March 31, 2013.

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, besides the in-house induction training programmes in lending operations, recoveries and accounts, employees were also nominated to training programmes conducted by NHB and other institutions. 226 employees underwent different training programmes.

GRUH's staff strength as at March 31, 2013 was 517.

SAFA Award

South Asian Federation of Accountants (SAFA) has awarded "Certificate of Merit" to GRUH for its Annual Report for the year ended March 31, 2011. A certificate was awarded to GRUH in the category 'Financial Services Sector'.

Employees Stock Option Scheme

The stock options granted to directors and eligible employees operate under two schemes, i.e. ESOS-2007 and ESOS-2011. The disclosures as required under Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) guidelines, 1999, as amended, have been made in the annex to this report.

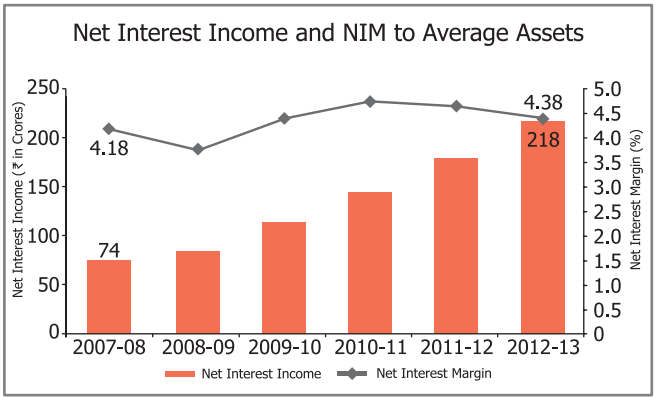
Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure

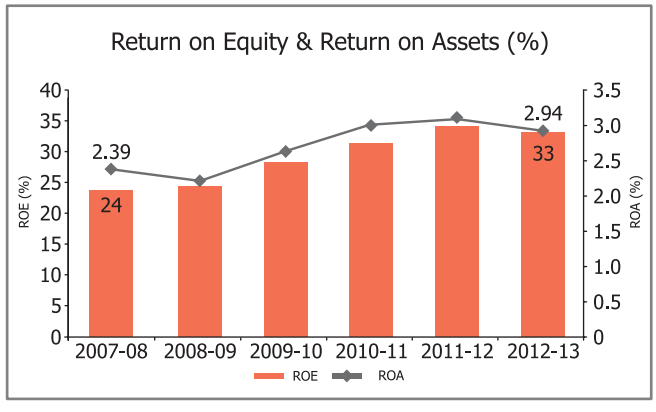
GRUH does not have any foreign exchange earnings and expenditure. Particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable to GRUH.

Particulars of Employees

GRUH had 2 employees as at March 31, 2013 employed throughout the year who were in receipt of remuneration of ₹ 60 lacs or more per annum.

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956, 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 219(1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all shareholders of the Company excluding the annex. Any shareholder interested in obtaining a copy of the said annex may write to the company secretary at the registered office of the Company.

Directors

In accordance with Articles 134 and 135 of the Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. Keki M. Mistry, Ms. Renu Sud Karnad and Mr. S. G. Mankad, directors of the Company, retire by rotation at the ensuing AGM and are eligible for re-appointment. Your directors commend their re-appointment.

Necessary resolutions for the re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 274(1)(g) of the Companies Act, 1956.

Auditors

M/s. Sorab S. Engineer & Co., Chartered Accountants, statutory auditors of the Company having registration number 110417W retire at the ensuing AGM and are eligible for re-appointment.

The Company has received a certificate from the statutory auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The statutory auditors have also confirmed that they hold a valid certificate issued by the "Peer Review Board" of The Institute of Chartered Accountants of India.

Corporate Governance – Voluntary Guidelines

The Board of Directors have taken cognisance of the 'Corporate Governance Voluntary Guidelines 2009' issued by the Ministry of Corporate Affairs (MCA) in December 2009. While the guidelines are recommendatory in nature, the board recognises the importance and need to constantly assess governance practices thereby ensuring a sustainable business environment that generates long-term value to all key stakeholders. The board has adopted several provisions of the said guidelines.

Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 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, 2013 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, 1956 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.

Management Discussion and Analysis Report

In accordance with clause 49 of the listing agreements, the Management Discussion and Analysis Report forms a part of this report.

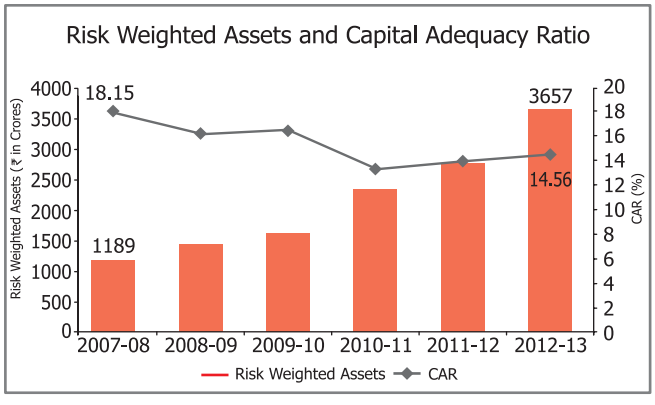
Acknowledgements

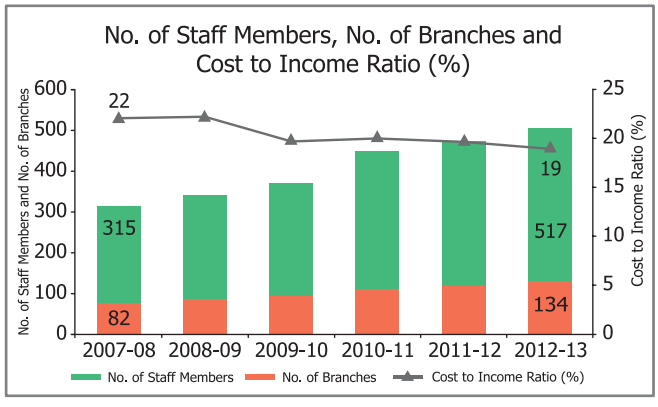
Your directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to GRUH. The employees have worked based on principles of honesty, integrity and fair play and this has helped GRUH in maintaining its growth. The 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

New Delhi
April 12, 2013

Keki M. Mistry
Chairman





ANNEX TO THE DIRECTORS' REPORT

Disclosure pursuant to Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

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	Options Lapsed	Total Options in force as on March 31, 2013#
ESOS – 2007	164.65	-	-	12,060^	-	-
ESOS – 2011	317.85	-	2,90,186	3,80,637*	33,947	6,75,075
ESOS -2011-Tr II	548.80	-	12,285	-	7,600	40,950

^ One (1) share of ₹ 10/- was allotted on exercise of one (1) stock option.
* Five (5) shares of ₹ 2/- were allotted on exercise of one (1) stock option in view of the share split.
# 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 :	Nil
Pricing formula for the Scheme(s) :	N.A.
Money realised by exercise of options :	The Company received ₹ 12.30 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 :	Since there was no grant during the year, hence not applicable
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 :	₹ 8.16
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 and ESOS 2011 Tranche II : 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 ₹ 1.89 crores, the profit after tax would have been lesser by ₹ 1.89 crores and basic and diluted EPS would have been ₹ 8.10 & ₹ 8.05 respectively.
Weighted-average exercise prices and weighted-average fair values of options :	ESOS 2011 : 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 vesting 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 vesting on October 25, 2012, October 25, 2013 and October 25, 2014 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 :

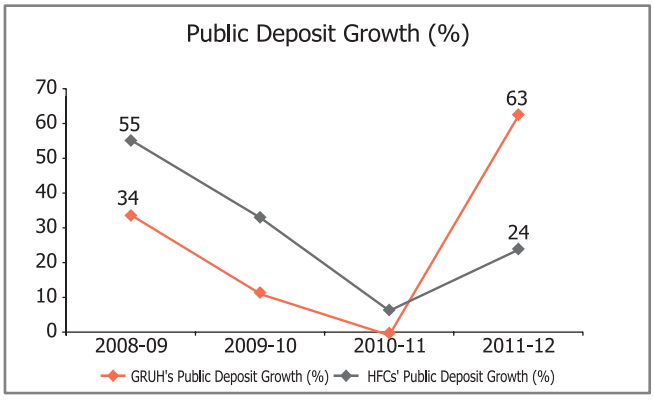
ESOS – 2011

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

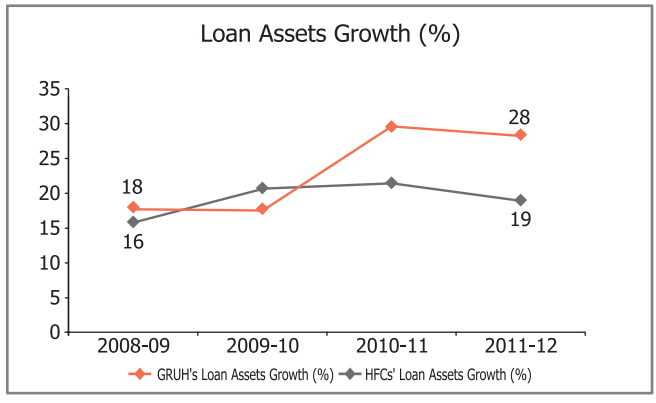
ESOS – 2011-Trache II

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

GRUH Vis-a-vis HFCs (*)



* Source : Report on Trend and progress of Housing in India by NHB



* Source : Report on Trend and progress of Housing in India by NHB



"Any idea, plan, or purpose may be placed in the mind through repetition of thought."

– **Napoleon Hill**, *20th century writer of 'Think and Grow Rich'*

At a time when rural housing finance was not given the importance and the attention it required, GRUH and, later on, other HFCs constantly worked hard with determined passion to provide affordable housing. As a result of this single-minded effort, both the government and the institutions are now working in harmony to meet the growing 18 million housing requirements.

Construction norms are being reviewed to increase FSI/FAR for affordable housing; a new urban housing fund is being created, and allocation for the existing Rural Housing Fund is being increased. And GRUH is doing what it always does – providing tailor-made products like **GRUH Suraksha**, **GRUH Suvidha**, **GRUH Sajavat** and **GRUH Samruddhi** to its borrowers (individuals from the formal/informal sector and self-employed) with hassle-free repayment options. Such flexibility and support is a strong indication of the active role that GRUH and other HFCs will be playing in the days ahead.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Overview

The macro economic scenario witnessed further challenges during financial year 2012-13. The combination of a low GDP growth, a sluggish Industrial Index of Production, slowdown in the investment cycle and a widening current account deficit had the policy makers struggling to find the right balance to improve the economy. Positively, inflation showed some signs of moderation during the year.

During the year under review, the Reserve Bank of India (RBI) initiated policy measures to support growth and improve the liquidity conditions. The RBI reduced the repo rate by 100 basis points, the cash reserve ratio by 75 basis points and the statutory liquidity ratio by 100 basis points during the year. However, liquidity conditions remained under pressure throughout the year.

As reported last year, apart from the adverse impact of lower demand and high interest rates, the profitability of HFCs did come under pressure on account of few of the regulatory changes made by the National Housing Bank. Regulatory changes such as not allowing imposition of pre-payment penalty, increase in the provisioning of Non-Performing Assets and introduction of provisioning for standard home loan assets adversely affected the revenue statement. In fact the steep rate of provisioning on standard assets of 0.4% on home loans and 1.0% on other loan assets has caused structural changes in the revenue statements of HFCs.

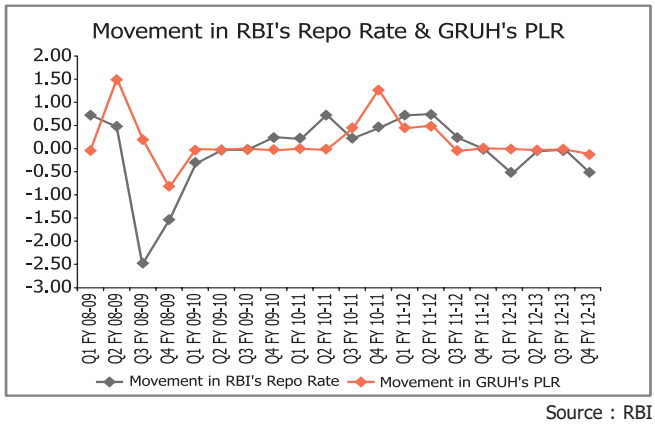
Market Scenario

As anticipated at the beginning of the year, the market for real estate and in turn for home loans did not change during the year under review on account of property prices not softening from the peaks. It is believed that inventories of unsold properties have been piling up and few of the real estate companies have been downgraded by the rating agencies. Thus, the continuation of overall weaker demand for properties could slow down disbursals of home loans in the coming years; since, disbursal of home loans happen over a span of 18 to 24 months depending on the progress of construction work.

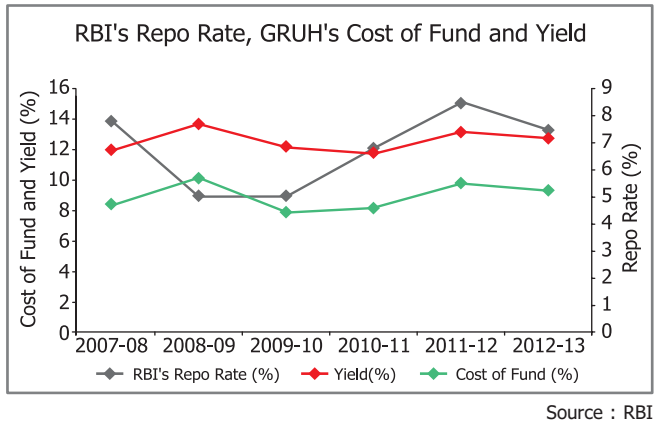
Various measures announced by the policy makers in 2012-13, with a view to revive demand for promotion of affordable housing and also augment resource availability through External Commercial Borrowings (ECBs) did not happen during the year. The framework within which HFCs could raise ECBs have been so stringent that probably not more than 2 to 3 HFCs would be eligible. Similarly, various initiatives taken by the Ministry of Urban Housing like infrastructure status for housing, regulatory bill for Developers and land acquisition bill have not progressed at a desired pace so as to improve supply of qualitative and affordable housing in the country.

Similarly, the announcement of increasing the limit for indirect finance under priority sector housing loans has not augmented resource availability at a lower cost since the banks are not permitted to lend below their base rates. As reported earlier, the introduction of the Base Rate in place of the Prime Lending Rate has proven negative for HFCs to raise funds from the banking sector. This move by the Reserve Bank of India has certainly raised risks for HFCs in management of assets liability mis-match and profitability.

In the recently announced Union Budget 2013-14, the government introduced the Urban Housing Fund on similar lines as the Rural Housing Fund to alleviate the problems of housing at urban locations. The allocation for the Rural Housing Fund and the Urban Housing Fund is ₹ 6,000 crores and ₹ 2,000 crores respectively. In a bid to promote affordable housing, the Union Budget has provided an additional one time deduction of ₹ 1 lac for first time home owners provided the loan amount and the property cost do not exceed ₹ 25 lacs and ₹ 40 lacs respectively.



Source : RBI



Source : RBI

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). GRUH offers developer finance and mortgage 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 option to select the mode of calculation of interest on loans, since GRUH offers loans on annual, monthly and daily rest basis.

With a view to enable a 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.

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 63.28% of total disbursements made during the year and GRUH paid referral fees of ₹ 4.94 crores to GRAs for sourcing of business.

GRUH is operating in seven states - Gujarat, Maharashtra, Karnataka, Rajasthan, Madhya Pradesh, Chhattisgarh and Tamil Nadu. GRUH established 14 new offices in these states during the year. GRUH now has 134 retail offices across these seven states.

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 instalments besides providing services of enquiry handling, file opening and effecting disbursements.

Disbursements

GRUH disbursed ₹ 2,174.39 crores during the year as against ₹ 1,486.52 crores in the previous year. GRUH disbursed loans of ₹ 1,794.48 crores (previous year ₹ 1,253.94 crores) for home purchase, repair and renovation and registered a growth of 43.11% in the retail home loan segment. GRUH disbursed home loans to 26,175 families (previous year 21,435 families) and the average home loan to individuals was ₹ 7.36 lacs during the year as against ₹ 6.07 lacs during the previous year.

Statement Showing % of Income and Expenses to Total Income

(figures in %)

Particulars	FY 1213	FY 1112	FY 1011	FY 0910	FY 0809
Interest Income	95.03	94.43	94.39	96.24	94.94
Fees Income	3.43	3.34	3.94	3.93	2.52
Other Income including Bad Debt Recovered	1.54	2.23	1.67	(0.17)	2.54
Total Income	100.00	100.00	100.00	100.00	100.00
Borrowing Cost	62.17	60.30	55.61	58.31	68.13
Non-Interest Cost	7.11	7.59	8.87	8.21	7.03
Provisions and write off	0.46	0.46	0.76	2.93	1.27
Total Expenses	69.74	68.35	65.24	69.45	76.43
Tax	7.83	8.25	9.42	8.24	6.54
PAT	22.43	23.40	25.34	22.31	17.03
Ratios of Income and Expenses to Average Assets					
Net Interest Margin	4.38	4.64	4.73	4.42	3.73
Fees Income	0.45	0.45	0.47	0.47	0.33
Non-Interest Expenses	0.93	1.01	1.06	0.98	0.91
Provisions	0.03	0.02	0.05	0.24	0.10
Tax	1.02	1.09	1.13	0.98	0.84
PAT	2.94	3.12	3.02	2.65	2.21

GRUH disbursed loans of ₹ 82.60 crores (previous year ₹ 41.65 crores) for purchase of Non-Residential Properties and ₹ 297.31 crores (previous year ₹ 190.92 crores) to developers.

Cumulative disbursements as at March 31, 2013 stood at ₹ 9,516.78 crores with a Compound Annual Growth Rate (CAGR) of 28% over the past 5 years period.

CAGR (%) As At March 31, 2013

Particulars	3 Years	5 Years	7 Years	10 Years
Loan Assets	30	25	26	26
NIM	24	24	29	27
PAT	28	28	31	30

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 25,947 customers under this arrangement in respect of property cover of ₹ 2,035.56 crores.

GRUH also continued to persuade its customers to take insurance cover on the life of the principal income earner as the collateral for its loans. The policies are assigned in favour of GRUH. During the year, 9,539 customers have taken the life cover from various insurance companies in respect of life cover of ₹ 499.83 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 Board of Directors.

During the year, GRUH's total outstanding loans increased to ₹ 5,437.80 crores from ₹ 4,066.80 crores and registered a growth of 34%. CAGR over the past 5 years period has been 25%.

The total outstanding loans at variable rate stood at ₹ 5,396.70 crores (previous year ₹ 4,018.73 crores), which was 99.24% (previous year 98.82%) of the total outstanding loans. Loans to total assets stood at 97.10% as at March 31, 2013.

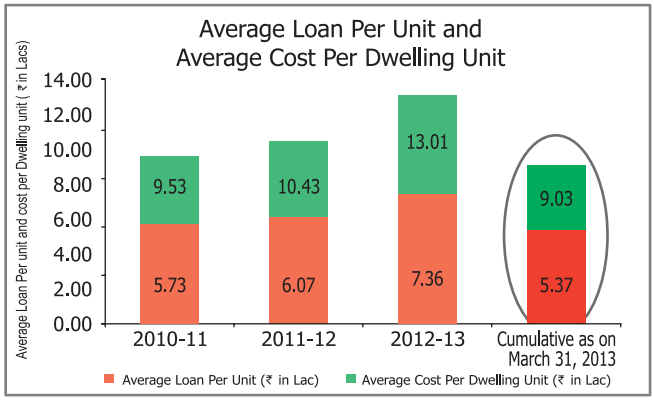
GRUH's outstanding home loans to individuals of ₹ 4,963.62 crores and other loans to individuals for NRP of ₹ 230.66 crores constituted 91.28% and 4.24% respectively of the total outstanding loans. GRUH experienced a prepayment ratio of 10.23% (previous year 11.43%) in respect of individual loans. The outstanding loans to developers of ₹ 243.52 crores constituted 4.48% of the total outstanding loans.

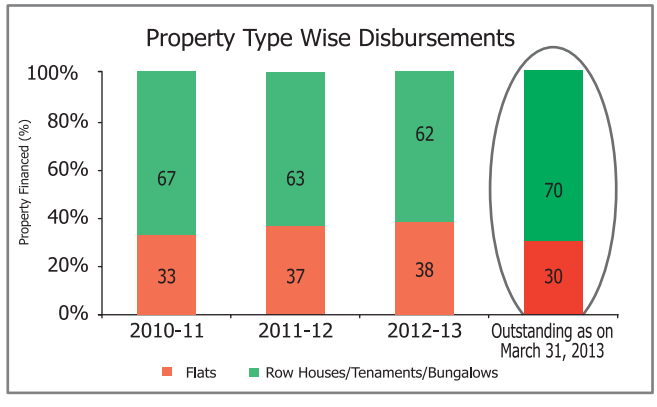
The average yield realised on the loan assets during the year was 12.82% (previous year 13.14%).

Recoveries and Provision for Contingencies

As per the prudential norms prescribed by NHB, an asset is a non-performing asset (NPA) if the interest or principal instalment is overdue for 90 days. HFCs are required to carry provision at the prescribed rates depending on the ageing of such overdues. As per the prudential norms, the income on such NPAs is not to be recognised. Apart from the provisioning on NPAs, HFCs are also required to carry a provision of 0.40% on Standard Individual Home Loans and 1% on standard loans other than individual home loans. Accordingly, GRUH has identified NPAs, not recognised income in respect of such NPAs and also made the required provisions on NPAs and standard loans.

As per prudential norms of NHB, GRUH is required to carry a provision of ₹ 24.52 crores on Standard Loans of ₹ 5,420.17 crores and a provision of ₹ 6.58 crores on non-performing loans of ₹ 17.64 crores as at March 31, 2013. GRUH carried a provision of ₹ 24.52 crores on Standard Loans and a provision of ₹ 14.94 crores in respect of NPAs and Contingencies. As a result, GRUH's net NPAs are ₹ 2.70 crores (previous year Nil)





on the outstanding loans of ₹ 5,437.80 crores as at March 31, 2013.

During the year, GRUH has written off an amount of ₹ 1.59 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 ₹ 2.26 crores in respect of such written off loans.

GRUH carried properties aggregating to ₹ 10.63 crores acquired in settlement of dues at the beginning of the year. During the year, GRUH acquired properties aggregating to ₹ 6.17 crores in settlement of dues under the SARFAESI Act. GRUH also made efforts to dispose the acquired properties and could dispose off properties valuing ₹ 6.46 crores during the year. As at March 31, 2013, GRUH carried properties worth ₹ 10.34 crores which was 2.10% 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 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 ₹ 4.07 crores as surplus from cash management schemes of mutual funds and ₹ 4.08 crores by way of interest on deposits placed with banks. At the end of the year, GRUH maintained ₹ 5.00 crores by way of short term 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, 2013 GRUH has invested ₹ 79.10 crores in approved securities comprising government securities, government guaranteed bonds and NHB 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 ₹ 2.70 crores towards losses, if any, that would arise on redemption of investments on maturity.

Borrowed Funds

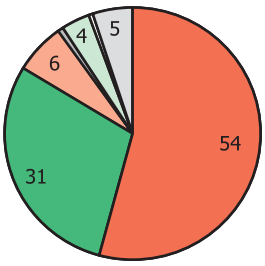
GRUH has been raising funds for its lending activities from banks by way of term loans, from NHB by way of refinance, by private placement of non-convertible debentures (NCDs), by issuance of commercial paper and mobilisation of public deposits from the retail market.

Endeavours at GRUH always 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 papers and short tenure loans from banks. While such a structure enables GRUH to sustain a healthy net interest margin but 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 22% (previous year 26%) of the total borrowings of ₹ 4,914.52 crores (previous year ₹ 3,833 crores). The outstanding borrowings at fixed rate stood at ₹ 2,481.31 crores (previous year ₹ 1,342.33 crores), which was 50.49% (previous year 35.02%) of the total outstanding borrowings.

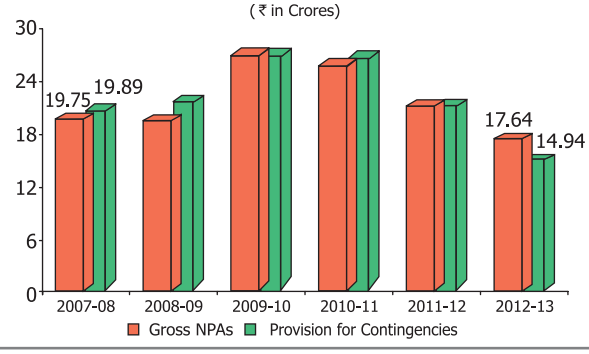
GRUH continued to borrow for both long and short term from the banking sector at competitive rates. GRUH raised fresh

GRUH's Outstanding Loans



	(₹in Crores)	%	
Individual Housing			
Suraksha	2922.34	54	
Suvidha	1678.93	31	
Mortgage	339.74	6	
Sajavat	23.38	0	
Individual Non-Residential			
Samrudhi	217.83	4	
Shubh Labh	12.06	0	
Developer Loans	243.52	5	
Total	**5437.80**	**100**	

Gross NPAs and Provision for Contingencies



loans from banks aggregating to ₹ 3,612.75 crores during the year and repaid loans aggregating to ₹ 3,550.75 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 and 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. Outstanding balance of bank loans was ₹ 1,364.50 crores as at March 31, 2013.

GRUH availed refinance of ₹ 1,047.53 crores from NHB. Outstanding refinance from NHB as at March 31, 2013 of ₹ 2,310.10 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 and 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.

During the year, GRUH raised Secured Redeemable NCDs aggregating to ₹ 350 crores on a private placement basis by issuance of 3,500 NCDs of ₹ 10 Lacs each for a term of 15 months. The NCDs are secured by mortgage of a specific immovable property and 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+" indicating high safety with regard to timely payment of interest and principal. This rating carries a stable outlook. The outstanding balance of NCDs as at March 31, 2013 was ₹ 491.70 crores.

During the year, GRUH retired Subordinated debt aggregating to ₹ 40 crores raised in the financial year 2005-06. GRUH also issued subordinated debt during the year of ₹ 35 crores. As at March 31, 2013, 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 "AA+" by CRISIL and ICRA, indicating high safety with regard to timely payment of interest and principal. This rating carries a stable outlook. Based on the balance term to maturity, as at March 31, 2013, ₹ 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.

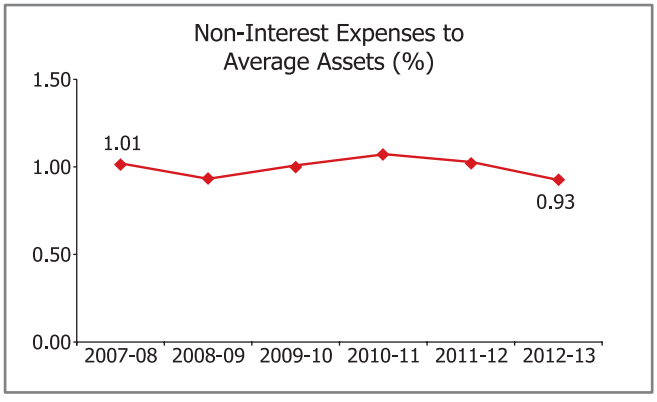
GRUH raised ₹ 4,625 crores through issuance of commercial paper and retired ₹ 4,575 crores during the year. GRUH's short term borrowings including commercial paper and short term NCD is rated "CRISIL A1+" and "ICRA A1+". This rating indicates highest safety regarding timely payment of Financial obligations. Both ratings carry a stable outlook. The outstanding balance of commercial paper as at March 31, 2013 was ₹ 50 crores.

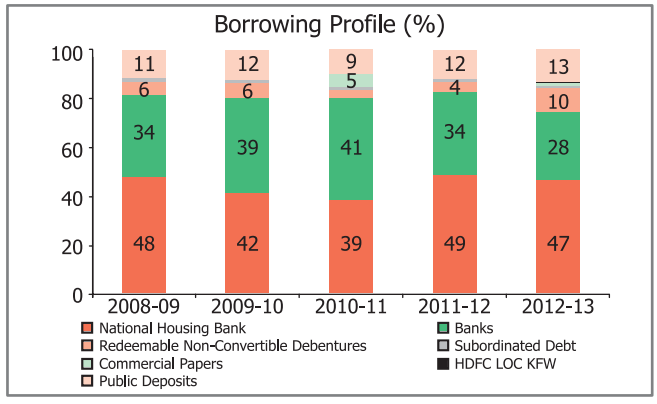
During the year, GRUH received fresh deposits of ₹ 228.59 crores, renewed deposits of ₹ 48.93 crores and experienced outflow of deposits of ₹ 83.04 crores. The renewal ratio (the ratio of deposits renewed to the deposits maturing during the year) experienced by GRUH was 57.48%. The outstanding deposits have increased from Rs. 455.46 crores at the beginning of the year to ₹ 649.95 crores by the end of the year and registered a growth of 42.70%. The outstanding balance of public deposits constituted 13.23% of the total outstanding borrowings as at March 31, 2013.

GRUH's retail deposit programme is rated by ICRA and CRISIL. During the year, CRISIL has upgraded GRUH's fixed deposit programme rating to FAAA from FAA+. The rating indicates Highest Safety as regards repayment of principal and interest. ICRA has retained GRUH's rating for its fixed deposit programme at MAA+. The rating of MAA+ indicates High Safety as regards repayment of principal and interest. Both ratings carry a stable outlook.

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 9.25% per annum (previous year 9.93%).





NHB Guidelines and Prudential Norms

GRUH has complied with the guidelines issued by NHB regarding accounting standards, opening of offices in a foreign country, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, ceiling of investment in the equity by an HFC, "Know Your Customer" (KYC), Fair Practices Code and 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 company including promoter group companies or in the stock markets.

GRUH's total borrowings as at March 31, 2013 of ₹ 4,914.52 crores were within the permissible limit of 16 times the net own funds. Of this, the public deposits of ₹ 649.95 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, 2013 was 14.56% as against NHB's prescribed limit of 12%. The Capital Adequacy on account of Tier I Capital was 12.93% while the Capital Adequacy on account of the Tier II Capital was 1.63%.

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.

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.

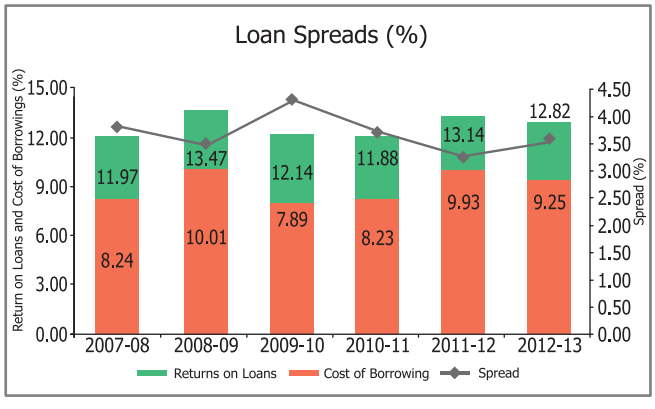
Inspection by National Housing Bank (NHB)

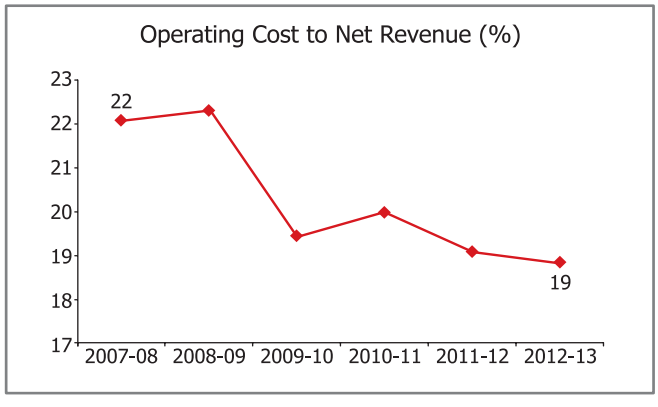
NHB under section 34 of the NHB Act, 1987 carries out inspection at a regular interval. During the FY 2011-12, NHB carried out such inspection. NHB conducted comprehensive inspection of select few branches and also inspected GRUH's lending, resource raising, fixed deposit mobilization and accounting activities. NHB's inspection report has not reported any lapses except for their observations on few specific transactions. The inspection report was reviewed by the Audit Committee and the Board. The compliance report along with management comments on the observations made in the inspection report have been submitted to NHB.

Internal Audit and Control

GRUH has an adequate system of internal control in place which have 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 program, 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 System is the backbone of GRUH's business. GRUH has implemented an Application Software developed by Tata Consultancy Services (TCS) and enhanced and modified by in-house IT Software Development Group. The application software is being managed by an 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 retail offices and Head office and also provides high-way 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.

Since installation of IT system, from time to time GRUH carries out audit of its IT system from external agency. The external agency's suggestions and recommendations are reported to Audit Committee. Suggestions of external agency are given due consideration and are implemented. During the year, Deloitte Touche Tohmatsu India Private Limited was retained to carry out the review of IT Infrastructure security. On an overall basis Deloitte is satisfied with the various security aspects and IT operational procedures being followed at GRUH.

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.

GRUH has registered with CERSAI and uploaded more than 44,300 records in respect of loans disbursed during the past two year. GRUH has paid ₹ 98.05 lacs to Central Registry towards uploading the data.

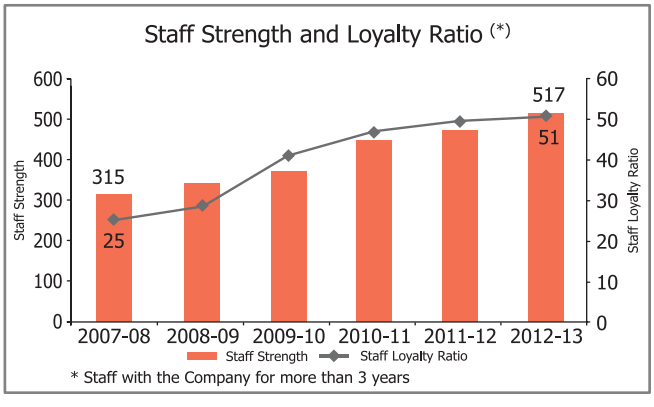
Statement of Profit and Loss

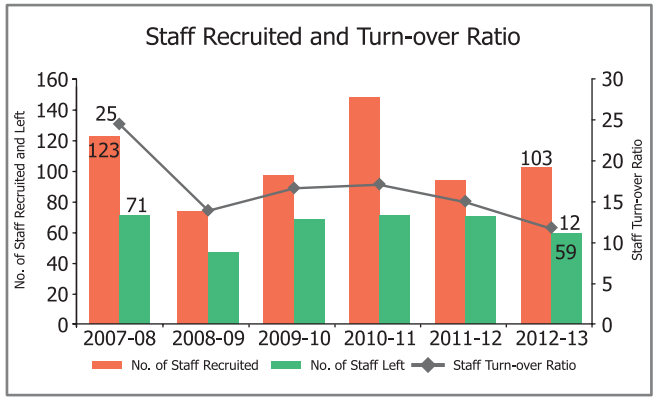
Key elements of the Statement of Profit and Loss for the year ended March 31, 2013 are:

- Profit before tax grew by 21% as against 30% in the previous year.
- Profit after tax grew by 21% as against 32% in the previous year.
- Current year income tax provision amounted to ₹ 51.44 crores as compared to ₹ 41.36 crores in the previous year. The effective income tax rate for the year is 26% as against 25% in previous year.
- Pre-tax return on average assets was 3.96% in the current year as against 4.21% in the previous year. Post-tax return on average assets was 2.94% as against 3.12% in the previous year.
- Return on average net worth for the year was 33.28% as against 34.21% in the previous year.
- Ratio of net interest margin to average assets was 4.38% for the current year as against 4.64% in the previous year.
- GRUH's cost to income ratio was 19.26% for the year as against 19.86% in the previous year.
- The Earnings Per Share (Basic) on face value of ₹ 2 was ₹ 8.21 for the current year as against ₹ 6.83 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.

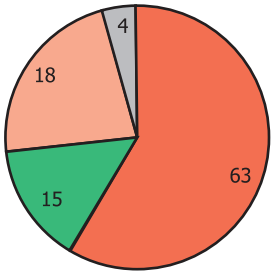




GRUH FINANCE LIMITED
We help you build homes

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

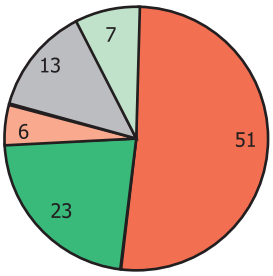
Properties Financed - Loan to Value Ratio (LTV) wise Distribution



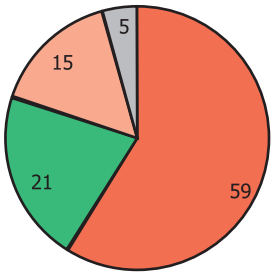
LTV in %	No.	%	
Up to 75	1,41,406	63	
76 to 80	33,592	15	
81 to 85	41,235	18	
> 85	7,762	4	
Total	**2,23,995**	**100**	

Properties Financed - Location wise Distribution

Population at Location	No.	%	
Up to 50,000	1,14,245	51	
> 50,000 to 2,00,000	51,042	23	
> 2,00,000 to 5,00,000	13,041	6	
> 5,00,000 to 25,00,000	30,111	13	
> 25,00,000	15,556	7	
Total	**2,23,995**	**100**	



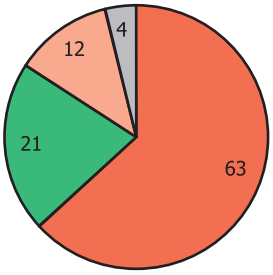
Properties Financed - Loan Amount Wise Distribution



Loan Amount (₹)	No.	%	
Up to 3,00,000	1,32,398	59	
> 3,00,000 to 5,00,000	46,839	21	
> 5,00,000 to 10,00,000	34,439	15	
> 10,00,000	10,319	5	
Total	**2,23,995**	**100**	

Property Financed - Family Income Wise Distribution

Family Income (₹)	No.	%	
Up to 15,000	1,41,697	63	
> 15,000 to 25,000	46,682	21	
> 25,000 to 50,000	27,125	12	
> 50,000	8,491	4	
Total	**2,23,995**	**100**	





"Do what you do so well that they will want to come again and bring their friends."

– **Walt Disney**, *one of the world's most celebrated Creative minds*

It's important to make a customer, not a sale. When a customer is happy, not only do you retain your customer, but your reputation multiplies manifold and the customer base increases. At GRUH, we strongly believe that customer service is not a department, it's everyone's job.

We can proudly say that our customer base is on the increase – thanks to our dedicated teams who put in hours of hard work by doing what they do best – lending a helping hand to the dreamers and treating everyone with respect and care, irrespective of the borrower's background or nature of profession. This commendable ability has garnered us not just praise but word-of-mouth publicity; giving a positive boost to business as well.

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, Shareholders' Grievance Committee and Compensation 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 nine 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. Brief profiles of the directors are set out elsewhere in the annual report.

Five directors are independent directors. 'Independent directors' are directors who apart from receiving directors' remuneration do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the opinion of the board may affect independence of judgment of the director.

All directors are appointed by the members of the Company.

The composition of the board is in conformity with Clause 49 I (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 (only audit and investor grievance) of public companies (excluding GRUH) are detailed as under:

Sr. No.	Directors	No. of Directorships	No. of Committees	
			Member	Chairman
1	Mr. Keki M. Mistry	13	5	4
2	Mr. S.M. Palia	6	5	1
3	Mr. Rohit C. Mehta	2	1	1
4	Mr. Prafull Anubhai	4	2	3
5	Ms. Renu S. Karnad	11	2	3
6	Mr. K.G. Krishnamurthy	3	-	-
7	Mr. S.G. Mankad	11	4	-
8	Mr. Kamlesh Shah	-	-	-
9	Mr. Sudhin Choksey	2	1	1

Sr. Nos. 8 and 9 are executive directors. All other directors are non-executive directors.

Sr. Nos. 2, 3, 4, 6 and 7 are independent directors.

Tenure

As per the statute, two third of the directors should be retiring directors. One third of the directors are required to retire every year and if eligible, these directors qualify for re-appointment. The members of the Company have re-appointed Shri Sudhin Choksey as the Managing Director for a period of 5 years with effect from April 1, 2010 and also appointed Shri Kamlesh Shah as the Executive Director for a period of 5 years with effect from April 16, 2010.

Responsibilities

The board 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

The 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. The Audit Committee consists largely of independent directors. Board members ensure that their other responsibilities do not materially impact their responsibility as a director of GRUH.

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.

The company secretary in consultation with the Managing Director prepares the 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 5 times. The meetings were held on April 25, 2012, June 18, 2012, July 12, 2012, October 11, 2012, and January 15, 2013. 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 last AGM
Mr. Keki M. Mistry	5	75000	Yes
Mr. S.M. Palia	5	75000	Yes
Mr. Rohit C. Mehta	3	45000	No
Mr. Prafull Anubhai	5	75000	Yes
Ms. Renu S. Karnad	5	75000	Yes
Mr. K.G. Krishnamurthy	4	60000	Yes
Mr. S.G. Mankad	4	60000	No
Mr. Kamlesh Shah	5	-	Yes
Mr. Sudhin Choksey	5	-	Yes

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, Compensation Committee, Compensation Committee - ESOS, Committee of Directors (Allotment), Committee of Directors, Investment Committee and the Shareholders' / Investors' Grievance Committee - all chaired by an independent director.

Audit Committee

The Audit Committee is constituted in accordance with the provisions of Clause 49 II of the listing agreements and Section 292 A of the Companies Act, 1956. The Audit Committee comprises of Mr. S.M. Palia (Chairman), Mr. Keki M. Mistry, Mr. Rohit C. Mehta and Mr. Prafull Anubhai. 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. The terms of reference of the Audit Committee are in compliance with its requirements of the revised Clause 49 of the listing agreement and include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance of the regulatory guidelines. Meetings of the Audit Committee are scheduled well in advance. The Audit Committee met five times during the year under review. The committee reviewed the quarterly financial statements before submission to the Board for approval.

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

Directors	No. of meetings attended	Sitting Fees paid (₹)
Mr. S.M. Palia	5	75000
Mr. Keki M. Mistry	5	75000
Mr. Rohit C. Mehta	4	60000
Mr. Prafull Anubhai	5	75000

The committee reviews the reports of the internal auditors and statutory auditors along with the comments and action taken reports of 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 head of the internal audit attends the meetings of the Audit Committee.

Compensation Committee (Remuneration Committee)

The Compensation Committee comprises of Mr. S.M. Palia (Chairman), Mr. Keki M. Mistry and Ms. Renu S. Karnad. 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 committee met once during the year.

The details of attendance at the Compensation Committee meeting are as under:

Directors	No. of meetings attended	Sitting Fees paid (₹)
Mr. S. M. Palia	1	15,000
Mr. Keki M. Mistry	1	15,000
Ms. Renu S. Karnad	1	15,000

Shareholders'/ Investors' Grievance Committee

The Shareholders'/ Investors' Grievance 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 shareholder and investor complaints.

The details of attendance at the committee meetings are as under:

Directors	No. of meetings attended	Sitting Fees paid (₹)
Mr. Rohit C. Mehta	3	45000
Mr. S. G. Mankad	3	45000
Mr. K. G. Krishnamurthy	-	-
Mr. Sudhin Choksey	3	-

In order to expedite the process of share transfer, the board had 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 one complaint from a shareholder. 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.

Remuneration to Directors

During the year, the Managing Director and the Executive Director were paid an aggregate gross remuneration of ₹ 1.74 crores and ₹ 0.62 crore respectively. 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 held on June 29, 2010.

Non-executive directors are paid sitting fees for attending the meetings of the board or committee(s). No other payment is made to the non-executive directors.

Employee Stock Option Scheme (ESOS)

The disclosure as required under Clause 12 of the 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 thereof 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 number of shares held by directors, including shares held by their relatives as on March 31, 2013 is as follows:

Directors	No. of equity shares held
Mr. Keki M. Mistry	1,66,450
Mr. S.M. Palia	1,20,150
Mr. Rohit C. Mehta	1,65,000
Mr. Prafull Anubhai	27,400
Ms. Renu S. Karnad	1,96,115
Mr. K.G. Krishnamurthy	1,94,525
Mr. S.G. Mankad	35,000
Mr. Kamlesh Shah	1,92,320
Mr. Sudhin Choksey	2,80,800

Share Dealing Code

In October 2011, the Company revised 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 Company has framed and adopted a Code of Conduct, which is applicable to all directors and members of the senior management in terms of Clause 49 V of the Listing Agreement. The said code, which came into effect from January 1, 2006, lays the general principles designed to guide all directors and members of the senior management in making ethical decisions. All directors and members of the senior management have confirmed their adherence to the provisions of the said code. The said code has been posted on the website of the Company i.e., *www.gruh.com*.

Disclosures

Related party transactions

During the year under review, there were no materially significant individual transactions with related parties or other persons, which were not in the normal course of business or on an arm's length basis that may be perceived to have a potential conflict with the interests of the Company at large.

Transactions with related parties entered into by the Company in the normal course of business were placed before the Audit Committee. Details of related party transaction are included in the notes to the accounts.

Accounting Standards / Treatment

The Company confirms that it has complied with the applicable Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 from time to time and no accounting treatment other than what has been prescribed in the Accounting Standards has been followed.

Annual General Meetings

The Annual General Meetings for the last 3 years were held on June 29, 2010, July 14, 2011 and June 18, 2012. The AGMs were held at H.T. Parekh Convention Centre, Ahmedabad Management Association (AMA), ATIRA Campus, Ahmedabad. One special resolution was passed at the previous three Annual General Meetings. No resolution was passed using postal ballots.

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, 2013, 97.92% 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 arranged for the payment of the listing fees for the year 2013-2014 as per the listing agreement with the respective stock exchanges.

Shareholder Relations

GRUH has over 19094 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. The Company also used to file statements / reports on the Electronic Data Information Filing and Retrieval (EDIFAR) website. Filings on the EDIFAR website has been discontinued by SEBI vide its circular dated April 16, 2010 with effect from April 1, 2010. 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.

Details of directors to be re-appointed at the twenty-seventh AGM are provided as an annex to the notice convening the said AGM. 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.

Management Discussion and Analysis Report

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

CEO / CFO Certification

In accordance with the requirements of Clause 49 of the listing agreements, Mr. Sudhin Choksey, the Managing Director and CEO and Mr. Jayesh Jain, the CFO of the Company, have certified to the Board that to the best of their knowledge and belief, the financial statements and cash flow statements present a true and fair view of the Company's affairs.

Non-mandatory requirements

The Company had adopted the non-mandatory provisions relating to the Compensation Committee. The quarterly results are published in financial newspapers, posted on the Company's web site and sent to shareholders on request. The Company is also moving towards a regime of unqualified financial statements. The Company shall endeavour to adopt the other 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.

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.

New Delhi
April 12, 2013

Keki M. Mistry
Chairman

Declaration

This is to confirm that for the year 2012-13, all Board members and senior management personnel have affirmed compliance with the Code of Conduct of GRUH.

New Delhi
April 12, 2013

Marcus Lobo
Company Secretary

Sudhin Choksey
Managing Director / CEO

AUDITOR'S 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, 2013, 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 Registration No. 110417W
Chartered Accountants

New Delhi
April 12, 2013

CA.CHHOKSHI SHREYAS B.
Partner
Membership No. 100892

Review of the Chairman of the Audit Committee of Directors

The Audit Committee of directors, comprising of four non-executive directors – majority of them independent directors - met five 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, 1956, which *inter alia* included review of MD&A 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 and reviews the ALM position vis-à-vis risk management.

S. M. PALIA
Chairman
Audit Committee of Directors

Review of the Chairman of the Compensation Committee of Directors

The Compensation Committee of directors, which primarily reviews the compensation payable to the Managing Director of the Company, met once during the last financial year. The Compensation Committee comprises of three non-executive directors. The Committee has considered the contribution of the Managing Director 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 and the Executive Director of the Company.

S. M. PALIA
Chairman
Compensation Committee of Directors

Review of the Chairman of the Shareholders'/ Investors' Grievance Committee of Directors

The Shareholders' / Investors' Grievance Committee of directors, comprising of three directors met three 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 investors. There were no complaints pending for being resolved during the year.

ROHIT C. MEHTA
Chairman
Shareholders' / Investors' Grievance Committee of Directors

INFORMATION FOR SHAREHOLDERS

Shareholders / Investors service :

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 : Registrar & Transfer Agent :

GRUH Finance Ltd.:
"GRUH"
Netaji Marg,
Nr. Mithakhali Six Roads,
Ellisbridge,
Ahmedabad 380 006
Tel : 079–32901222 - 1223;
Fax : 079-2656 0649
Email:investorcare@gruh.com

MCS Limited:
Unit : "GRUH"
101, Shatdal Complex,
1st Floor, Opp. Bata Show Room,
Ashram Road,
Ahmedabad- 380 009
Tel : 079–26582878-80, 26584027
Fax : 079-26581296

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 arranged for the payment of listing fees for the year 2013-2014 as per the listing agreement with the respective stock exchanges.

Listing of Debt Securities :

GRUH's NCDs (Series – SD-001 & 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 :

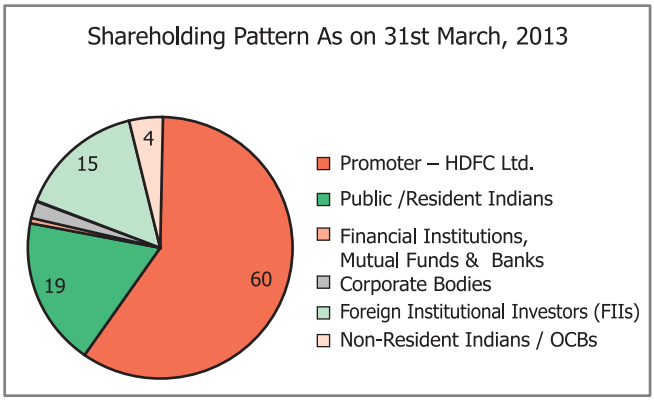
IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 021.

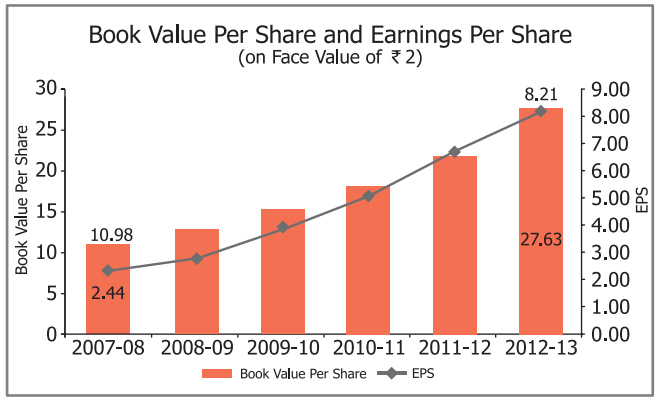
Shareholding Pattern as at March 31, 2013 :

Category	No. of Share-holders	Total No. of Shares Held	% to Capital
Promoter – HDFC Ltd.	1	106538925	59.69
Public /Resident Indians	17775	33016742	18.51
Financial Institutions, Mutual Funds & Banks	12	692382	0.39
Corporate Bodies	510	3948571	2.21
Foreign Institutional Investors (FIIs)	74	27366426	15.33
Non-Resident Indians / OCBs	722	6913629	3.87
Total	19094	178476675	100

Top ten shareholders of GRUH as at March 31, 2013 :

Name	No. of shares	% of Capital
Housing Development Finance Corporation Limited	106538925	59.69
Smallcap World Fund, INC	5450000	3.05
Wasatch Emerging Markets Small Cap Fund	3789600	2.12
Dr. Sanjeev Arora	3387250	1.90
Acacia Partners, LP	1848000	1.04
Wasatch International Growth Fund	1383955	0.78
Ward Ferry Management Limited A/c. WF India Reconnaissance Fund Limited	1317000	0.74
Platinum Jubilee Investments Ltd.	1067720	0.60
Rachna Amin	942500	0.53
Acacia Institutional Partners, LP	880000	0.49





Distribution of Shareholding As At March 31, 2013

No. of Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Upto 500	11230	58.81	2302028	1.29
501 to 1000	2405	12.60	1927676	1.08
1001 to 5000	4483	23.48	9362919	5.25
5001 to 10000	458	2.40	3404012	1.91
10001 to 50000	373	1.95	7849235	4.40
50001 to 100000	56	0.29	4080741	2.28
100001 and above	89	0.47	149550064	83.79
Total	19094	100.00	178476675	100.00

Dematerialisation of Shares :

As at March 31, 2013, 97.92 % 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, 2013 are as under:

Particulars	No.of shares	(%)
Shares held in physical form	3707600	2.08
Shares held in electronic form	174769075	97.92
Total Shares	178476675	100.00

Details regarding dividend paid during the last 7 years :

Year	Rate (%)	Book Closure Date	AGM Date	Payment Date
2005-06	25	May 12, 2006 to May 18, 2006	July 7, 2006	July 7, 2006
2006-07	30	June 1, 2007 to June 7, 2007	July 27, 2007	July 27, 2007
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

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 2004-2005 to the Investor Education and Protection Fund, as applicable. The Company has transferred matured deposits and interest thereon for the year 2004-2005 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 2005-2006 to 2011-2012 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 2005-2006 will have to be transferred to the Investor Education and Protection Fund in August 2013 in accordance with the current regulations.

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, 2013 (₹)	Unclaimed dividend as % to total dividend	Date of declaration	Last date for claiming the dividend prior to its transfer to IEPF
05-06	1,030	4,37,630	0.66	July 7, '06	Aug 4, '13
06-07	1,095	5,51,706	0.53	July 27, '07	Aug 24, '14
07-08	1,070	6,88,220	0.50	July 25, '08	Aug 23, '15
08-09	1,143	9,21,940	0.55	June 30, '09	July 28, '16
09-10	1,142	12,05,468	0.53	June 29, '10	July 27, '17
10-11	1,122	18,49,738	0.48	July 14, '11	Aug 11, '18
11-12	1,271	21,06,077	0.52	June 18, '12	July 17, '19

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.

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/revalidation 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/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 tabled at the meetings of the Investor Relations & Grievance 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)

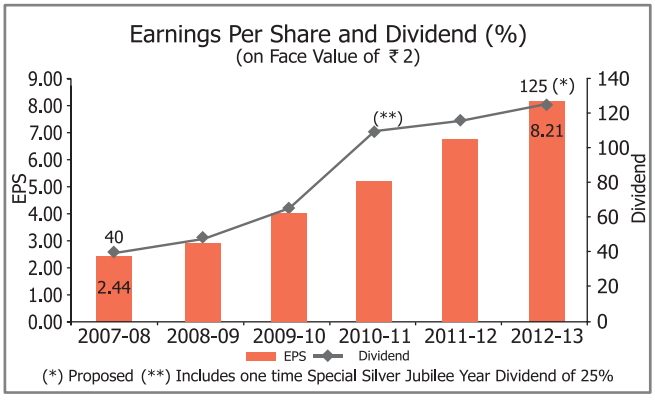
Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Closing Market Capitalisation	3753.36	2248.60	1266.38	756.14	324.69
Opening Market Capitalisation	2248.60	1268.38	756.14	324.69	534.79
Money raised during the year from Shareholders	12.30	2.39	7.12	1.17	0.03
Net Capital Appreciation/ (Depreciation)	1492.46	977.83	503.12	430.28	(210.13)
Dividend including dividend tax	52.46	47.29	45.04	26.32	19.46
Total Gain / Loss	1544.92	1025.12	548.16	456.60	(190.67)
Gain / (Loss) to Opening Market Capitalisation (%)	68.71	80.82	72.50	140.63	(35.65)

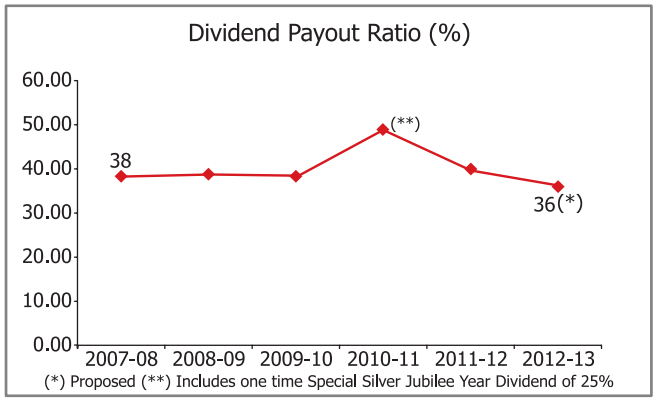
B. Enterprise Value :

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,	2013	2012	2011	2010	2009
Number of Equity Shares of ₹ 2 each (Previous years ₹ 10 each) (Crores)	17.85	3.53	3.52	3.47	3.47
Market Price (₹) of face value of ₹ 2 each previous year ₹ 10 each*	210.30	636.95	360.20	217.75	93.70
Market Capitalisation	3753.36	2248.60	1266.38	756.14	324.69
Total Debt	4914.52	3833.00	2966.33	2323.12	2245.15
Cash	13.12	114.98	93.69	135.60	71.24
Enterprise Value(EV)	8654.76	5966.62	4139.02	2943.66	2498.60
EBIDTA	603.20	475.23	328.32	276.06	271.72
EV/ EBIDTA (Times)	14.35	12.56	12.61	10.66	9.20
TOTAL INCOME	650.45	514.24	361.27	309.06	295.28
EV/TOTAL INCOME (Times)	13.31	11.60	11.46	9.52	8.46

*Considered as the price on the stock exchange where maximum number of shares have been traded.

Stock Market Data :

Monthly high and low quotations as well as the volume of shares traded at the BSE Ltd. and the NSE for 2012-2013 along with the BSE Sensex and NIFTY are as follows:

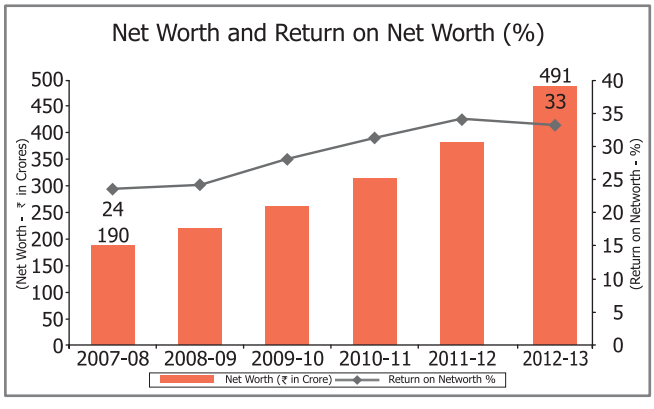
BSE 2012-2013 :

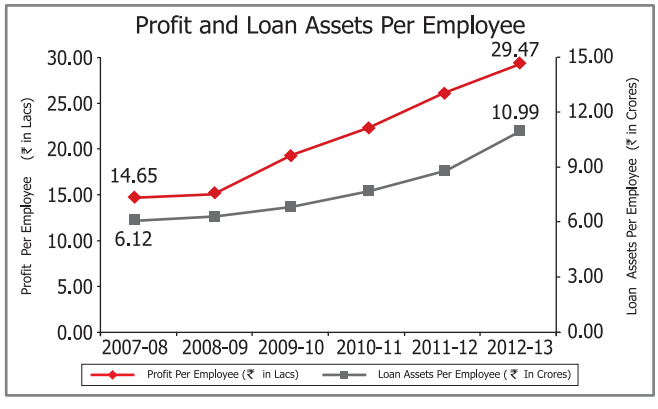
Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	BSE Sensex
April 2012*	150.38	126.00	913415	17139
May 2012*	141.00	127.60	200155	16219
June 2012*	145.00	133.33	790040	17430
July 2012*	170.00	145.30	1828003	17236
August 2012	193.25	153.00	763776	17430
September 2012	210.00	175.20	672258	18763
October 2012	223.95	178.70	1143398	18508
November 2012	219.90	187.90	1136803	19340
December 2012	245.00	200.00	2036927	19427
January 2013	249.70	216.55	1241044	19895
February 2013	230.85	207.50	277860	18862
March 2013	220.00	194.35	412592	18836

NSE 2012-2013 :

Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	NSE Nifty
April 2012*	150.45	126.88	2215955	5248
May 2012*	140.40	127.20	745145	4924
June 2012*	166.00	132.40	2129605	5279
July 2012*	163.77	145.95	2079065	5229
August 2012	193.35	151.55	2021258	5286
September 2012	210.00	174.50	1692740	5703
October 2012	224.90	179.00	2934087	5620
November 2012	216.60	187.45	3155392	5880
December 2012	245.40	171.50	2159442	5905
January 2013	250.00	216.20	2223266	6035
February 2013	230.65	208.00	795220	5693
March 2013	219.00	195.00	1986452	5682

* 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. The ex-date for sub-division of the equity shares was July 25, 2012. The share price and number of shares traded have been adjusted in the ratio of sub-division to make the same comparable.



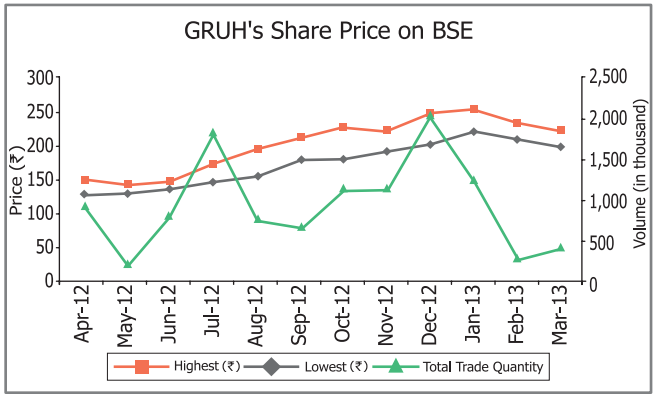


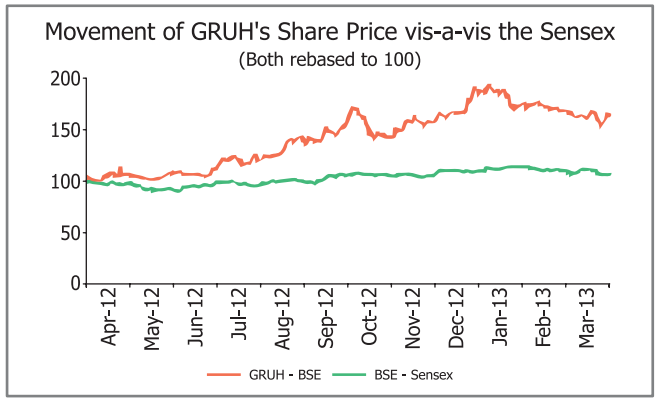
OTHER INFORMATION :

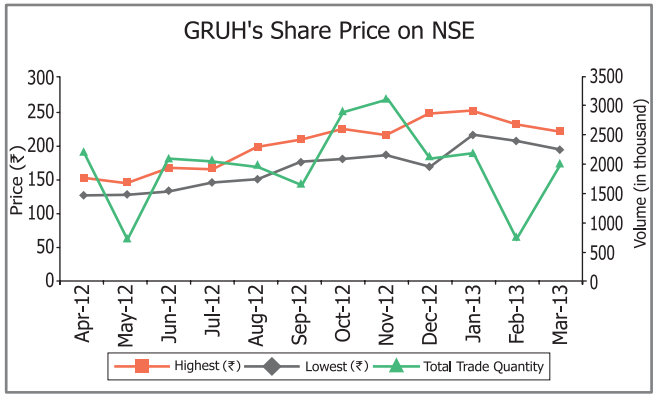
Equity History :

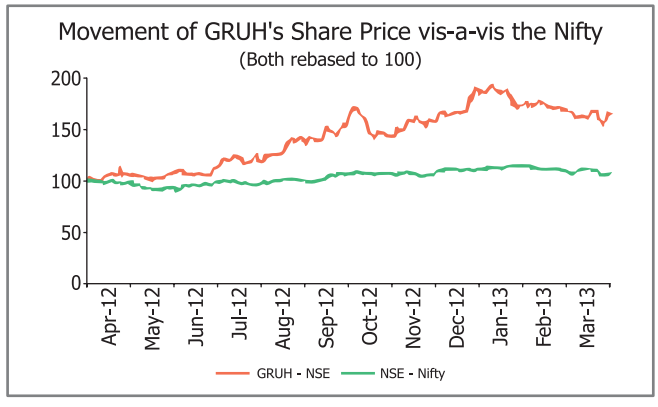
Particulars	No. of shares issued (of ₹ 2 each)	Year
Subscription by Institutions	1,00,00,000	1987
Rights Issue	50,00,000	1992
Public Issue	1,07,50,000	1992
Reserved for allotment in Rights Issue (conversion of Part "A" of FCDs issued to GRUH Employees Welfare Trust)	6,25,000	1994
Rights Issue (conversion 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 06-07
Allotment under ESOS	62,505	FY 07-08
Allotment under ESOS	21,305	FY 08-09
Allotment under ESOS	3,65,950	FY 09-10
Allotment under ESOS	21,62,415	FY 10-11
Allotment under ESOS	7,25,025	FY 11-12
Allotment under ESOS	19,63,485	FY 12-13
Total : (As at March 31, 2013)	17,84,76,675	

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. Accordingly, for ease of comparison, all issues have been represented by equity shares of ₹ 2 each.









INDEPENDENT AUDITOR'S 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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
   c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;

d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SORAB S. ENGINEER & CO.
Firm Registration No. 110417W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

New Delhi
April 12, 2013

ANNEXURE TO THE INDEPENDENT AUDITOR'S 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) Some of the fixed assets were physically verified by the management during the year in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.

(c) No substantial part of fixed assets has been disposed off during the year.

(ii) (a) The stocks of acquired and/or developed 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 and developed 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 and developed properties. No discrepancy was noticed on verification between the physical properties and the book records.

(iii) The Company has not granted / taken any loan to / from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii,b), (iii,c), (iii,d), (iii,e), (iii,f) and (iii,g) of paragraph 4 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) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements that needs to be entered in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses (v,a) and (v,b) of paragraph 4 of the order are not applicable.

(vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956, the Housing Finance Companies (NHB) Directions, 2010 and the Companies (Acceptance of Deposits) Rules, 1975 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.

(vii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(viii) The Company is not engaged in production, processing, manufacturing or mining activities. Therefore, the provisions of clause (viii) of paragraph 4 of the order are not applicable.

(ix) (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.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Cess were in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, following amounts have not been deposited as on March 31, 2013 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	0.18	2009-2010	Commissioner of Income Tax (Appeals)

(x) 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.

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

(xii) The loans granted by the Company are primarily secured / partly secured by the equitable mortgage of the property. Based on our examination of documents and records and evaluation of internal controls, we are of the opinion that the Company has maintained adequate documents and records wherever it has granted loans and advances on the basis of collateral security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund or a Nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.

(xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.

(xv) 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.

(xvi) 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.

(xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short-term basis have not, *prima facie*, been used during the year for long-term investments.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year.

(xix) According to the information and explanations given to us and the records examined by us, the Company has created security and charges in respect of Debentures issued during the year.

(xx) The Company has not raised any money by public issue during the year.

(xxi) 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 Registration No. 110417W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

New Delhi
April 12, 2013

GRUH FINANCE LIMITED
We help you build homes

BALANCE SHEET AS AT MARCH 31, 2013

(₹ in crores)

	Notes		March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES				
Share Holders' Funds				
Share Capital	2	35.70		35.30
Reserves and Surplus	3	455.29		350.25
			490.99	385.55
Non-Current Liabilities				
Long-Term Borrowings	4	3,705.75		2,834.07
Other Long-Term Liabilities	5	22.06		7.33
Long-Term Provisions	6	41.70		41.31
			3,769.51	2,882.71
Current Liabilities				
Short-Term Borrowings	7	68.77		232.35
Trade Payables	8	0.75		1.18
Other Current Liabilities	9	1,215.70		785.60
Short-Term Provisions	6	54.31		48.68
			1,339.53	1,067.81
			5,600.03	4,336.07
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	10	10.48		10.30
Intangible Assets	11	1.30		1.34
Non-Current Investments	12	40.33		24.33
Deferred Tax Asset (Net)	13	12.46		11.95
Long-Term Loans and Advances				
Loans	14.1	5,015.35		3,788.12
Others	14.6	27.03		28.62
			5,106.95	3,864.66
Current Assets				
Current Investments	12	24.81		0.10
Cash and Bank Balances	15	22.12		169.48
Short-Term Loans and Advances	16	21.72		20.22
Other Current Assets				
Loans	17.1	422.45		278.68
Others	17.2	1.98		2.93
			493.08	471.41
			5,600.03	4,336.07
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 Registration No. 110417W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Keki M. Mistry
Chairman

Directors
S. M. Palia
Rohit C. Mehta
Prafull Anubhai
K. G. Krishnamurthy
S. G. Mankad
Kamlesh Shah

New Delhi
April 12, 2013

Sudhin Choksey
Managing Director

Marcus Lobo
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2013

(₹ in crores)

	Notes		Current Year	Previous Year
INCOME				
Revenue from Operations	18		650.44	514.17
Other Income	19		0.01	0.07
			650.45	514.24
EXPENDITURE AND CHARGES				
Finance Cost	20		404.42	310.10
Employee Benefit Expenses	21		23.43	19.68
Establishment Expenses	22		5.94	4.99
Other Expenses	23		17.88	14.35
Depreciation and Amortisation Expenses	24		1.97	2.36
			453.64	351.48
PROFIT BEFORE TAX FOR THE YEAR			196.81	162.76
Tax Expenses :				
Current Tax		51.44		41.36
Deferred Tax (Net)		(0.51)		1.06
			50.93	42.42
PROFIT AFTER TAX FOR THE YEAR			145.88	120.34
Earnings per Equity Share				
(Face value of ₹ 2 per Share)	30			
Basic			8.209	6.825
Diluted			8.157	6.802
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 Registration No. 110417W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Keki M. Mistry
Chairman

Directors
S. M. Palia
Rohit C. Mehta
Prafull Anubhai
K. G. Krishnamurthy
S. G. Mankad
Kamlesh Shah

New Delhi
April 12, 2013

Sudhin Choksey
Managing Director

Marcus Lobo
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in crores)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	196.81	162.76
Adjustments for:		
Depreciation	1.97	2.36
Brokerage Expenses Written Off	1.38	0.78
Bad Debts Written Off	1.59	1.39
Retirement Benefits	0.81	0.42
Loss on Sale of Acquired Properties	0.08	0.12
Provision for Loss to arise on Redemption of Investments	1.32	0.80
Loss on Sale of Tangible Assets (Net)	0.07	0.18
	7.22	6.05
Operating Profit Before Working Capital Changes	204.03	168.81
Changes in Working Capital:		
Increase / (Decrease) in Trade Payables	(0.43)	(0.58)
Increase / (Decrease) in Long-Term Provisions	(0.42)	(0.02)
Increase / (Decrease) in Short-Term Provisions	0.62	0.29
Increase / (Decrease) in Other Current Liabilities	56.55	(5.77)
Increase / (Decrease) in Other Long Term Liabilities	14.73	3.70
(Increase) / Decrease in Long-Term Loans and Advances	(0.59)	(0.20)
(Increase) / Decrease in Short-Term Loans and Advances	(1.07)	(0.66)
(Increase) / Decrease in Other Current Assets	0.95	(2.04)
Brokerage Paid	(2.07)	(2.84)
(Increase) / Decrease in Other Bank Balances	45.50	(24.50)
Stock of Acquired Properties	0.21	(6.09)
Investments (Net)	(42.03)	9.44
	71.95	(29.27)
Cash Generated from Operations	275.98	139.54
Taxes Paid (net of refunds)	(49.19)	(44.35)
Net Cash from Operations	226.79	95.19
Non Current Portion of Loans	(1,228.82)	(812.72)
Current Portion of Loans	(143.77)	(83.29)
	(1,372.59)	(896.01)
Net Cash Generated from Operations Before Extraordinary Items	(1,145.80)	(800.82)
Extraordinary Items	0.00	0.00
Net Cash Generated from Operating Activities	(1,145.80)	(800.82)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible/Intangible Assets	(2.21)	(2.11)
Sale of Tangible Assets	0.03	0.12
Capital Advances	(0.10)	(0.01)
Net Cash from Investing Activities	(2.28)	(2.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Allotment under Employee Stock Option Schemes	0.40	0.15
Securities Premium received	11.90	2.24
Securities Premium utilized	(0.28)	(0.03)
Dividends Paid	(40.61)	(38.57)
Dividend Distribution Tax	(6.63)	(6.29)
Unclaimed Dividend Paid	(0.07)	(0.06)
Availment/(Repayment) of Long-Term Borrowings	1001.68	821.71

Availment/(Repayment) of Short-Term Borrowings	(163.58)	(67.18)
Changes in Current maturities of Long-Term Borrowings	244.12	112.55
Changes in Unclaimed Matured Deposits and Interest Accrued thereon	(0.71)	(0.42)
Net Cash used in Financing Activities	1046.22	824.10
Net increase in Cash and Cash Equivalents	(101.86)	21.28
Cash and Cash Equivalents at the Beginning of the Year	114.98	93.70
Cash and Cash Equivalents at the end of the Year	13.12	114.98
Cash and Cash Equivalents Comprise of :		
Cash on Hand	0.04	0.04
Cheques on Hand	0.53	3.19
Balances with Banks Highly liquid investments*	12.55	111.75
Total	13.12	114.98
* Includes the following balances which are not available for use by the Company		
Unpaid Dividend Account	0.78	0.63

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 Registration No. 110417W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Keki M. Mistry
Chairman

Directors
S. M. Palia
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K. G. Krishnamurthy
S. G. Mankad
Kamlesh Shah

New Delhi
April 12, 2013

Sudhin Choksey
Managing Director

Marcus Lobo
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The Financial Statements have been prepared in accordance with historical cost convention, applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956 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.

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 section 211 of the Companies Act, 1956, read with Schedule VI 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 HOUSING LOANS

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

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) notified by Companies (Accounting Standards) Rules, 2006.

1.7 BROKERAGE ON DEPOSIT

Brokerage, other than incentives, paid on deposits is amortised over the period of the deposit. Incentives, which is payable to agents who achieve certain collection targets, is charged to Statement of Profit and Loss.

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) notified by Companies (Accounting Standards) Rules, 2006. 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 FIXED ASSETS

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

FIXED ASSETS :

i) Depreciation is provided on all assets except office premises and residential premises on "Written Down Value Method" under section 205 (2) (a) at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.

ii) Depreciation on office premises and residential premises is provided on "Straight Line Method" under section 205 (2) (b) at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.

INTANGIBLE ASSETS :

Computer software is amortised over a period of four years on Straight Line Basis.

1.13 PROVISION FOR CONTINGENCIES

The Company's policy is to carry adequate amounts in the Provision for Contingencies account to cover the principal amount outstanding in respect of all non-performing assets, standard assets as also all other contingencies. All loans and other credit exposures where the instalments are overdue for ninety days and more are classified as non-performing assets in accordance with the prudential norms prescribed by the National Housing Bank. The provisioning policy of the Company covers the minimum provisioning required as per the NHB guidelines.

1.14 EMPLOYEE BENEFITS

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognized 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 share premium/security premium as permitted by section 78 of the Companies Act, 1956.

(₹ in crores)

2 SHARE CAPITAL		As At March 31, 2013	As At March 31, 2012
AUTHORISED			
25,00,00,000	Equity Shares of ₹ 2 each (Previous Year 25,00,00,000 Shares of ₹ 2 each)	50.00	50.00
		50.00	50.00
ISSUED AND SUBSCRIBED			
17,84,76,675	Equity Shares of ₹ 2 each (Previous Year 17,65,13,190 Shares of ₹ 2 each)	35.70	35.30
PAID UP			
17,84,76,675	Equity Shares of ₹ 2 each (Previous Year 17,65,13,190 Shares of ₹ 2 each)	35.70	35.30
		35.70	35.30

2.1 (a) Sub-division of Shares

With effect from July 26, 2012, the nominal face value of equity shares of the Company was sub-divided from ₹ 10 per share to ₹ 2 per share. Accordingly, each option exercised after July 26, 2012 is entitled to 5 equity shares of ₹ 2 each. Number of shares for the previous year / period have been adjusted to give effect of sub-division.

(b) Reconciliation of Number of Shares

Particulars	As At March 31, 2013		As At March 31, 2012	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Equity Shares outstanding at the beginning of the year	17,65,13,190	35.30	17,57,88,165	35.16
Add : Shares allotted pursuant to exercise of stock options under ESOS	19,63,485	0.40	7,25,025	0.14
Equity Shares outstanding at the end of the year	17,84,76,675	35.70	17,65,13,190	35.30

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 in the ensuing Annual General Meeting.

2.3 Shares held by Holding Company

Particulars	As At March 31, 2013	As At March 31, 2012
Holding Company - HDFC Limited	10,65,38,925	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, 2013	As At March 31, 2012
Holding Company - HDFC Limited	10,65,38,925	10,65,38,925
% of Shareholding	59.69	60.36

2.5 Shares reserved for issue under options

(a) During the year, the Company has issued 60,300 (Previous Year 7,25,025) shares and 19,03,185 (Previous Year Nil) shares on exercise of Options granted to its employees and Directors under ESOS Scheme - 2007 and 2011 respectively.

(b) As at March 31, 2013, the Company has following Employee Stock Option Schemes, the features of the same are as follows:

Scheme	ESOS - 2011 Tranche - II	ESOS - 2011 Tranche - I
Date of Grant	October 25, 2011	February 10, 2011
Number of options granted	51,050	11,72,849
Exercise Price per option	₹ 548.80	₹ 317.85
Date of vesting	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.
Method of settlement	Through allotment of five Equity Shares for each option granted.	Through allotment of five 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 - 2011 Tranche II and ESOS - 2011 Tranche I 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 - 2011 Tranche II	ESOS - 2011 Tranche I
Options Outstanding at start of the year	Nil	4,15,097
Options granted during the year	Nil	Nil
Options not vested at the start of the year	48,550	6,74,562
Options Lapsed during the year	7,600	33,947
Options Exercised during the year	Nil	3,80,637
Options vested but not exercised at end of the year	12,285	3,49,968
Options not vested at end of the year	28,665	3,25,107
Weighted Average Exercise Price per Option	₹ 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 - 2011 (Tranche - II)			ESOS - 2011 (Tranche - I)		
	Vesting on Oct. 25, 2012	Vesting on Oct. 25, 2013	Vesting on Oct. 25, 2014	Vesting on Feb. 10, 2012	Vesting on Feb. 10, 2013	Vesting on Feb. 10, 2014
Estimated Value of Stock Options (₹)	70.00	101.00	116.00	51.00	67.00	75.00
Share Price at Grant Date (₹)	548.80	548.80	548.80	317.85	317.85	317.85
Exercise Price (₹)	548.80	548.80	548.80	317.85	317.85	317.85
Expected Volatility (%)	25.00	25.00	25.00	30.00	30.00	30.00
Dividend Yield Rate (%)	2.20	2.90	3.75	2.20	2.90	3.75
Expected Life of Options (in days)	366	731	1096	455	821	1186
Risk Free Rate of Interest (%)	8.65	8.69	8.61	7.54	7.65	7.85

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

(₹ in crores)

Particulars	2012-13	2011-12
Profit After Tax as reported	145.88	120.34
Less : Amortisation of Compensation Cost (pro-forma)	1.89	3.81
Profit considered for computing EPS (pro-forma)	143.99	116.53
Earnings Per Share - Basic		
- as reported	8.209	6.825
- pro-forma	8.102	6.609
Earnings Per Share - Diluted		
- as reported	8.157	6.802
- pro-forma	8.051	6.587

2.6 Proposed Dividend

The final dividend proposed for the year is as follows :

Particulars	As At March 31, 2013	As At March 31, 2012
On Equity Shares of ₹ 2 each (Previous year ₹ 10)		
Dividend Per Equity Share (₹)	2.50	11.50
Percentage Dividend Proposed	125	115

(₹ in crores)

3 RESERVES AND SURPLUS	As At March 31, 2013	As At March 31, 2012
SPECIAL RESERVE		
Opening Balance	147.21	119.21
Add : Transfer from Statement of Profit and Loss	37.00	28.00
	184.21	147.21
GENERAL RESERVE		
Opening Balance	40.63	33.42
Add : Transfer from Statement of Profit and Loss	17.50	15.00
Less : Utilised for Provision for Standard Assets as per NHB norms [Net of Deferred Tax of ₹ Nil (Previous Year ₹ 3.75 crores)]	0.00	7.79
	58.13	40.63
ADDITIONAL RESERVE (U/S 29C of NHB Act)		
Opening Balance	7.50	0.00
Add : Transfer from Statement of Profit and Loss	12.50	7.50
	20.00	7.50
SECURITIES PREMIUM		
Opening Balance	71.21	68.99
Add : Received during the year	11.90	2.24
Less : Utilised during the year [Net of tax ₹ 0.14 crore (Previous Year ₹ 0.01 crore)]	0.28	0.02
	82.83	71.21
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Opening Balance	83.70	61.15
Add : Profit for the year	145.88	120.34
Amount Available for Appropriation	229.58	181.49
APPROPRIATION :		
Special Reserve	37.00	28.00
General Reserve	17.50	15.00
Additional Reserve (u/s 29C of the NHB Act)	12.50	7.50
Proposed Dividend	44.62	40.60
Tax on Proposed Dividend	7.58	6.59
Dividend pertaining to previous year paid during the year	0.26	0.10
	110.12	83.70
	455.29	350.25

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 a 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 ₹ 37 crores (Previous Year ₹ 28 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 National Housing Bank (NHB) vide circular no. NHB.HFC.DIR.3/CMD dated August 5, 2011 had introduced provisioning for Standard Individual Home Loans. Company utilised ₹ Nil (Previous Year ₹ 7.79 crores) Net of Deferred Tax of ₹ Nil (Previous Year ₹ 3.75 crores) out of General Reserve to meet additional provision required on Standard Individual Home Loan Assets as at March 31, 2011.

3.3 The Company has transferred an amount of ₹ 12.50 crores (Previous Year ₹ 7.50 crores) to Additional Reserve u/s 29C of the National Housing Bank Act, 1987.

3.4 In respect of equity shares issued pursuant to Employee Stock Option Scheme, the Company has paid dividend of ₹ 0.22 crore for the year 2011-12 (Previous year ₹ 0.09 crore) and tax on dividend of ₹ 0.04 crore (Previous year ₹ 0.01 crore) as approved by the shareholders at the Annual General Meeting held on June 18, 2012.

4 LONG-TERM BORROWINGS

(₹ in crores)

	Non-Current Portion		Current Maturities	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
SECURED BORROWINGS				
Term Loans				
National Housing Bank	1,786.50	1,340.47	523.61	552.87
Banks	1,234.50	977.50	130.00	110.00
Redeemable Non-Convertible Debentures	80.70	141.70	411.00	0.00
From Holding Company HDFC LOC KfW	12.30	0.00	0.97	0.00
	3,114.00	2,459.67	1,065.58	662.87
UNSECURED BORROWINGS				
Redeemable Non-Convertible Subordinated Debentures	35.00	0.00	0.00	40.00
Public Deposits	556.75	374.40	71.38	59.97
	591.75	374.40	71.38	99.97
Amount disclosed under the head "Other Current Liabilities" (Note 9)	0.00	0.00	(1,136.96)	(762.84)
	3,705.75	2,834.07	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.

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

(b) 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					
05.50% - 08.00%	155.96	254.26	135.55	39.40	585.17
	(152.36)	(269.54)	(135.53)	(37.03)	(594.46)
08.01% - 10.00%	367.65	428.54	329.94	598.81	1724.94
	(128.36)	(128.06)	(12.80)	(0.60)	(269.82)
10.01% - 12.00%	0.00	0.00	0.00	0.00	0.00
	(272.15)	(324.69)	(198.75)	(233.47)	(1029.06)

(c) Term Loans from Banks :

(₹ in crores)

Maturities	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
08.01% - 10.00%	130.00	0.00	0.00	0.00	130.00
	0.00	(160.00)	(140.00)	0.00	(300.00)
10.01% - 12.00%	0.00	183.75	210.00	840.75	1234.50
	(110.00)	(357.50)	(240.00)	(80.00)	(787.50)

4.2 Redeemable Non-Convertible Debentures :

(a) 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 .

(b) Bonds & Debentures

(₹ in crores)

Maturities	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
08.01% - 10.00%	411.00	80.70	0.00	0.00	491.70
	0.00	(141.70)	0.00	0.00	(141.70)

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

(₹ in crores)

Maturities	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
08.01% - 10.00%	0.97	2.23	2.69	7.38	13.27
	0.00	0.00	0.00	0.00	0.00

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).

Non - Convertible Subordinated Debentures :

(₹ in crores)

Maturities	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
08.01% - 10.00%	0.00	0.00	0.00	35.00	35.00
	(40.00)	0.00	0.00	0.00	(40.00)

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, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
Security Deposits	2.00	0.91	0.00	0.00
Interest Accrued but not Due on Borrowings	20.06	6.42	41.13	5.85
	22.06	7.33	41.13	5.85
Amount disclosed under the head "Other Current Liabilities" (Note 9)	0.00	0.00	(41.13)	(5.85)
	22.06	7.33	0.00	0.00

6 PROVISIONS

(₹ in crores)

	LONG-TERM		SHORT-TERM	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
Provision for Retirement Benefits	2.24	1.85	2.11	1.49
Provision for Standard Assets as per NHB norms	24.52	18.30	0.00	0.00
Provision for NPAs as per NHB norms	6.58	7.18	0.00	0.00
Provision for Contingencies	8.36	13.98	0.00	0.00
Proposed Dividend	0.00	0.00	44.62	40.60
Tax on Proposed Dividend	0.00	0.00	7.58	6.59
	41.70	41.31	54.31	48.68

7 SHORT-TERM BORROWINGS

(₹ in crores)

		As At March 31, 2013	As At March 31, 2012
SECURED BORROWINGS			
Bank Term Loan	0.00		215.00
		0.00	215.00
UNSECURED BORROWINGS			
Commercial Papers	50.00		0.00
Public Deposits	18.77		17.35
		68.77	17.35
		68.77	232.35

7.1 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 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, 2013	As At March 31, 2012
Current Maturities of Long-Term Borrowings (Note 4)	1,136.96	762.84
Current Portion of Other Long-Term Liabilities (Note 5)	41.13	5.85
Instalments Received in Advance	4.50	2.72
Unclaimed Matured Deposits and Interest accrued thereon	3.04	3.75
Unpaid Dividends	0.77	0.63
Book Overdraft	20.09	3.34
Statutory Remittances	6.87	1.23
Other Liabilities	2.34	5.24
	1,215.70	785.60

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

10. TANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block (At Cost)				Depreciation and Amortisation				Net Block	
	As At 1.4.2012	Additions	Disposals	As At 31.3.2013	As At 1.4.2012	Additions	Deductions	As At 31.3.2013	As At 31.3.2013	As At 31.3.2012
Own Assets										
Freehold Land	0.97	0.00	0.00	0.97	0.00	0.00	0.00	0.00	0.97	0.97
Office Building	4.85	0.00	0.00	4.85	1.16	0.08	0.00	1.24	3.61	3.69
Residential Flat	0.22	0.00	0.00	0.22	0.06	(₹ 35,506)	0.00	0.06	0.16	0.16
Furniture and Fixtures	6.61	0.87	0.10	7.38	4.57	0.54	0.09	5.02	2.36	2.04
Office Equipments	2.93	0.69	0.24	3.38	1.22	0.30	0.15	1.37	2.01	1.71
Electrical Installation	1.02	0.13	0.00	1.15	0.74	0.06	(₹ 18,890)	0.80	0.35	0.28
Computers	3.40	0.20	0.20	3.40	2.10	0.59	0.20	2.49	0.91	1.30
Vehicles	0.23	0.00	0.00	0.23	0.08	0.04	0.00	0.12	0.11	0.15
Total	20.23	1.89	0.54	21.58	9.93	1.61	0.44	11.10	10.48	10.30
Previous Year	21.23	2.02	3.02	20.23	10.72	1.92	2.71	9.93	10.30	10.51

11. INTANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block (At Cost)				Depreciation and Amortisation				Net Block	
	As At 1.4.2012	Additions	Disposals	As At 31.3.2013	As At 1.4.2012	Additions	Deductions	As At 31.3.2013	As At 31.3.2013	As At 31.3.2012
Own Assets										
Computer Softwares	3.24	0.32	0.00	3.56	1.90	0.36	0.00	2.26	1.30	1.34
Previous Year	3.15	0.09	0.00	3.24	1.46	0.44	0.00	1.90	1.34	1.70

12 INVESTMENTS

(₹ in crores)

Government Securities (At Cost)	Non-Current		Current	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
12.40 % Government of India Loan 2013 (Purchased ₹ 22.34 crores during the year)	0.00	3.77	26.10	0.00
12.30 % Government of India Loan 2016 (Purchased ₹ 13.65 crores during the year)	17.24	3.59	0.00	0.00
11.83 % Government of India Loan 2014 (Purchased ₹ 1.19 crores during the year)	1.44	0.25	0.00	0.00
8.07 % Government of India Loan 2017	5.68	5.68	0.00	0.00
11.50 % Government of India Loan 2015	2.21	2.21	0.00	0.00
11.43 % Government of India Loan 2015 (Purchased ₹ 0.73 crore during the year)	3.51	2.78	0.00	0.00
10.50 % Government of India Loan 2014	7.42	7.42	0.00	0.00
12.60 % Government of India Loan 2018 (Purchased ₹ 4.24 crores during the year)	4.24	0.00	0.00	0.00
11.03 % Government of India Loan 2012 (Matured during the year)	0.00	0.00	0.00	0.10
	41.74	25.70	26.10	0.10
Less : Provision for Loss to arise on redemption of Investments	1.41	1.37	1.29	(₹ 43,560)
	40.33	24.33	24.81	0.10
Aggregate of Quoted Investments				
Book Value	41.74	25.70	26.10	0.10
Market Value	40.89	25.49	26.10	0.10

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) notified by Companies (Accounting Standards) Rules, 2006 is as under :

(₹ in crores)

Particulars	As At March 31, 2013	As At March 31, 2012
Long-Term Investments	67.84	25.80
Current Investments	0.00	0.00
	67.84	25.80

13 DEFERRED TAX ASSET

In accordance with Accounting Standard on 'Accounting for Taxes on Income' (AS 22) notified by Companies (Accounting Standards) Rules, 2006, the company is accounting for Deferred Tax.

The Break up of Deferred Tax Asset / Liability are as follows :

(₹ in crores)

Particulars		As At March 31, 2013	As At March 31, 2012
(A) Deferred Tax Asset			
Provision for NPAs	12.80		12.80
Others	1.78		1.11
		14.58	13.91
(B) Deferred Tax Liability			
Depreciation	0.88		0.95
Brokerage paid in Advance	1.24		1.01
		2.12	1.96
Net Deferred Tax Asset		12.46	11.95

14 LONG-TERM LOANS AND ADVANCES

14.1 LOANS

(₹ in crores)

	Non-Current Portion		Current Maturities	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
Home Loans				
Individuals	4,693.08	3,537.62	270.54	175.17
Others	92.06	74.04	125.21	82.40
	4,785.14	3,611.66	395.75	257.57
Other Loans				
Individuals	216.03	167.49	14.63	10.35
Others	14.18	8.97	12.07	10.76
	230.21	176.46	26.70	21.11
Amount disclosed under the head "Other Current Assets" (Note 17.1)	0.00	0.00	(422.45)	(278.68)
	5,015.35	3,788.12	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 ₹ 0.16 crore (Previous Year ₹ 0.18 crore) given to the Officer of the Company under the Staff Loan Scheme.

14.4 The Company has complied with the norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognising Non-Performing Assets (NPA) 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, 2013				
Home Loan				
Individual	4,946.93	7.14	9.55	4,963.62
Others	217.27	0.00	0.00	217.27
Other Loans				
Individual	229.72	0.11	0.83	230.66
Others	26.25	0.00	0.00	26.25
Total	5,420.17	7.25	10.38	5,437.80
Percentage to Total Loans (%)	99.68	0.13	0.19	100.00

Particulars	Standard	Sub – Standard	Bad & Doubtful	Total
As At March 31, 2012				
Home Loan				
Individual	3,693.08	7.84	11.87	3,712.79
Others	156.44	0.00	0.00	156.44
Other Loans				
Individual	176.44	0.62	0.78	177.84
Others	19.73	0.00	0.00	19.73
Total	4,045.69	8.46	12.65	4,066.80
Percentage to Total Loans (%)	99.48	0.21	0.31	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	19.79	1.07	5.16	14.77	1.18	5.65
Non-Housing	4.73	0.02	0.33	3.53	0.09	0.26

The movement in Provision for Contingencies (including Provision for Standard Assets and NPAs) during the year is as under :

(₹ in crores)

Particulars	Current Year	Previous Year
Opening Balance	39.46	27.92
Addition during the year	0.00	11.54
Closing Balance	39.46	39.46

14.6 OTHERS

(₹ in crores)

(Unsecured and Considered good)	As At March 31, 2013	As At March 31, 2012
Stock of Acquired Properties	10.34	10.63
Capital Advances	0.21	0.11
Rent Deposits	1.07	0.74
Other Deposits	0.67	0.41
Advance Income Tax [Net of Provision for Taxation ₹ 225.06 crores (Previous Year ₹ 173.76 crores)]	12.37	14.62
Advance recoverable in cash or in kind or for value to be received	2.37	2.11
	27.03	28.62

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

15 CASH AND BANK BALANCES

(₹ in crores)

		As At March 31, 2013	As At March 31, 2012
15.1 Cash & Cash Equivalents			
(a) Balances with Banks :			
In Current Accounts	4.52		21.10
In Fixed Deposits with original maturity upto three months	7.25		90.02
In Unpaid Dividend Accounts	0.78		0.63
		12.55	111.75
(b) Cheques on hand		0.53	3.19
(c) Cash on Hand		0.04	0.04
		13.12	114.98
15.2 Other Bank Balances			
Fixed Deposits with original maturity of more than three months up to twelve months		9.00	54.50
		22.12	169.48

16 SHORT-TERM LOANS AND ADVANCES

(₹ in crores)

(Unsecured and Considered good unless otherwise stated)	As At March 31, 2013	As At March 31, 2012
Instalments due from Borrowers (Secured)	16.08	16.81
Loan Against Deposit (Secured)	0.79	0.63
Advance recoverable in cash or kind or for value to be received	4.85	2.78
	21.72	20.22

16.1 Instalments due from borrowers includes ₹ 9.51 crores (Previous Year ₹ 10.43 crores) which are accrued but not due.

17 OTHER CURRENT ASSETS

(₹ in crores)

	As At March 31, 2013	As At March 31, 2012
17.1 Loans		
Current Maturities of Loans (Note 14.1)	422.45	278.68
	422.45	278.68
17.2 Others		
Interest Accrued on Investments	1.56	0.67
Interest Accrued on Deposits	0.42	2.26
	1.98	2.93

18 REVENUE FROM OPERATIONS

(₹ in crores)

	Current Year	Previous Year
Interest Income		
Interest on Loans	609.26	476.68
Other Interest	8.85	8.92
Fees and Other Charges	22.29	17.20
Bad Debts Recovered	2.26	5.85
Dividends	0.00	2.25
Surplus from deployment in Cash Management Schemes of Mutual Funds	4.07	1.44
Other Operating Income	3.71	1.83
	650.44	514.17

18.1 Surplus from deployment in Cash Management Schemes of Mutual Funds amounting to ₹ 4.07 crores (Previous Year ₹ 1.44 crores) is in respect of Investments held as Current Investments.

18.2 Fees and Other Charges is net of Loan Referral Charges of ₹ 4.94 crores (Previous Year ₹ 3.11 crores).

19 OTHER INCOME

(₹ in crores)

	Current Year	Previous Year
Other Non-Operating Income	0.01	0.07
	0.01	0.07

20 FINANCE COST

(₹ in crores)

	Current Year	Previous Year
INTEREST		
Loans	249.33	224.93
Non-Convertible Debentures	47.50	6.00
Commercial Papers	45.09	44.26
Deposits	57.06	31.20
OTHER CHARGES		
Brokerage on Deposits	2.60	1.94
Bank Charges	0.73	0.75
Other Borrowing Cost	2.11	1.02
	404.42	310.10

(₹ in crores)

21 EMPLOYEE BENEFIT EXPENSES (Note 26)	Current Year	Previous Year
Salaries and Bonus	20.01	16.67
Contribution to Provident Fund and other funds	2.46	2.04
Staff Welfare Expenses	0.77	0.83
Staff Training Expenses	0.19	0.14
	23.43	19.68

(₹ in crores)

22 ESTABLISHMENT EXPENSES	Current Year	Previous Year
Rent	3.20	2.67
Rates & Taxes	0.19	0.19
Electricity Charges	0.82	0.66
Repairs & Maintenance - Building	0.04	0.04
Office Maintenance	1.58	1.31
Insurance Charges	0.11	0.12
	5.94	4.99

(₹ in crores)

23 OTHER EXPENSES		Current Year	Previous Year
Travelling and Conveyance		1.85	1.55
Printing and Stationery		1.07	1.08
Postage, Telephone and Fax		2.16	1.85
Advertising & Business Promotion		3.48	1.72
Legal and Professional Charges		3.11	3.06
Repairs & Maintenance - Others		0.65	0.54
Staff Recruitment Expenses		0.27	0.23
Bad Debts written off		1.59	1.39
Expenses for Recovery		0.73	0.75
Directors' Fees		0.13	0.13
Auditors' Remuneration :			
Audit Fees	0.10		0.08
Tax Audit Fees	0.03		0.02
Other Certification Work	0.08		0.07
Reimbursement of Expenses	0.02		0.01
		0.23	0.18
Provision for Standard Assets / Contingencies	1.32		12.34
Less : Adjusted against General Reserve (Note 3.2)	0.00		11.54
		1.32	0.80
Miscellaneous Expenses		1.29	1.07
		17.88	14.35

(₹ in crores)

24 DEPRECIATION AND AMORTISATION EXPENSES

		Current Year	Previous Year
Depreciation on Tangible Assets	(Note 10)	1.61	1.92
Amortisation of Intangible Assets	(Note 11)	0.36	0.44
		1.97	2.36

25. 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	As At March 31, 2013	As At March 31, 2012
1) CRAR (%)	14.56	13.95
2) CRAR – Tier I Capital (%)	12.93	13.29
3) CRAR – Tier II Capital (%)	1.63	0.66

25.2 Exposure to Real Estate Sector

Items	As At March 31, 2013	As At March 31, 2012
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 may be shown separately)	Lons <= ₹ 15 Lacs : ₹ 4296.85 crores Loans > ₹ 15 Lacs : ₹ 666.77 crores Total ₹ 4963.62 crores	Loans <= ₹ 15 Lacs: ₹ 3300.30 crores Loans > ₹ 15 Lacs : ₹ 412.49 crores Total ₹ 3712.79 crores
B Commercial Real Estate : Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenated commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits	₹ 474.18 crores	₹ 354.01 crores
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

(₹ in crores)

Maturity pattern of certain items of Assets and Liabilities As At March 31, 2013

Particulars	1 day to 30 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 to 7 Years	Over 7 to 10 Years	Over 10 Years	Total
Liabilities											
Borrowings from Banks	0.00	0.00	130.90	130.90	261.81	866.55	675.50	415.85	244.32	948.77	3674.60
Market Borrowings	14.66	61.88	58.80	378.28	41.54	485.12	98.45	62.03	39.15	0.00	1239.91
Assets											
Advances	33.86	33.99	44.52	96.52	213.56	735.04	644.88	595.53	909.58	2130.32	5437.80
Investments	0.00	0.00	0.00	24.81	0.00	14.14	26.19	0.00	0.00	0.00	65.14

(₹ in crores)

Maturity pattern of certain items of Assets and Liabilities As At March 31, 2012

Particulars	1 day to 30 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 Year	Over 1 to 3 Years	Over 3 to 5 Years	Over 5 to 7 Years	Over 7 to 10 Years	Over 10 Years	Total
Liabilities											
Borrowings from Banks	0.00	0.00	151.68	171.65	554.54	1239.79	727.08	264.13	86.97	0.00	3195.84
Market Borrowings	9.99	8.15	5.22	15.22	82.48	398.37	69.77	47.97	0.00	0.00	637.17
Assets											
Advances	22.07	23.81	23.87	83.02	125.91	583.87	419.77	413.27	632.80	1738.41	4066.80
Investments	0.00	0.00	0.00	0.10	0.00	10.70	13.63	0.00	0.00	0.00	24.43

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26. In compliance with the Accounting Standard on 'Employee Benefits' (AS 15) (Revised 2005) notified by Companies (Accounting Standards) Rules, 2006, the 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 crores)

Particulars	Current Year	Previous Year
Provident Fund	0.61	0.47
Superannuation Fund	0.53	0.43

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 ₹ 0.29 crore (Previous Year ₹ 0.25 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 ₹ 0.81 crore (Previous Year ₹ 0.42 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	3.78	2.75
Current Service Cost	0.34	0.33
Interest Cost	0.32	0.23
Benefits Paid	(0.03)	(0.02)
Actuarial loss	0.62	0.49
Liability at the end of the year	5.03	3.78
Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	2.92	2.15
Expected Return on Plan Assets	0.25	0.19
Contributions	0.86	0.62
Benefits Paid	(0.03)	(0.02)
Actuarial gain/(loss) on Plan Assets	0.01	(0.02)
Fair Value on Plan Assets at the end of the year	4.01	2.92
Total Actuarial loss to be recognized	0.61	0.51

Actual Return on Plan Assets		
Expected Return on Plan Assets	0.25	0.19
Actuarial gain/(loss) on Plan Assets	0.01	(0.02)
Actuarial Return on Plan Assets	0.26	0.17
Amount Recognized in the Balance Sheet		
Liability at the end of the year	5.03	3.78
Fair Value of Plan Assets at the end of the year	4.01	2.92
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	1.02	0.86
Expense Recognized in Statement of Profit and Loss		
Current Service Cost	0.34	0.33
Interest Cost	0.32	0.22
Expected Return on Plan Assets	(0.25)	(0.19)
Net Actuarial loss to be recognized	0.61	0.51
Expense recognized in Statement of Profit and Loss under "Employee Benefit Expenses"	1.02	0.87
Reconciliation of the Liability Recognized in the Balance Sheet		
Opening Net Liability	0.86	0.60
Expense Recognized	1.02	0.87
Contribution by the Company	(0.86)	(0.62)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	1.02	0.86

INVESTMENT PATTERN

Particulars	% Invested Current Year	% Invested Previous Year
Central Government Securities	38.93	37.42
State Government Securities / Securities guaranteed by State / Central Government	15.20	7.00
Public Sector / Financial Institutional Bonds	28.94	38.87
Private Sector Bonds	4.96	6.80
Special Deposit Scheme	0.30	0.41
Investment in Insurance Company	11.24	8.56
Others (including bank balances)	0.43	0.94
	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	31.3.2013	31.3.2012	31.3.2011	3 1.3.2010
Discount Rate (%)	8.25	8.75	8.09	8.14
Expected Return on Plan Assets (%)	8.70	8.60	9.00	9.00
Proportion of employees opting for early retirement	-	-	-	-
Annual increase in Salary Cost (%)	6.00	6.00	6.00	6.00
Future changes in maximum state health care benefits	-	-	-	-

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	31.3.2013	31.3.2012	31.3.2011	31.3.2010
Present value of Defined Benefit Obligation	5.03	3.78	2.75	2.03
Fair Value of Plan Assets	4.01	2.92	2.15	1.69
Surplus/(Deficit) in the Plan	(1.02)	(0.86)	(0.60)	(0.34)
Experience adjustments on plan Liabilities (loss)/Gain	(0.39)	(0.69)	(0.01)	0.11
Experience adjustments on plan Assets (loss)/Gain	-	(0.02)	-	-

27.1 Contingent liability in respect of Income-tax and Interest-tax demands, amount of ₹ 13.86 crores (Previous year ₹ 14.21 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. The said amount 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 ₹ 0.34 crore (Previous Year ₹ Nil).

28. 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) notified by Companies (Accounting Standards) Rules, 2006.

29. Consequent to the Accounting Standard on 'Related Party Disclosure' (AS 18) notified by Companies (Accounting Standards) Rules, 2006 following persons will be considered as related persons for the year ended as on March 31, 2013:

Sr. No.	Name of the Related Party	Nature of Relationship
(i)	Housing Development Finance Corporation Limited (HDFC)	Holding Company
(ii)	HDFC Developers Limited	Fellow Subsidiary
(iii)	HDFC Investments Limited	Fellow Subsidiary
(iv)	HDFC Holdings Limited	Fellow Subsidiary
(v)	HDFC Asset Management Co. Limited	Fellow Subsidiary
(vi)	HDFC Trustee Co. Limited	Fellow Subsidiary
(vii)	HDFC Standard Life Insurance Co. Limited	Fellow Subsidiary
(viii)	HDFC Realty Limited	Fellow Subsidiary
(ix)	HDFC ERGO General Insurance Co. Limited	Fellow Subsidiary
(x)	HDFC Sales Private Limited	Fellow Subsidiary
(xi)	HDFC Ventures Trustee Company Limited	Fellow Subsidiary
(xii)	HDFC Property Ventures Ltd.	Fellow Subsidiary
(xiii)	HDFC Ventures Capital Limited	Fellow Subsidiary
(xiv)	HDFC Asset Management Company (Singapore) PTE Ltd.	Fellow Subsidiary
(xv)	GRIHA Investments	Fellow Subsidiary
(xvi)	GRIHA Investments Pte Ltd. Singapore	Fellow Subsidiary
(xvii)	Credila Financial Services Pvt. Ltd.	Fellow Subsidiary
(xviii)	HDFC Education and Development Services Private Limited	Fellow Subsidiary
(xix)	HDFC Life Pension Fund Management Company Limited	Fellow Subsidiary
(xx)	H T Parekh Foundation	Fellow Subsidiary
(xxi)	Mr. Kamlesh Shah, Executive Director	Key Management Personnel
(xxii)	Mr. Sudhin Choksey, Managing Director	Key Management Personnel

(Related party relationships are as identified by the Company and relied upon by the auditors.)

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

2012-13			(₹ in crores)
Particulars	Holding Company	Fellow Subsidiary Companies	Key Management Personnel
Dividend Paid	24.50	Nil	Nil
Remuneration	Nil	Nil	2.36
Insurance Premium Paid	Nil	0.04	Nil
Exercise of Stock Options	Nil	Nil	1.59
Loan Availed	14.00	Nil	Nil
Repayment of Loan	0.73	Nil	Nil
Interest on Loan	1.12	Nil	Nil
Balance As At March 31, 2013			
Account Payable	Nil	Nil	Nil
Account Receivable	Nil	Nil	Nil
Loan Payable	13.27	Nil	Nil

2011-12			(₹ in crores)
Particulars	Holding Company	Fellow Subsidiary Companies	Key Management Personnel
Dividend Paid	23.44	Nil	Nil
Remuneration	Nil	Nil	1.92
Insurance Premium Paid	Nil	0.05	Nil
Exercise of Stock Options	Nil	Nil	0.11
Repayment of Loan	Nil	Nil	0.03
Interest Income	Nil	Nil	(₹ 2,649)
Balance As At March 31, 2012			
Account Payable	Nil	Nil	Nil
Account Receivable	Nil	Nil	Nil

30. In accordance with the Accounting Standard on 'Earnings Per Share' (AS 20) notified by the Companies (Accounting Standards) Rules, 2006, the Earnings Per Share is as follows :

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

	Particulars	2012-13	2011-12
(i)	Profit attributable to Equity Share Holders (₹ in crores)	145.88	120.34
(ii)	Weighted Average number of Shares for computation of Basic Earnings Per Share	17,77,05,201	17,63,18,570
(iii)	Nominal Value of Equity Share	2	2
(iv)	EPS – Basic	8.209	6.825
(v)	EPS – Diluted	8.157	6.802

30.2 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 2012-13 :

	Particulars	No. of Shares	Days
(i)	Equity Shares of ₹ 2 each at the beginning of the year	17,65,13,190	28
(ii)	Allotment of Shares under ESOS 2007 and ESOS 2011	19,63,485	337
(iii)	Weighted Average number of shares for computation of Basic Earnings Per Share	17,77,05,201	

(b) For the year 2011-12 :

	Particulars	No. of Shares	Days
(i)	Equity Shares of ₹ 2 each at the beginning of the year	17,57,88,165	51
(ii)	Allotment of Shares under ESOS 2007	7,25,025	315
(iii)	Weighted Average number of shares for computation of Basic Earnings Per Share	17,63,18,570	

30.3 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	2012-13	2011-12
(i)	Weighted Average number of shares for computation of Basic Earnings Per Share	17,77,05,201	17,63,18,570
(ii)	Dilute effect of outstanding Stock Options	11,25,052	5,89,935
(iii)	Weighted Average number of shares for computation of Diluted Earnings Per Share	17,88,30,253	17,69,08,505

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

	Particulars	2012-13	2011-12
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	2011-12	2010-11
iv)	Amount remitted (₹ in crore)	0.14	0.14

32. 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) notified by the Companies (Accounting Standards) Rules, 2006.

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

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

BALANCE SHEET UNDER PRE-REVISED SCHEDULE VI

Till the year ended March 31, 2011, the Company was reporting its financial statements as per pre-revised Schedule VI to the Companies Act, 1956. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts the presentation and disclosures, particularly presentation of Balance Sheet. The following is a summary of the Balance Sheet as at March 31, 2013 under pre-revised Schedule VI of the Companies Act.

BALANCE SHEET AS AT MARCH 31, 2013

(₹ in crores)

		March 31, 2013	March 31, 2012
FUNDS EMPLOYED			
SHAREHOLDERS' FUNDS			
Share Capital	35.70		35.30
Reserves and Surplus	455.29		350.25
		490.99	385.55
LOAN FUNDS		4,914.52	3,833.00
		5,405.51	4,218.55
APPLICATION OF FUNDS			
LOANS		5,437.80	4,066.80
INVESTMENTS		65.14	24.43
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets, Loans and Advances	72.84		221.25
Less : Current Liabilities and Provisions	194.51		117.52
NET CURRENT ASSETS		(121.67)	103.73
FIXED ASSETS			
Gross Block	25.14		23.47
Less : Depreciation	13.36		11.83
Net Block		11.78	11.64
DEFERRED TAX ASSET		12.46	11.95
		5,405.51	4,218.55

GRUH FINANCE LIMITED

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EXCELLENCE AWARD WINNERS 2012-13



Jayesh Jain
Jayesh Gangwani
Chetan Makwana
Manish Dantkale
Sachin Gadekar
Amol Lonkar

Himanshu Jani
Shilpa Kulkarni
Dattatraya Solat
Manthan Gatha
Samit Chougale
Aniruddha Salpekar

Jagdish Vartak
Nisha Mekaad
Francis D'souza
Paresh Trivedi
Sanjeev Patel
Ankita Desai

Hiren Joshi
V.S. Sridhar Subbiah
Gajanan Kulkarni
Pradnya Kapoor
Santosh Shinde
Ashish Chaulkar
Samit Pal

Harish Sharma
Anish Shah
Jitendra Bhavsar
Pranit Wade
Somnath Ghadage
Darshan Trivedi
Trapti Sharma

S. Narendra
Ashok Nagotha
Kamlesh Sisodiya
Raghvendrasingh Rathore
Sumit Mehta
Jayesh Bhoir
Vimal Pare

Hiren Visavadiya
Ashok Patel
Kanaiyalal Barot
Rajnish Saxena
Sunil Kumar Singh
Mayur Agravat

Om Prakash
Bharat Modh
Kiran Puranik
Renu R.
Vikrant Kadam
Paresh Patel

GRUH FINANCE LIMITED
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TEAM AWARDS 2012-13

A. Best Performing Branches

VAPI	PALANPUR	INDORE	CHAKAN	VALSAD
Viral Patel	Mukesh Nayak	Swapnil Shrivastava	Samit Chougale	Mayank Trivedi
Abhishek Roy	Devendra Dave	Sanjay Shekatkar	Chhotulal Patil	Parthik Desai
Ankita Desai	Deepak Patel	Trapti Sharma	Ganesh Khopadkar	
Jignesh Savliya	Mukesh Joshi			

B. Winner of the Achievers' Trophy - INDORE CITY Area


Rakesh Hardiya


Nisha Mekaad


Anil Bilawaliya


Aniruddha Kirkire


Swapnil Shrivastava


Rajesh Dadhich


Sanjeev Patel


Sanjay Shekatkar


Vishal Bunkar


Trapti Sharma


Paresh Sharma



Mr. Jayesh Jain CFO, GRUH (extreme left) and Mr. Hitesh Agrawal Manager – Accounts, GRUH (extreme right) receiving the 'Certificate of Merit' at SAFA Awards ceremony held at Colombo, Sri Lanka

GRUH FINANCE LIMITED

We help you build homes

NEW ASPIRATIONS...RENEWED HAPPINESS



Town : Malhargadh
District : Mandsaur
Property Cost : ₹ 3,00,000
Loan Amount : ₹ 2,00,000



Town : Parbhani
District : Parbhani
Property Cost : ₹ 6,89,000
Loan Amount : ₹ 5,00,000

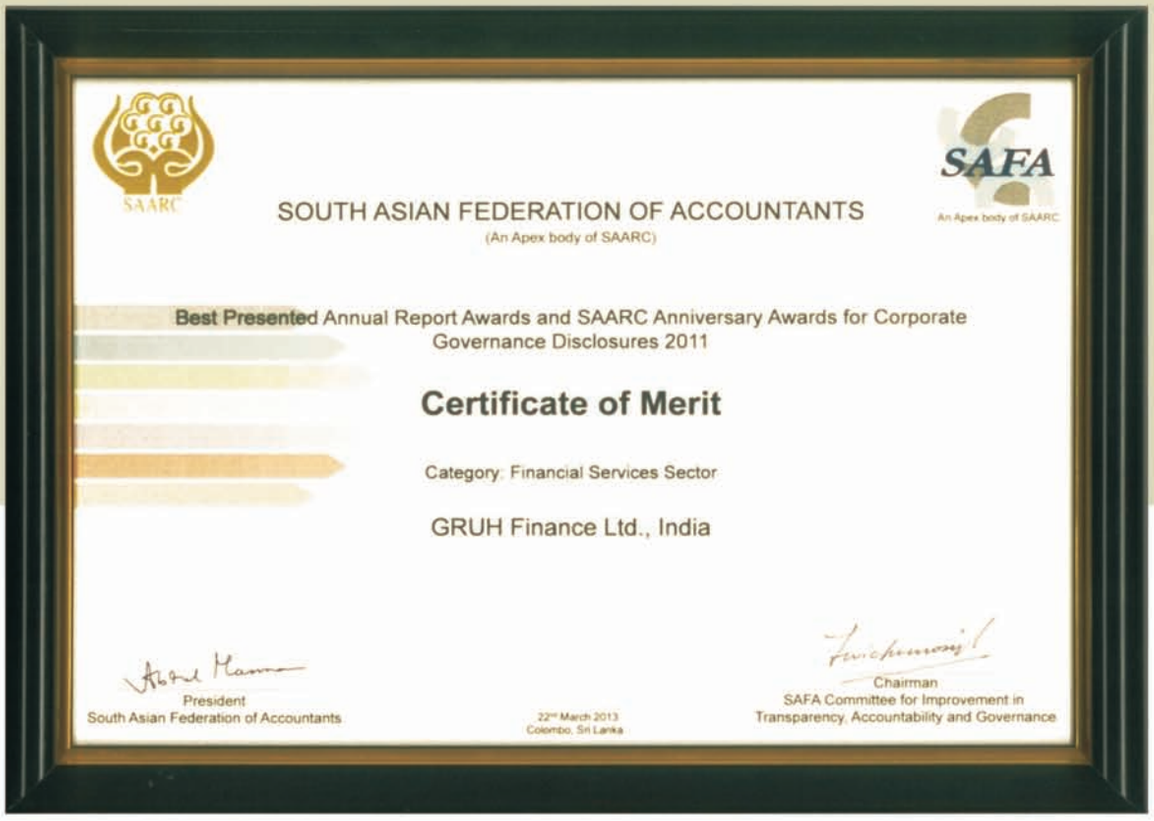


Town : Kotda
District : Banaskantha
Property Cost : ₹ 6,41,100
Loan Amount : ₹ 5,00,000



Town : Raisinghnagar
District : Ganganagar
Property Cost : ₹ 9,83,000
Loan Amount : ₹ 5,00,000

Properties Financed by GRUH



Certificate of Merit from South Asian Federation of Accountants for 'Best Presented Annual Report, 2011'.

"Great things are not done by impulse, but by a series of small initiatives brought together."

– Vincent Van Gogh, *who started the new trend of 'emotional honesty' in post-impressionist paintings*

When Mr. H. T. Parekh envisioned a rural housing finance institution, he knew that the path he was treading was not going to be easy. There would be challenges, obstacles, mindset issues and the need to go from the known into the unknown.

In these 27 years, with the guidance of a strong Board, a determined management team and committed employees, GRUH has been able to 'make haste slowly'. The maturity is reflected in the institution's financial reporting norms which are grounded in transparency and good accounting practice.

The result: the prestigious ICAI Awards for 'Excellence in Financial Reporting' for the years 2007-08 and 2010-11. The newest addition this year to our 'wall of success' is a Certificate of Merit from the renowned South Asia Federation of Accountants (apex body of SAARC). The Certificate has been awarded to GRUH (Financial Services Sector) for 'Best Presented Annual Report' and for 'Corporate Governance Disclosures, 2011'.



ICAI Award for 'Excellence in Financial Reporting': 2007-08



ICAI Award for 'Excellence in Financial Reporting': 2010-11



A billion faces. Many million families. Each one with its own tale of dreams and hopes.

It is said that faces can say a lot about a person's attitude, behavior, personality, likes, dislikes, intentions...

The world may evolve and progress, but the age-old mantra of gauging honest intentions by looking at a face and lending a helping hand to those with hopes and dreams, will always reign supreme.

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.
Phone: 91-79-2642 1671 to 75, 3290 1222 / 23 ● www.gruh.com

www.mediaplan.co.in