

The excitement of being part of a
youthful new generation

26TH ANNUAL REPORT 2011-2012

GRUH FINANCE LIMITED

We help you build homes

(A subsidiary of HDFC Ltd.)

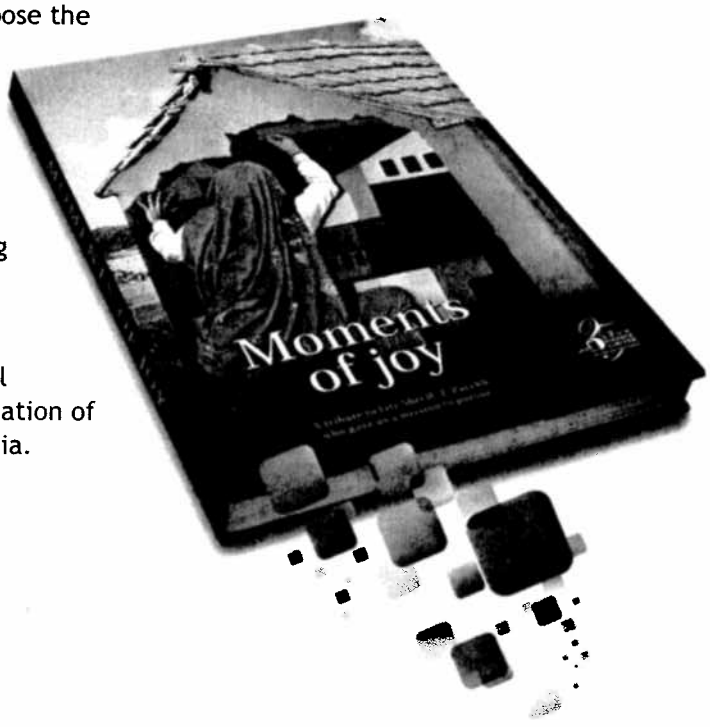
Y is about being young in spirit



Last year we published a silver jubilee tribute to Shri H. T. Parekh called 'Moments of Joy'.

In this compact Coffee Table Book, we showcased rural borrowers whose lives have changed because of the enormous aspirational impact of small ticket mortgage finance and home ownership.

This book, 'Moments of Joy', was a way of reminding all of us about a vision which our founder set for us. It was a vision which seemed utopian and far-fetched. At that time, many people thought that Indians were too accustomed to doles and freebies and so, the concept of mortgage loans for housing would never take off. The legal framework was unfriendly; processes and systems were not in place. Hence, people felt that borrowers would choose the dishonest option and renege on their loan repayments. But, it was the sheer conviction of one man who, at the young age of 66 (after his retirement as Chairman of ICICI Ltd.), successfully launched HDFC and GRUH.



Today both institutions have forged many trend-setting trails. And we pay tribute to this 'young and youthful mind' which refused to be overwhelmed by the odds.

As you see excerpts from the book in this year's annual report, we invite you to recall the vision and determination of a man who changed the face of home ownership in India.

Y is the hallmark of a youthful new generation

In developed countries, researchers and trend watchers are paid large sums of money to identify and report on emerging 'demographic cohorts'. This term refers to groups of people and their common defining characteristics. Trend watchers classify such groups with special tags such as 'baby boomers', 'millennials', 'Gen-X', 'Gen-Y', and so on.

A large number of marketing companies, entertainment channels, media and even aspiring Presidential candidates make use of this demographic data to sharpen their agenda and appeals by tuning in to 'generation change'.

Generation-**Y** is a youthful new generation which constitutes the bulwark of GRUH's customer base.

Co-incidentally, **Y** is also the 25th letter in the English alphabet. It has a lot of meaning and significance for GRUH at this juncture, since we have just completed 25 years of commitment to our valued constituency of stakeholders.

We invite you to explore the big **Y** behind GRUH's consistent, efficient growth, even as we re-dedicate our youthful energies to newer, horizon-stretching aspirations.



Y is all about young India's potential

As part of the process of learning and knowledge-capture last year, we travelled to many locations and interviewed a wide cross-section of GRUH borrowers. We took photographs. We recorded opinions. We tracked what people were doing and how their standards had improved after they crossed the threshold into a home of their own.

Many of these people were twenty-somethings for whom a home had actually become the first step towards fuelling their upwardly mobile aspirations.

The one common thing about all these people is that they believed in themselves. They seemed to have amazing confidence in their own individual capacity to bring about change. Some of them were secondary school literates; some freshly minted graduates in their first job. Some were drop-outs who had to give up their studies and strike out on their own. These are the 'real India'. They are the people who constitute India's huge informal sector and who will fuel service-driven growth in future. They run green grocery businesses, tiffin (meal) services, kerbside food (paani-puri stalls) or even beauty parlours and a chain of 'paan-bidi' (betel leaf and tobacco) stores. They provide essential transportation in their tiny rickshaws. They could be women rolling out papads (snacks) in their co-operative venture. They may even be lowly paid agricultural labourers. But they have one thing in common:

They are part of the GRUH family. They are part of the real India and they represent an emerging demographic dividend.



Y2K now represents the new millennials

For us at GRUH, Y2K and beyond is all about the huge opportunity that lies untapped in India's small towns and villages. There are many reasons why GRUH is uniquely positioned to tap into this potential. The first is the unique distribution channel and outreach programme which GRUH has tested and perfected over the years. This third party channel is the GRA (GRUH Referral Associate). GRAs are trained to understand borrower needs. They spread the cult of home ownership and co-ordinate up to the point of sourcing the loan. Thereafter the GRUH team takes over at the sensitive stages of credit, legal and technical evaluations, loan approval and disbursement. GRAs have become a powerful marketing tool and over 50 % of total disbursements now come from the GRA channel.

Outreach

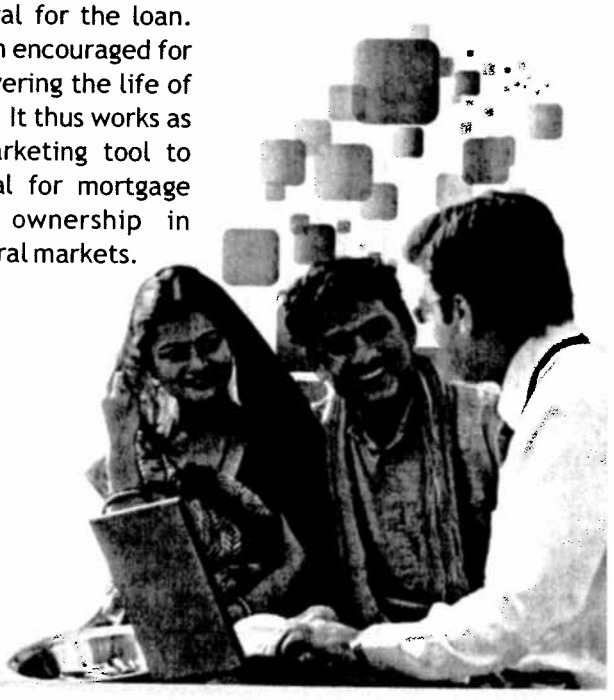
In tandem with the GRA model, GRUH has developed a robust outreach programme. It is a nucleus for collecting installments and also providing customer services like enquiry handling, file opening, disbursement and loan servicing.

Complementing the home-grown distribution model are three vital marketing ingredients: Processes, Products and Methodologies.

GRUH has become a learning organisation with customised mechanisms for need evaluation, efficient processing and localised marketing of each loan product.

The proprietary Credit Score Methodology enables GRUH to PRICE each loan efficiently: offering fine-tuned interest rates.

Insurance is proactively used as a risk mitigator and collateral for the loan. Life insurance has been encouraged for its valuable role in covering the life of the principal borrower. It thus works as a fall-back and a marketing tool to actualise the potential for mortgage finance and home ownership in informal sectors and rural markets.

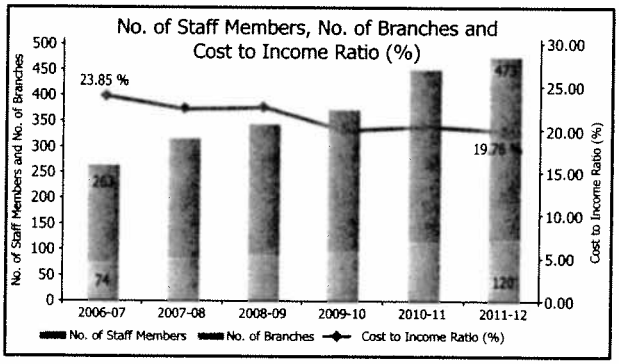




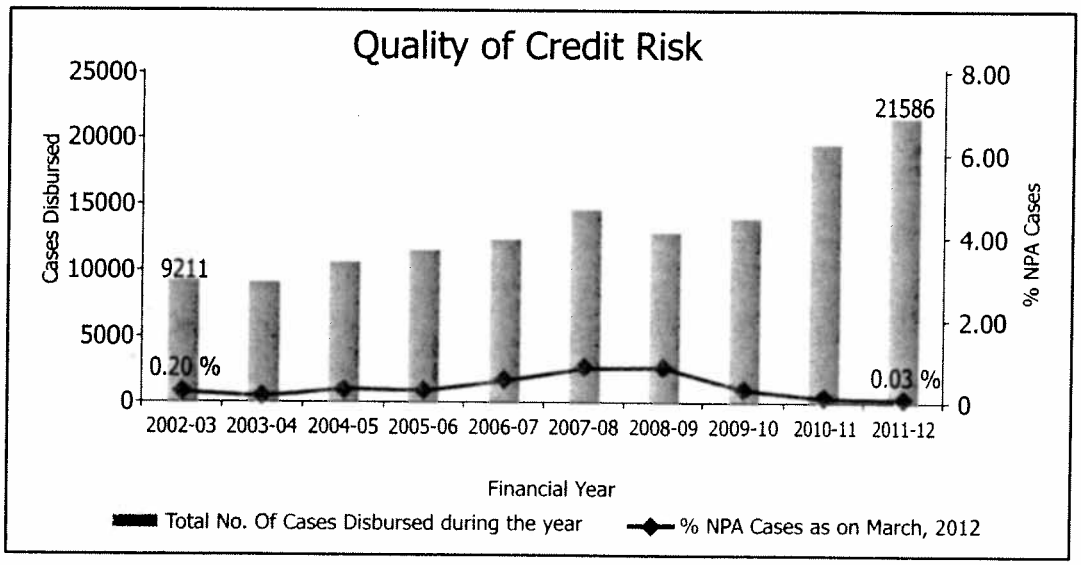
Y is about consistent, efficient growth

Growth is always plotted along a horizontal time frame (X axis) where **Y** represents the vertical axis. The Y-axis shows consistency in delivering performance and continuing efficiency.

A significant indicator of GRUH's consistency is its adherence to its original mission and mandate. Loans to individuals for purchase, repair or renovation have registered a constant increase and a sizeable jump of over 50 % in the last two years. When you move from a 'profile of the customer' to the 'profile of the properties', you find that about 75 % of GRUH's loans have gone to people who built their own homes. This is the real rural housing potential where there is huge unfulfilled hunger for shelter. GRUH has developed a comfort level of dealing with such borrowers. They actually construct, deal with labour and buy services. Hence, the expertise is quite different from dealing with borrowers in urban areas who usually purchase a ready house or tenement.



It is from this perspective that GRUH's smaller numbers make a big impression, especially when compared on vital parameters of growth, safety and consistent value addition.



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HIGHLIGHTS

(₹ in crores)

Financial Highlights	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Loan Disbursements	1487	1211	780	655	632	474	360	300	218	202
Net Interest Income	179	143	115	85	74	52	36	28	21	20
Fees & Other Charges	17	14	12	7	6	6	6	5	6	5
Operating Cost	39	32	25	21	18	14	12	9	9	9
Operating Profit	159	127	103	72	63	44	30	23	19	18
Provisions & Write Offs (net)	(4)	1	8	3	4	7	4	3	4	5
Profit Before Tax	163	126	94	70	59	37	26	20	15	13
Profit After Tax	120	92	69	50	42	30	22	17	13	11
Stockholders' Equity	386	318	265	221	190	164	87	73	63	59
Borrowed Funds	3833	2966	2323	2245	1773	1305	1080	806	572	555
Loan Assets	4077	3177	2454	2091	1774	1379	1070	818	584	556

Key Financial Ratios

Capital Adequacy Ratio (%)	13.95	13.32	16.55	16.21	18.15	16.31	14.24	15.71	19.26	18.26
Loans to Total Assets (%)	94	94	92	83	88	91	89	88	87	86
Gross NPAs to Loan Assets (%)	0.52	0.81	1.11	0.94	1.11	1.36	1.48	1.95	1.68	1.87
Net NPAs to Loan Assets (%)	0	0	0	0	0	0	0.23	0.66	0.30	0.81
Net Interest Margin to Average Assets (%)	4.64	4.73	4.42	3.73	4.18	3.82	3.37	3.49	3.19	3.26
Cost to Income Ratio (%)	20	20	20	22	22	24	28	29	32	34
PAT to Average Assets (%)	3.12	3.02	2.65	2.21	2.39	2.17	2.03	2.09	2.02	1.66
Return on Average Networth (%)	34	31	28	24	24	24	27	24	22	18

Measuring Shareholders' Wealth

Earnings Per Share (₹)	34.13	26.19	19.89	14.51	12.22	9.40	7.36	6.31	5.03	3.84
Dividend Rate (%)	115	110*	65	48	40	30	25	21	18	15
Dividend Payout Ratio (%)	39	49	38	39	38	41	35	38	40	44
Book Value Per Share as at March 31 (₹)	109.34	91.00	76.21	63.74	54.91	47.42	32.79	27.72	23.91	22.34
Market Price Per Share as at March 31 (₹)	636.95	360.20	217.75	93.70	154.35	137.35	93.30	45.05	29.70	15.90
Price to Value Ratio (times)	5.83	3.96	2.86	1.47	2.81	2.90	2.85	1.63	1.24	0.71
Price to Earning Ratio (times)	19	14	11	6	13	15	11	7	6	4
Market Capitalisation (in Crores)	2249	1266	756	325	535	476	247	119	79	42

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., NextGen Publishing Ltd., Infrastructure Leasing & Financial Services Ltd., Shrenuj & Company Ltd., Torrent Power Ltd., Bombay Stock Exchange 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 Tata Steel Ltd., ACC Limited., Tata Motors 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, 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, Indian Association for Savings and Credit, 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.

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BOARD OF DIRECTORS AND THEIR BRIEF PROFILE :


Ms. Renu S. Karnad

Ms. Renu Sud Karnad, the Managing Director of HDFC is a graduate in law from the University of Mumbai and holds a Master's degree in economics from the University of Delhi. 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., Deepak Nitrite Ltd., Navin Fluorine International Ltd, Gujarat Gas Co. Ltd. and Shri Dinesh Mills Ltd. He is on the Board of GRUH since 2010. He is a member of Shareholders'/ Investors' Grievance Committee of GRUH.


Mr. Kamlesh Shah

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.

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MANAGEMENT TEAM

Amit Chokshi	Suresh Iyer	S. Narendra
Manish Gandhi	Harish Sharma	Jayesh Gangwani
Ajay Kumar	Sadashiv Pimplaskar	Venu Menon

Jayesh Jain Chief Financial Officer
Marcus Lobo Company Secretary

TERRITORY MANAGERS

Dharmesh Bhavsar
Umesh Agrawal

AREA HEADS

Anil Dave	Dushyant Joshi	Dahyabhai Vadher
Rupali Shelar	Santosh Kulkarni	Anand Rehpade
Amar Vyas	Hiren Visavadiya	Ashish Sutaria
Harshal Vaidya	Rakesh Chowdhary	Rakesh Hardiya
Om Prakash	Shilpa Kulkarni	Ravindra Golannavar
Pritesh Karnawat	K R Partha	Srinivas Kulkarni
Mehul Buch	Shakti Pratap Singh	Sandeep Kambli
Deven Varadkar	Rahul Jakotiya	Vikas Jain
Pramod A	Manisha Shah	

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 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

DEBENTURE TRUSTEES

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

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New aspirations...renewed happiness



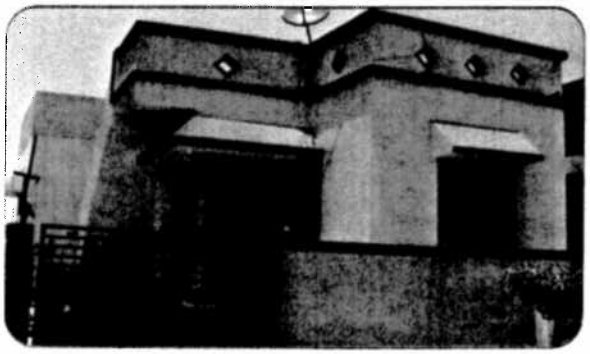
Town : Balotra
District : Barmer
Property Cost : ₹ 5,61,000/-
Loan Amount : ₹ 4,00,000/-



Town : Mudhol
District : Bagalkot
Property Cost : ₹ 5,73,000/-
Loan Amount : ₹ 4,00,000/-



Town : Kidor
District : Shajapur
Property Cost : ₹ 7,62,300/-
Loan Amount : ₹ 4,00,000/-

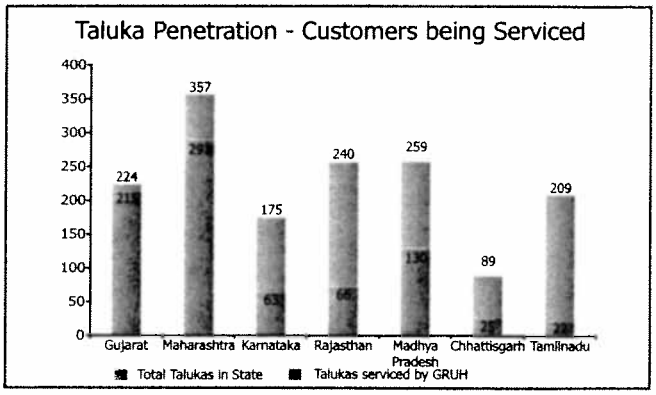


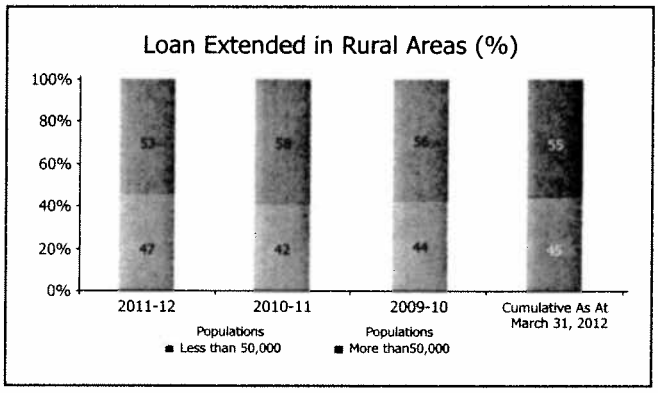
Town : Modasa
District : Sabarkantha
Property Cost : ₹ 4,80,000/-
Loan Amount : ₹ 4,00,000/-

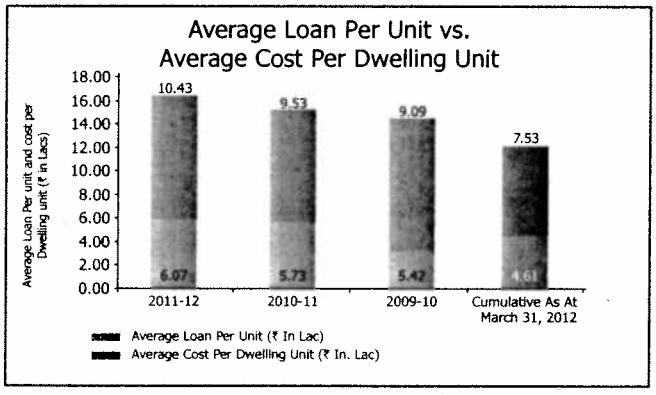
Properties Financed by GRUH

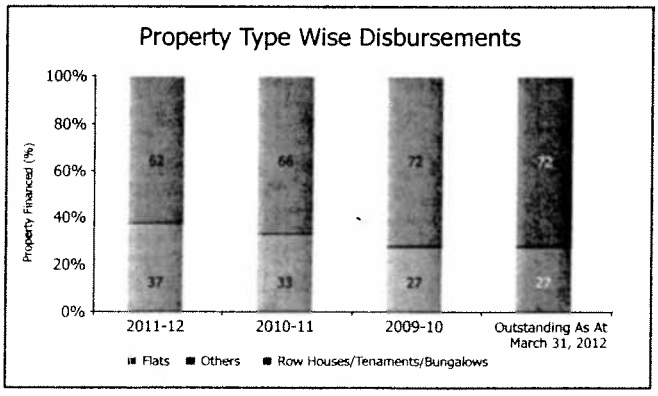
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Loan Asset Profile









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DIRECTORS' REPORT

TO THE MEMBERS,
Your directors are pleased to present the Twenty Sixth Annual Report of your Company with the audited accounts for the year ended March 31, 2012.

FINANCIAL RESULTS **(₹ in Crores)**

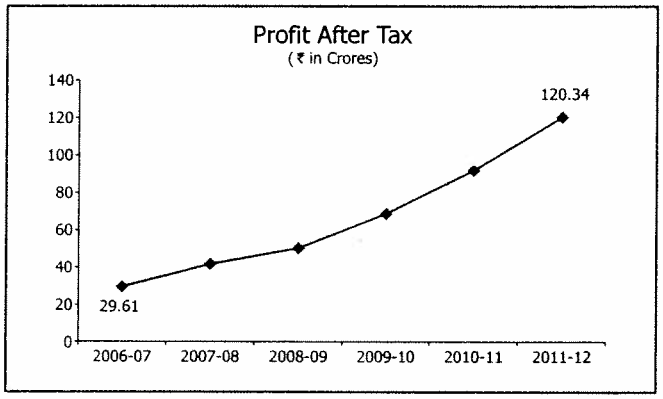
	For the year ended March 31, 2012	For the year ended March 31, 2011
Profit Before Tax	162.76	125.57
Provision for Tax (Net of deferred tax)	42.42	34.06
Profit After Tax	120.34	91.51
Add:		
Balance brought forward from last year	61.15	45.88
Amount available for appropriation	181.49	137.39
Appropriations:		
Special Reserve	28.00	22.00
General Reserve	15.00	9.20
Additional Reserve u/s 29C of NHB Act, 1987	7.50	0.00
Proposed Dividend	40.60	38.67
Additional Tax on Proposed Dividend	6.59	6.28
Dividend pertaining to previous year paid during the year	0.10	0.09
Balance carried to Balance Sheet	83.70	61.15
	181.49	137.39

Dividend

Your directors recommend payment of dividend of ₹ 11.50 per share of face value of ₹ 10 each for the year ended March 31, 2012 against a dividend of ₹ 11 per share (including a special dividend of ₹ 2.50 per share to commemorate the Company's Silver Jubilee year) of face value of ₹ 10 each for the previous year. The dividend payout ratio for the year, inclusive of additional tax on dividend will be 39%.

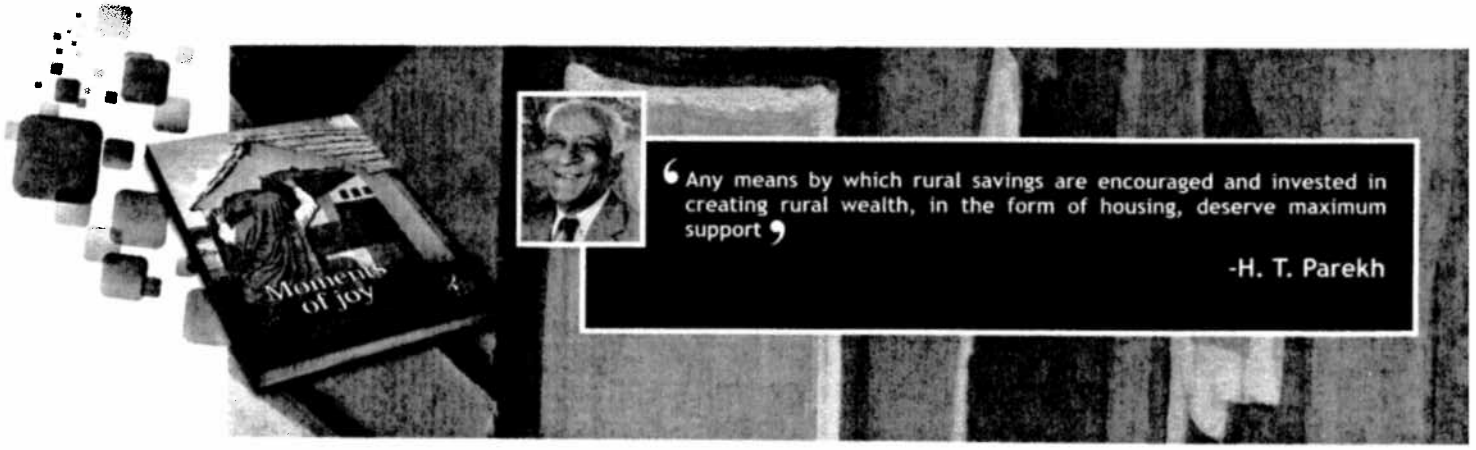
Sub Division of Shares

Your directors have approved the sub-division of the nominal face value of the equity shares of the Company from ₹ 10 per equity share to ₹ 2 per equity share, subject to the approval of the members at the 26th Annual General Meeting (AGM) of the Company. The requisite resolutions for approval of the members have been set out in the notice convening the AGM.



Disbursements

Loan disbursements during the year were ₹ 1,486.52 crores as against ₹ 1,210.69 crores in the previous year. GRUH continued to focus mainly on the retail segment and disbursed ₹ 1,295.59 crores to 21,586 families. Cumulative disbursements as at March 31, 2012 were ₹ 7,342.39 crores.



Golden Jubilee Rural Housing Finance Scheme

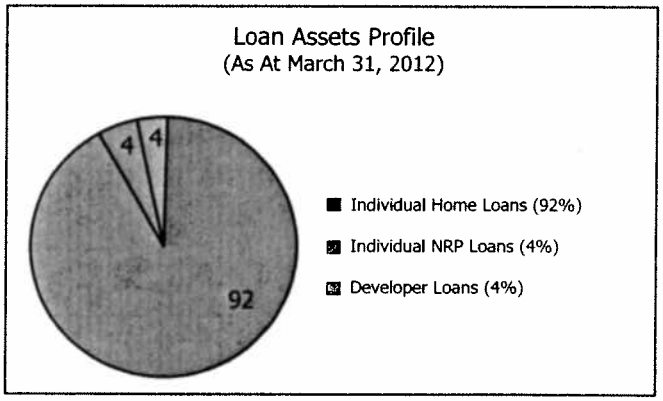
GRUH disbursed ₹ 528.03 crores in respect of 10,126 dwelling units during the year under the Golden Jubilee Rural Housing Finance Scheme of the Government of India. Cumulative disbursements under the scheme were ₹ 2,502.64 crores in respect of 79,219 dwelling units.

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 RBI guidelines on lending to the priority sector. During the year, GRUH has claimed ₹ 162.08 crores covering 3,922 families under this scheme. Cumulative disbursements under this scheme were ₹ 663 crores to 18,502 families.

Loan Assets

As at March 31, 2012, the loan assets increased to ₹ 4,077.43 crores with a growth of 28%. Loan assets in respect of retail segment also grew by 27% and stood at ₹ 3,901.25 crores.

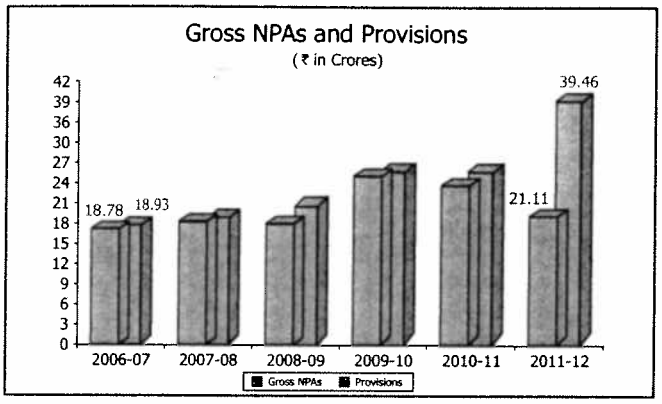


Non-Performing Loans

As per the prudential norms of NHB, GRUH's Non-Performing Loans stood at ₹ 21.11 crores as at March 31, 2012 constituting 0.52% of the total outstanding loans of ₹ 4,077.43 crores. The Non-Performing Loans at the end of the previous year were ₹ 25.86 crores, constituting 0.81% of the total outstanding loans of ₹ 3,176.85 crores.

GRUH is required to carry a provision of ₹ 7.18 crores towards Non-Performing Loans as at March 31, 2012 as per the norms of NHB. However, as a measure of caution, GRUH carries a provision of ₹ 21.12 crores. Net Non-Performing Loans of GRUH was "NIL" on the outstanding loans of ₹ 4,077.43 crores as at March 31, 2012.

During the year, GRUH has written off ₹ 1.39 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 ₹ 5.85 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.

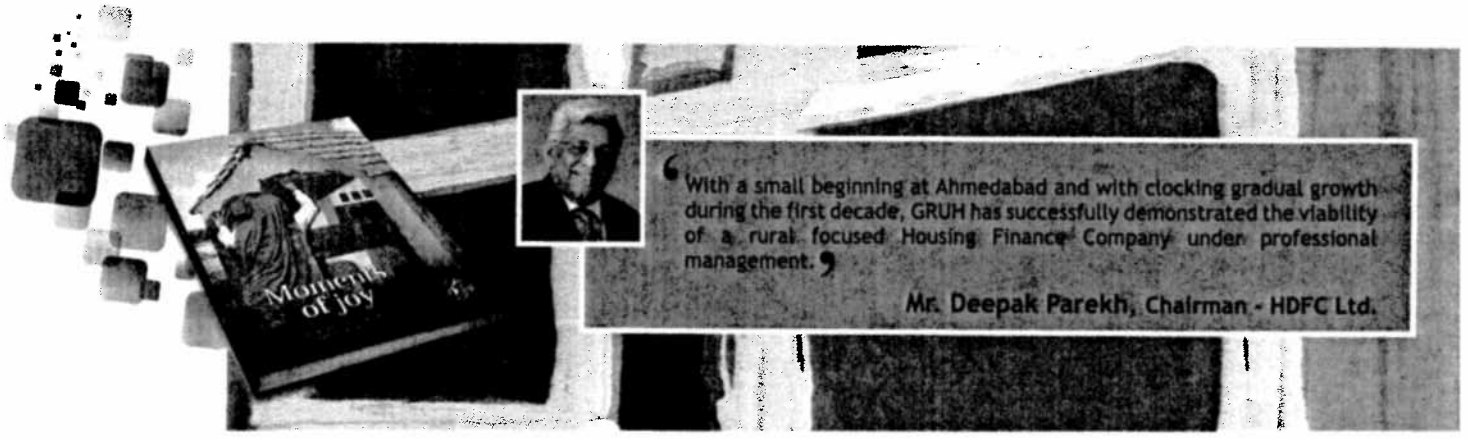


NHB Refinance

GRUH received refinance sanction of ₹ 1,450 crores from NHB during the year. GRUH availed refinance aggregating to ₹ 1,201.44 crores including ₹ 162.08 crores under RHF. The refinance outstanding as at March 31, 2012 was ₹ 1,893.34 crores.

Bank Term Loans

GRUH received sanctions from banks amounting to ₹ 2,225 crores of which GRUH availed loans aggregating to ₹ 1,575 crores. The outstanding bank term loans as at March 31, 2012 were ₹ 1,302.50 crores.



Subordinated Debt

GRUH did not issue any subordinated debt during the year. As at March 31, 2012, GRUH's outstanding subordinated debt stood at ₹ 40 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), 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, 2012, ₹ Nil 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 ₹ 141.70 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, 2012 were ₹ 141.70 crores.

Commercial Paper

GRUH raised ₹ 2,240 crores through issuance of commercial paper during the year. GRUH's commercial paper is rated "CRISIL A1+" by CRISIL Limited (CRISIL), indicating high safety as regards repayment. This rating carries a stable outlook. As at March 31, 2012, outstanding commercial paper was Nil.

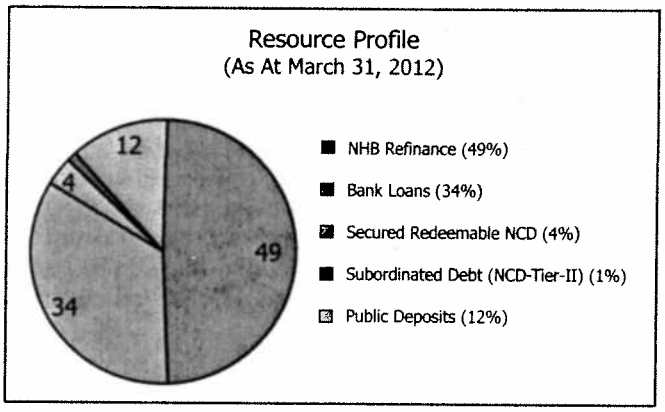
Deposits

GRUH mobilised deposits of ₹ 324.65 crores and experienced a renewal ratio of 48.14% during the year. The outstanding balance of deposits as at March 31, 2012 was ₹ 455.46 crores. The rating assigned to GRUH's deposit programme has been maintained by the two rating agencies viz. ICRA and CRISIL. GRUH's deposits are rated "MAA+" and "FAA+" by ICRA and CRISIL respectively and both the ratings indicate high safety as regards timely repayment of principal and interest. These ratings carry a stable outlook.

Unclaimed Deposits

As at March 31, 2012, public deposits amounting to ₹ 3.75 crores had not been claimed by 872 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 ₹ 5.24 lacs was transferred to the IEPF during the year.



Unclaimed Dividends

As at March 31, 2012, dividend amounting to ₹ 62.96 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 ₹ 3.73 lacs in respect of the financial year 2003 -2004 was transferred to IEPF during the year. Unclaimed dividend amounting to ₹ 4.06 lacs in respect of the financial year 2004-2005 is due for transfer to IEPF in July 2012. 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, 2012, 97.59% of equity shares of GRUH have been dematerialised by shareholders through National



Securities Depository Limited and Central Depository Services (India) Limited.

Pursuant to an amendment to Clause 5A of the Listing Agreements, the Company affirms that there are no share certificates issued to its shareholders in physical form which are lying unclaimed.

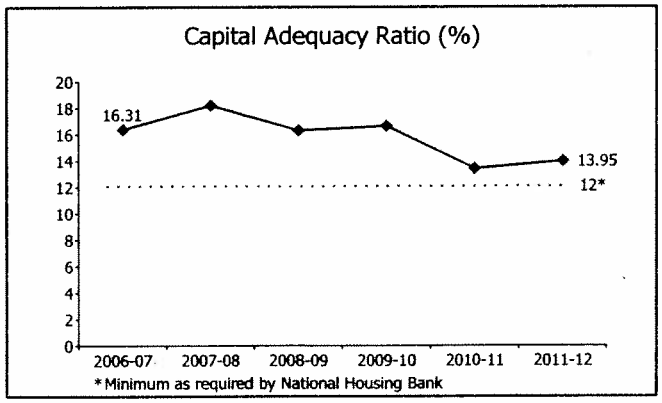
Risk Management Framework

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 ₹ 45.30 crores as at March 31, 2012 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

NHB has introduced provisioning on standard individual home loans during the year. NHB has stipulated a rate of provisioning of 0.40% on standard home loans. NHB has also enhanced the requirement of provisioning on standard non-residential property loans from 0.40% to 1.00%. As a result, GRUH is required to carry a provision of ₹ 14.81 crores on standard individual home loans of ₹ 3,703.70 crores and a provision of ₹ 3.53 crores on standard non-residential property loans of ₹ 352.62 crores as at March 31, 2012. GRUH has utilised an amount of ₹ 7.80 crores (net of deferred tax of ₹ 3.74 crores) from General Reserve in respect of the standard individual home loans at the beginning of financial year of ₹ 2,884.53 crores.

NHB also enhanced the provisioning requirement in respect of non-performing loans on sub-standard loan from 10% to 15% and on bad & doubtful loans from the band of 20% - 50% to the band of 25%-100%.

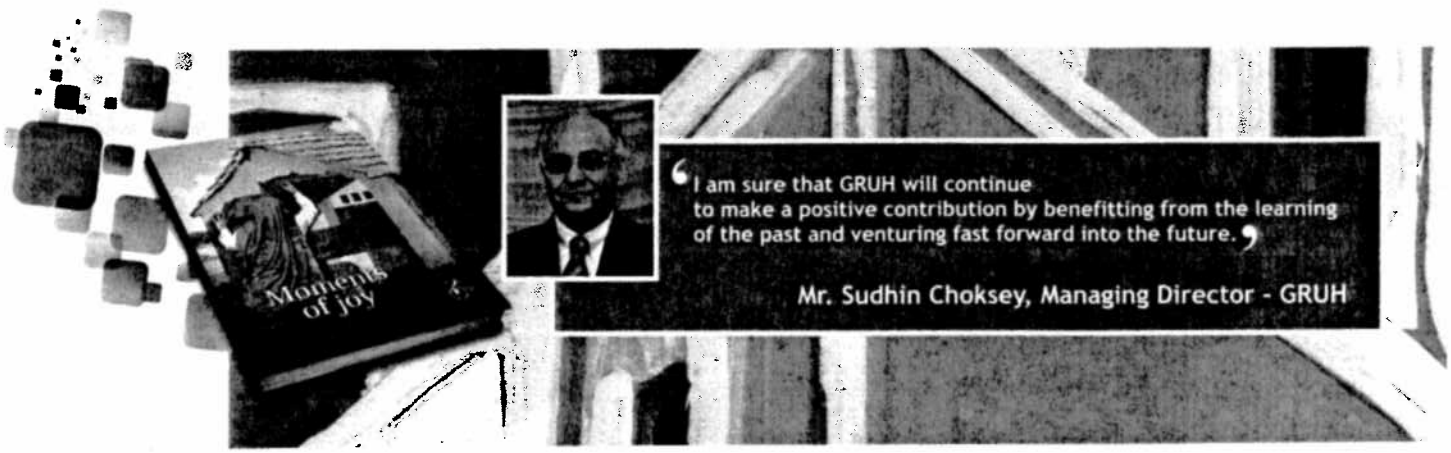
NHB has directed housing finance companies (HFCs) to not levy prepayment fee on preclosure of housing loans with effect from October 19, 2011.

NHB has also directed HFCs to apply uniform rate of interest to the old and new home loan customers who have similar risk profiles. This direction is to be implemented in the financial year 2012-13.

GRUH has complied with these regulatory changes as directed by NHB.

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 & capital market exposures. The details of compliances are outlined in the Management Discussion and Analysis Report.

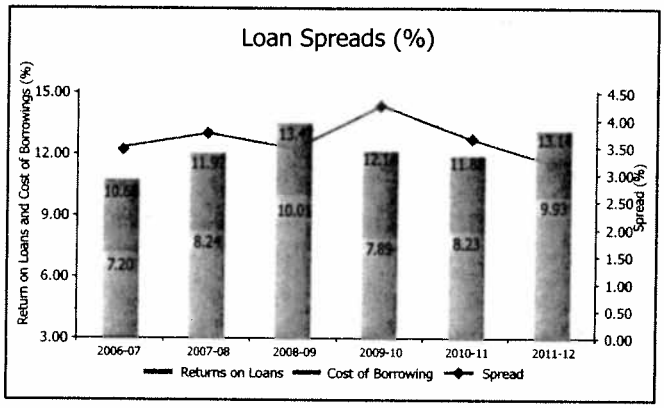
The National Housing Bank Act, 1987, empowers NHB to levy a penalty on Housing Finance Companies for contravention of the Act or any of its provisions. NHB has not levied any penalty on GRUH during the year.



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 13.95% as against the minimum requirement of 12%. Tier – I capital was 13.29% 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, 2012.



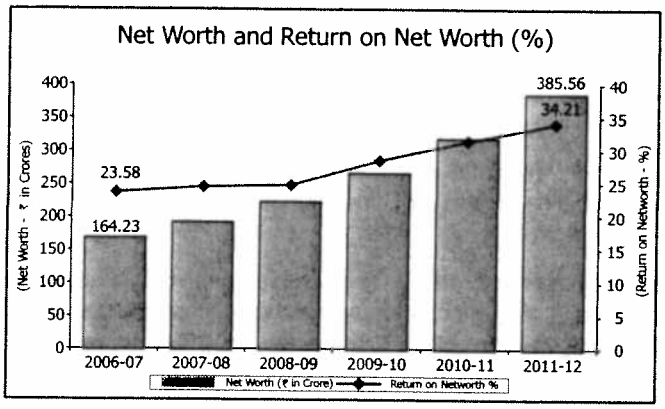
Human Resource Development

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.

GRUH's staff strength as at March 31, 2012 was 473.

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 12.1 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.



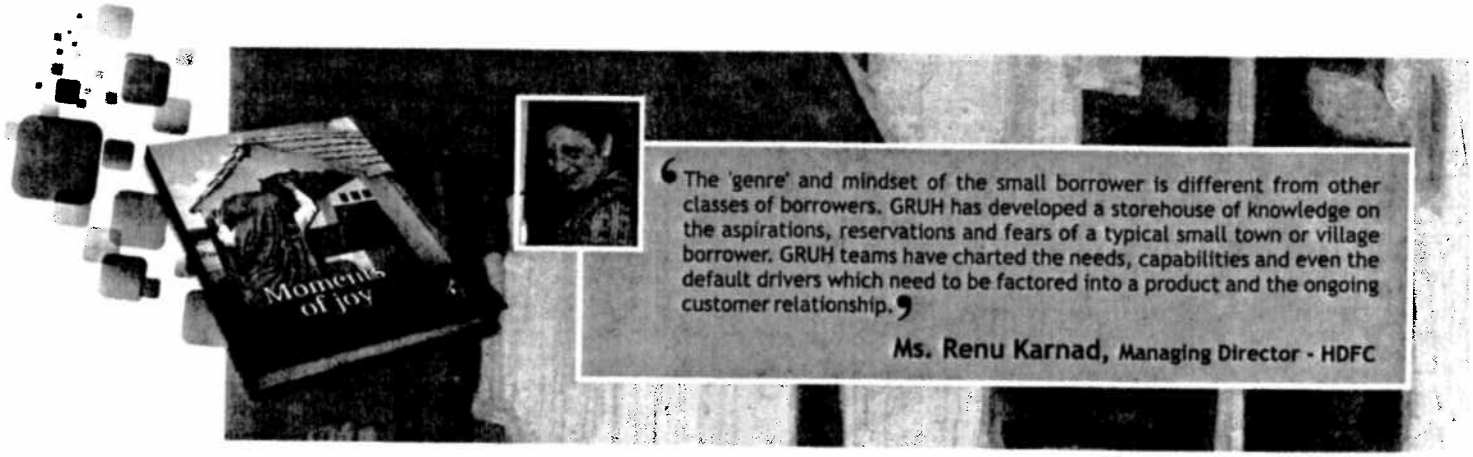
Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure

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 1 employee as at March 31, 2012 employed throughout the year who was 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. Prafull Anubhai and Mr. K. G. Krishnamurthy, directors of the Company, retire by rotation at the ensuing Annual General Meeting (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, 2012 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.

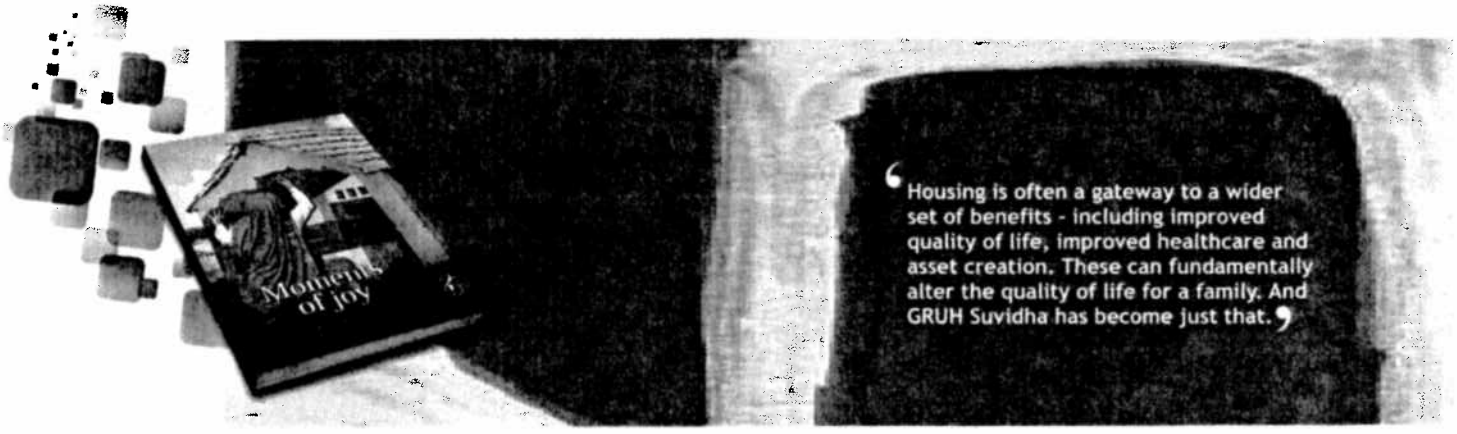
Acknowledgements

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

Mumbai
April 24, 2012

Keki M. Mistry
Chairman



GRUH FINANCE LIMITED
We help you build homes

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 & Shares Allotted*	Options Lapsed	Total Options in force as on March 31, 2012#
ESOS – 2007	164.65	-	-	1,45,005	2,260	12,060
ESOS – 2011	317.85	-	4,16,963	-	83,190	10,89,659
ESOS -2011-Tr II	548.80	51050	-	-	2,500	48,550

* One(1) share would arise on exercise of one (1) stock option.
\# Total Options in force is a total of options vested and not yet exercised and options not yet vested.

Other details are as under :

Options granted during the year :	During the year, the Company granted 51,050 stock options on October 25, 2011 under ESOS 2011-Tranche II (each option carrying entitlement for one share of the face value of ₹ 10) to the eligible employees at a grant price of ₹ 548.80 per share.
Pricing formula for the Scheme(s) :	ESOS 2011 –Tranche II:The closing price on October 24, 2011 on the Bombay Stock Exchange Ltd (BSE) was taken as grant price. This was the latest available closing price on the stock exchange having higher trading volume.
Money realised by exercise of options :	The Company received ₹ 2.39 crores on account of stock options exercised during the year.
Details of options granted to:i: Directors & Senior managerial personnel ii: Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year iii: identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant :	ESOS 2011 – Tranche II:14,000 options were granted to senior managerial personnel of the Company. One employee was granted options amounting to 5% or more of options granted during the year. No director or employee has been granted options equal to or exceeding 1% of the issued equity share capital of the Company
Variation of terms of options :	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) – 20 :	₹ 34.01
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 ₹ 3.81 crores, the profit after tax would have been lesser by ₹ 3.81 crores and basic and diluted EPS would have been ₹ 33.05 & ₹ 32.94 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 FINANCE LIMITED
We help you build homes

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Overview

The preceding financial year had witnessed high inflation coupled with a decline in GDP growth. The struggle of policy makers in containing inflation which was hovering around 10% vis-a-vis its adverse impact on growth of the economy persisted during the financial year of 2011-12 as well.

In an attempt to contain inflation, the Reserve Bank of India increased the repo rate five times during the financial year from 6.75% to 8.5%. Cumulatively, between March 2010 and October 2011, the RBI increased policy rates 13 times by an aggregate of 375 basis points. Inflation moderated to stand at 6.89% in March 2012. However, high interest rates impacted demand, consumption and investments.

The economy also experienced deceleration in credit with growth moderating from 21% to 18%. Liquidity conditions remained in deficit during the year and the 10 year Government Security yield remained between 8.22% and 8.89%.

While interest rates peaked during the year, even the real estate sector was adversely affected by slump in demand due to high property prices, lack of ready inventory and slow down in project execution on account of rising input costs and labour wages. As a result, growth in disbursals of home loans remained sluggish in the housing finance industry.

While the external factors were not very conducive on the demand front for home loans, HFCs also experienced rise in costs of borrowings on account of increase in interest rates in the economy.

Apart from the adverse impact of lower demand and high interest rates, the profitability of HFCs are likely to come under pressure on account of few of the regulatory changes made by National Housing Bank. Regulatory changes such as not allowing imposition of pre-payment penalty, increase in the provisioning for Non Performing Assets, introduction of provisioning for standard home loan assets and uniform pricing for new and existing customers are likely to impact the income statement of HFCs.

The cost of creation of mortgage for a customer has increased on account of registration and stamp duty to be paid to the state revenue authorities for home loans apart from the cost of registration at the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) established during the year. While there are benefits of recording details of mortgages at Central Registry for the lenders but the process is likely to slow down the delivering of home loans to customers and increase the cost of availing home loans.

Market Scenario

As anticipated at the beginning of the year, the market for real estate and home loans did not improve during the year. In fact the overall demand for properties and home loans slowed down. The market for residential properties continued to experience difficulties with developers not reducing their prices citing reasons such as rising input costs and higher interest rates. The market witnessed a decline in the number of property transactions to the extent of 20% to 30%.

As per the trend analysis of NHB, the growth rate of outstanding housing loans of HFCs has declined from 21.70% at the beginning of the year to 14.20% towards the end of the year under review.

The Union Budget for 2012-13 has brought hopes for a revival in demand for promotion of affordable housing projects. The budget has proposed exemption from service tax for the construction of low cost housing, increased the investment linked deduction of capital expenditure on low cost housing and permitted External Commercial Borrowings for low cost housing.

The budget has also proposed an increased provision to the Rural Housing Fund, continuation of the interest subvention scheme for home loans up to ₹ 15 lacs and also increased the limit for indirect finance for priority sector housing loans from ₹ 5 lacs to ₹ 10 lacs. These changes will certainly augment resource availability for HFCs to step up growth.



"GRUH has thus created its own unique footprint by cultivating a new genre of borrowers. Instead of competing in the urban space for a share of the cake, it has used institutional leavening to bake a bigger cake."

The proposal of the Government to set up Credit Guarantee Trust Fund for promotion of housing loans to economically weaker section and low income group may prove a catalyst in expanding the market for housing finance business.

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 58.58% of total disbursements made during the year and GRUH paid referral fees of ₹ 3.11 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 7 new offices in these states during the year and closed 2 retail offices during the year. GRUH now has 120 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.

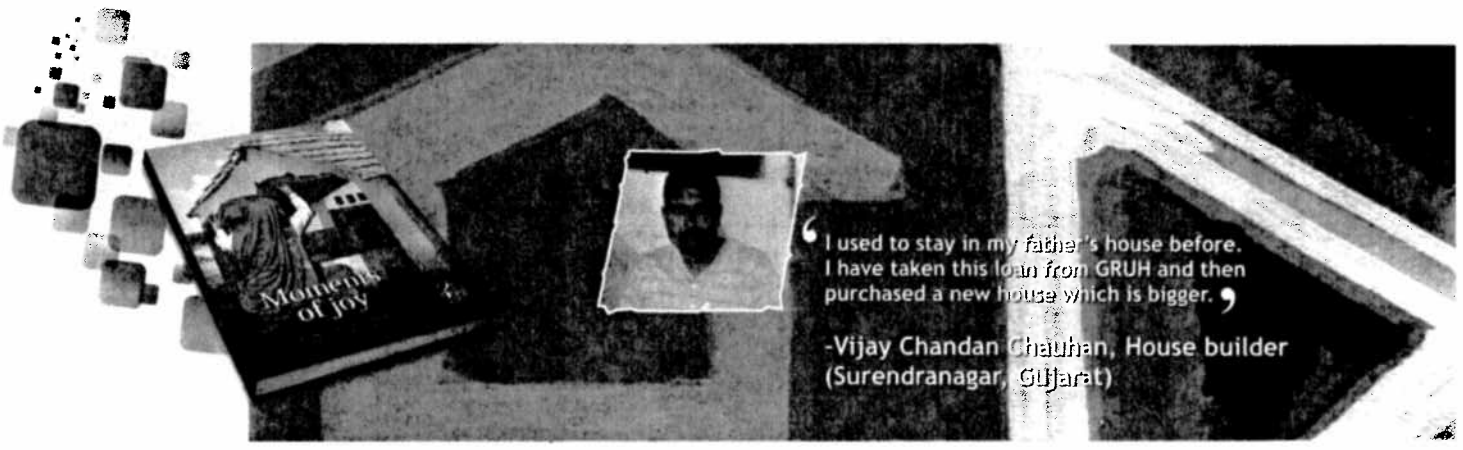
CAGR (%) As At March 31, 2012				
Particulars	3 Years	5 Years	7 Years	10 Years
Loan Assets	25	24	26	24
NIM	28	28	30	25
PAT	34	32	32	31

Disbursements

GRUH disbursed ₹ 1,486.52 crores during the year as against ₹ 1,210.69 crores in the previous year. GRUH disbursed loans of ₹ 1,253.94 crores (previous year ₹ 1,038.38 crores) for home purchase, repair and renovation and registered a growth of 21% in the retail home loan segment. GRUH disbursed home loans to 21,435 families (previous year 19,439 families) and the average home loan to individuals was ₹ 6.07 lacs during the year as against ₹ 5.73 lacs during the previous year.

GRUH disbursed loans of ₹ 41.65 crores (previous year ₹ 42.35 crores) for purchase of NRP and ₹ 190.92 crores (previous year ₹ 129.96 crores) to developers.

Cumulative disbursements as at March 31, 2012 stood at ₹ 7,342.39 crores with a Compound Annual Growth Rate (CAGR) of 26% over the past 5 years period.



Insurance Products

GRUH has an arrangement with The Oriental Insurance Company Limited for providing property insurance of the property mortgaged. During the year, GRUH referred 21,926 customers under this arrangement in respect of property cover of ₹1,634.83 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, 6,226 customers have taken the life cover from various insurance companies in respect of life cover of ₹ 262.80 crores.

Loans

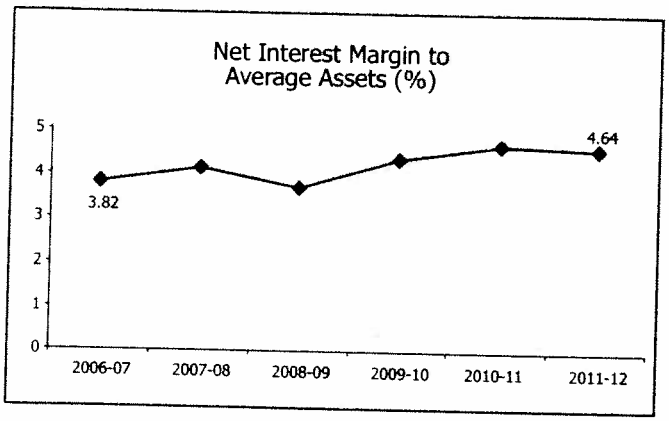
The loan approval process at GRUH is decentralised with varying approval limits. Approvals of lending proposals are carried out by retail sanctioning committees up to the limits delegated. Approvals beyond certain limits are referred to the Committee of Management. Larger proposals, as appropriate, are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

During the year, GRUH's total outstanding loans increased to ₹ 4,077.43 crores from ₹ 3,176.85 crores and registered a growth of 28%. CAGR over the past 5 years period has been 24%.

The total outstanding loans at variable rate stood at ₹ 4,018.73 crores (previous year ₹ 3,112.29 crores), which was 98.56% (previous year 97.97%) of the total outstanding loans. Loans to total assets stood at 94.04% as at March 31, 2012.

GRUH's outstanding home loans to individuals of ₹ 3,723.41 crores and other loans to individuals for NRP of ₹ 177.84 crores constituted 91.32% and 4.36% respectively of the total outstanding loans. GRUH experienced a prepayment ratio of 11.43% (previous year 10.55%) in respect of individual loans. The outstanding loans to developers of ₹ 176.18 crores constituted 4.32% of the total outstanding loans.

The average yield realised on the loan assets during the year was 13.14% (previous year 11.88%).



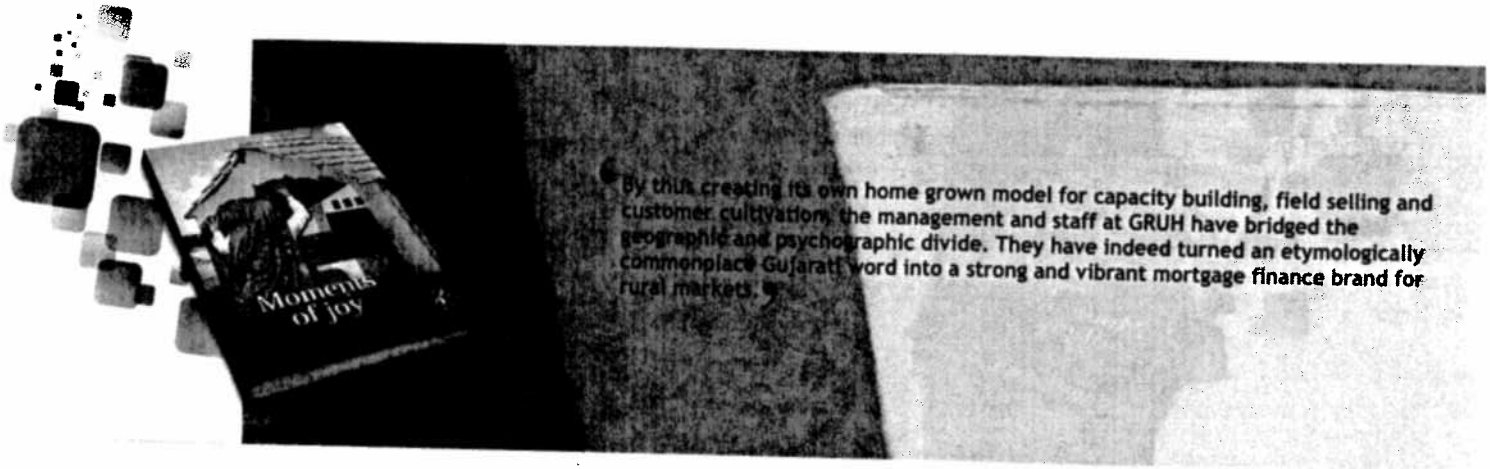
Recoveries and Provision for Contingencies

NHB has introduced provisioning on standard individual home loans during the year. The provision is to be made at the rate of 0.40% of the standard individual home loans. As a result, GRUH is required to carry a provision of ₹ 14.81 crores on standard individual home loans of ₹ 3,703.70 crores as at March 31, 2012. GRUH has utilised an amount of ₹ 7.80 crores (net of deferred tax of ₹ 3.74 crores) from General Reserve in respect of the standard individual home loan at the beginning of financial year of ₹ 2,884.53 crores.

NHB increased the provisioning on all standard non-residential property loans and as a result, the provisioning required to be carried on all standard non-residential property loans, as on March 31, 2012 increased from ₹ 1.41 crores to ₹ 3.53 crores.

NHB also enhanced the provisioning requirement on non-performing loans. The provisioning on sub-standard loans is increased from 10% to 15% and on Bad & Doubtful loans from the band of 20% - 50% to the band of 25% - 100%. As a result, the provisioning required to be carried in respect of non-performing loans as on March 31, 2012 has increased from ₹ 4.70 crores to ₹ 7.18 crores.

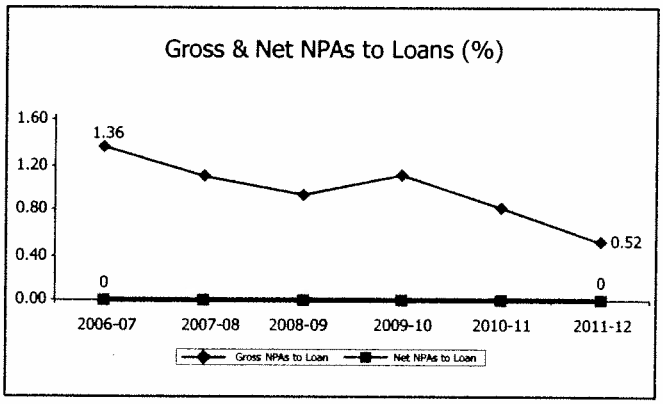
As per the prudential norms prescribed by NHB, an asset is a non-performing asset (NPA) if the interest or principal installment is overdue for 90 days. HFCs are required to carry provision at the prescribed rates depending on the ageing of



such overdues. As per the prudential norms, the income on such NPAs is not to be recognised.

As per the prudential norms of NHB, GRUH is required to carry a provision of ₹18.34 crores on Standard Loans of ₹ 4,056.32 crores and a provision of ₹ 7.18 crores on non-performing loans of ₹ 21.11 crores as at March 31, 2012. GRUH carried a provision of ₹ 18.34 crores on Standard Loans and a provision of ₹ 21.12 crores in respect of NPAs and Contingencies as against the requirement of ₹ 7.18 crores. As a result, GRUH's net NPAs has been maintained at nil (previous year nil) on the outstanding loans of ₹ 4,077.43 crores as at March 31, 2012.

During the year, GRUH has written off an amount of ₹ 1.39 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 ₹ 5.85 crores in respect of such written off loans.



GRUH carried properties aggregating to ₹ 4.67 crores acquired in settlement of dues at the beginning of the year. During the year, GRUH acquired properties aggregating to ₹ 8.74 crores in settlement of dues under the SARFAESI Act. GRUH also made efforts to dispose the acquired properties and could dispose of properties valuing ₹ 2.78 crores during the year. As at March 31, 2012, GRUH carried properties worth ₹ 10.63 crores which was 2.76% 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 upto the approved limit delegated by the board are taken by the Managing Director, who is assisted by two senior managers. The investment function is carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity and to maintain investment in approved securities in respect of public deposits raised as per the norms of NHB.

Considering the time lag between raising of resources and its deployment, the surplus funds are generally being parked with liquid fund schemes of mutual funds and short-term deposits with banks. During the year, GRUH earned ₹ 2.25 crores by way of dividends, ₹ 1.44 crores as surplus from cash management schemes of mutual funds and ₹ 6.42 crores by way of interest on deposits placed with banks. At the end of the year, GRUH maintained ₹ 144.52 crores by way of short term deposits with banks.

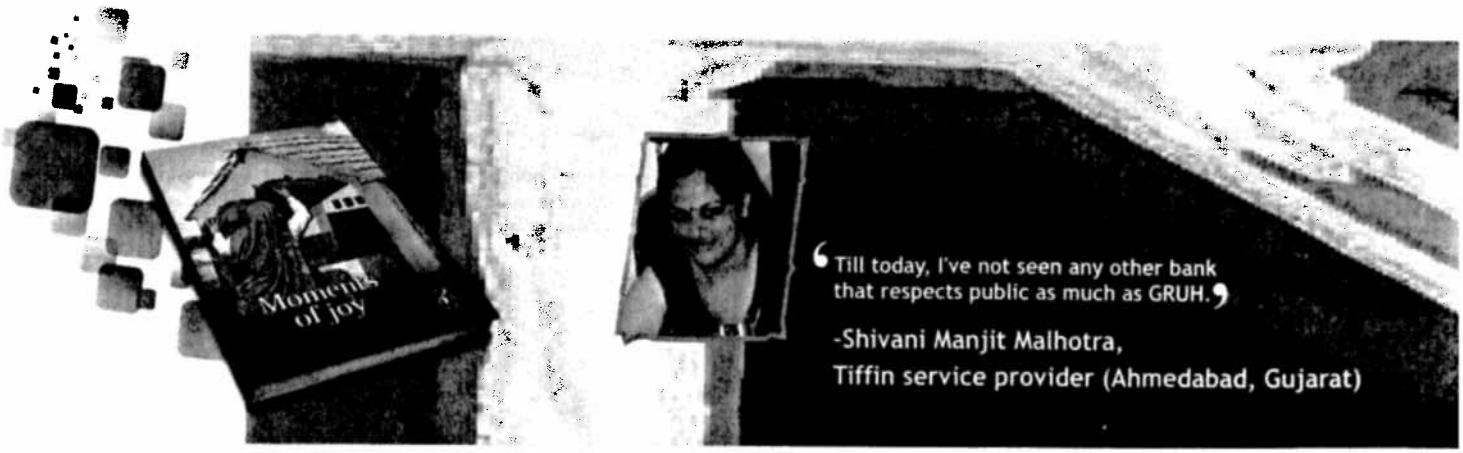
As per NHB guidelines, HFCs are required to maintain Statutory Liquid Ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 12.50% of the public deposits. As at March 31, 2012 GRUH has invested ₹ 45.30 crores in approved securities comprising government securities, government guaranteed bonds and NHB bonds, 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 ₹ 1.38 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 26% (previous year 32%) of the total borrowings of ₹ 3,833.00 crores (previous year ₹ 2,966.33 crores). The outstanding borrowings at fixed rate stood at ₹ 1,342.33 crores (previous year ₹ 1,257.20 crores), which was 35.02% (previous year 43%) of the total outstanding borrowings.

GRUH continued to borrow for both long and short term from the banking sector at competitive rates. GRUH raised fresh loans from banks aggregating to ₹ 1,575.00 crores during the year and repaid loans aggregating to ₹ 1,502.50 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. Outstanding balance of bank loans was ₹ 1,302.50 crores as at March 31, 2012.

GRUH availed refinance of ₹ 1,201.44 crores from NHB. Outstanding refinance from NHB as at March 31, 2012 of ₹ 1,893.34 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.

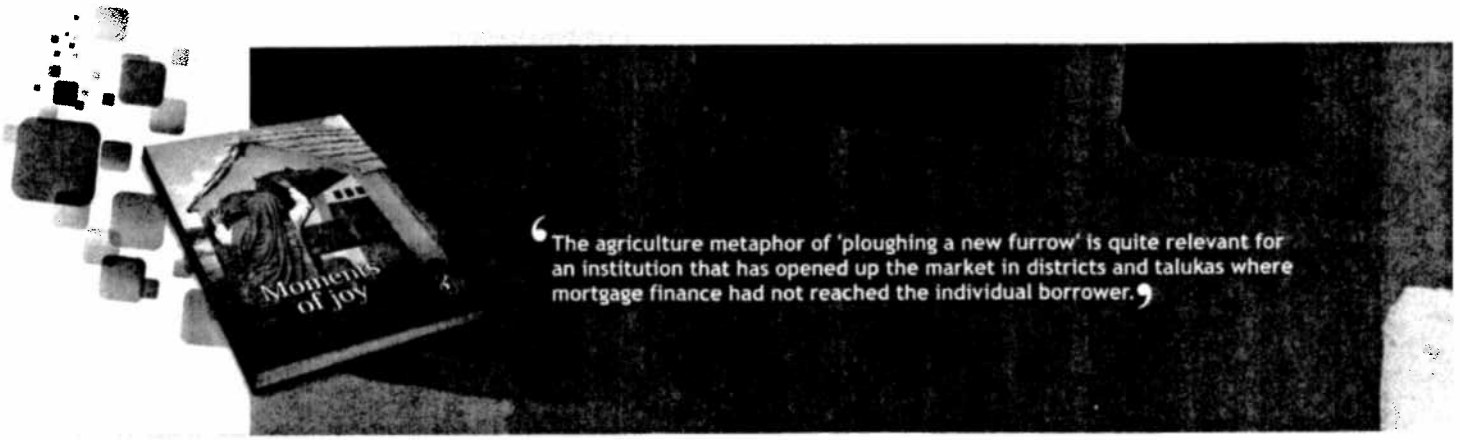
During the year, GRUH raised Secured Redeemable NCDs aggregating to ₹ 141.70 crores on a private placement basis by issuance of 1417 NCDs of ₹ 10 lacs each for a term of 15 to 36 months. The NCDs are secured by mortgage of a specific immovable property and negative lien on all assets of the Company excluding the Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against Public Deposits. 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, 2012 was ₹ 141.70 crores.

GRUH did not issue any subordinated debt during the year. As at March 31, 2012, GRUH's outstanding subordinated debt stood at ₹ 40.00 crores. The debt is subordinated to present and future senior indebtedness of the Company and has been assigned rating of "ICRA AA+", 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, 2012, ₹ Nil 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 ₹ 2,240.00 crores through issuance of commercial paper and retired ₹ 2400.00 crores during the year. GRUH's commercial paper is rated "CRISIL A1+", indicating high safety as regards repayment. This rating carries a stable outlook. There is no outstanding balance of commercial paper as at March 31, 2012.

During the year, GRUH received fresh deposits of ₹ 250.22 crores, renewed deposits of ₹ 74.43 crores and experienced outflow of deposits of ₹ 147.91 crores. The renewal ratio (the ratio of deposits renewed to the deposits maturing during the year) experienced by GRUH was 48%. The outstanding deposits have increased from ₹ 278.73 crores at the beginning of the year to ₹ 455.46 crores by the end of the year and registered a growth of 63%. The outstanding balance of public deposits constituted 11.88% of the total outstanding borrowings as at March 31, 2012.

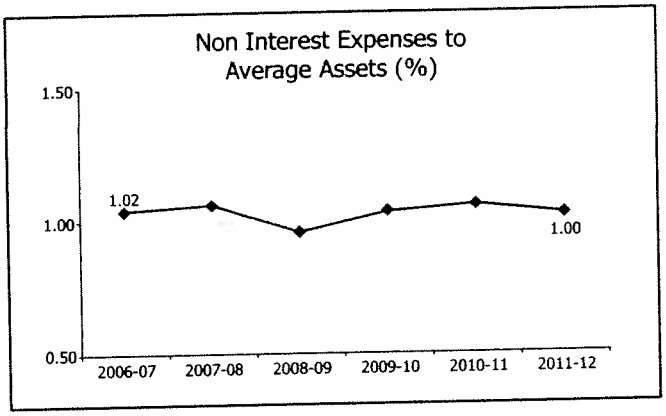
GRUH's retail deposit programme is rated by ICRA and CRISIL. Both the agencies retained GRUH's deposit rating at "MAA+"



and "FAA+" respectively. The ratings indicate high safety as regards repayment of principal and interest on deposits. These 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 9.93% per annum (previous year 8.23%).



NHB Guidelines and Prudential Norms

GRUH has complied with the guidelines issued by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, "Know Your Customer" (KYC), Fair Practices Code 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 of the promoter group companies or in the stock markets.

GRUH's total borrowings as at March 31, 2012 of ₹ 3,833 crores were within the permissible limit of 16 times the net worth. Of this, the public deposits of ₹455.46 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, 2012 was 13.95% as against NHB's prescribed limit of 12%. The Capital Adequacy on account of Tier I Capital was 13.29% while the Capital Adequacy on account of the Tier II Capital was 0.66%.

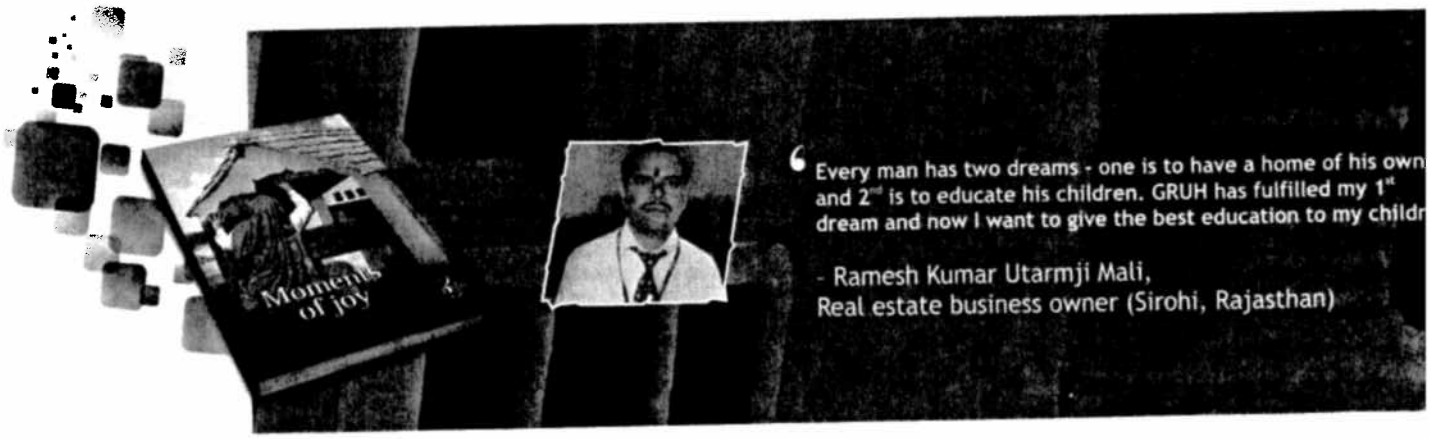
During the year, NHB made following regulatory changes:

a. NHB has directed HFCs to not levy prepayment fee on pre-closure of housing loans, where the housing loan is on floating interest rate basis or where the housing loan is on fixed rate basis and the loan is pre-closed by the borrowers out of their own sources. The direction has come into effect from October 19, 2011. As a result, there has been an adverse impact of approximately ₹ 5 crores on the revenue of the Company for the year.

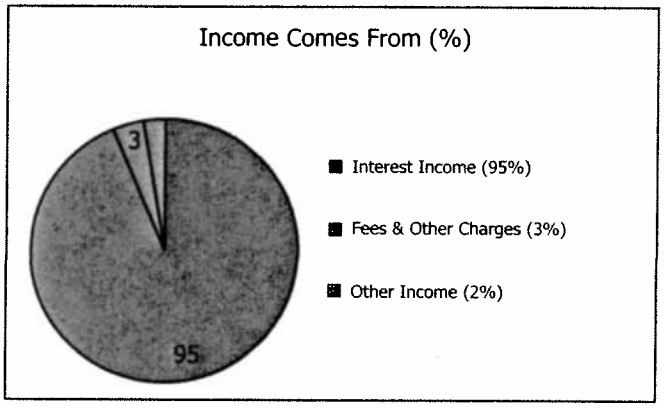
b. NHB has enhanced the provisioning requirements on non-performing loans. The provisioning has been increased on sub-standard loans from 10% to 15% and on bad & doubtful loans from the band of 20% - 50% to the band of 25% - 100%. As a result, the provisioning required to be carried has increased from ₹ 4.70 crores to ₹ 7.18 crores as on March 31, 2012.

c. NHB has introduced a general provisioning of 0.40% on standard individual home loans and also increased the provisioning required to be carried on all standard non-residential property loans from 0.40% to 1.00%. As a result, GRUH is required to carry an additional provision of ₹ 16.93 cores on standard loans as on March 31, 2012.

GRUH believes the rate of provisioning of 0.40% on standard individual homes loans is harsh considering the fact that the eventual losses arising from credit risk experienced by GRUH doesn't exceed 0.14% of the cumulative disbursement since inception.



d. NHB has also asked HFCs to put in place a mechanism to charge uniform rates of interest to existing and new customers who fall within the same risk category. This change comes into effect from FY 12-13. GRUH believes HFCs might find difficulties in implementing this regulatory change.



Central Registry

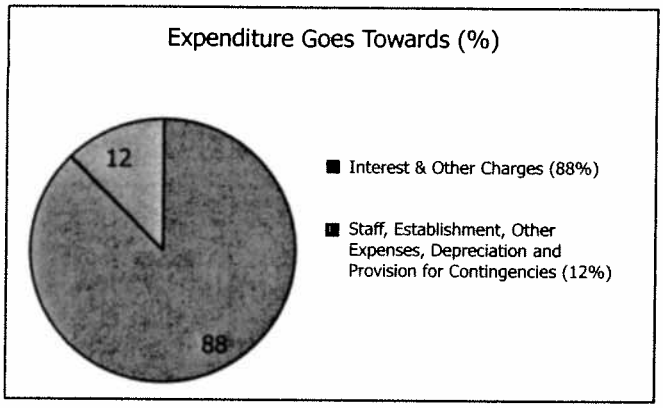
The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain 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. GRUH has uploaded more than 79,000 records in respect of loans disbursed upto March 2011 and has also uploaded more than 17,000 records in respect of loans disbursed during the year. GRUH has paid ₹ 68.61 lacs to Central Registry towards uploading the data.

Risk Management

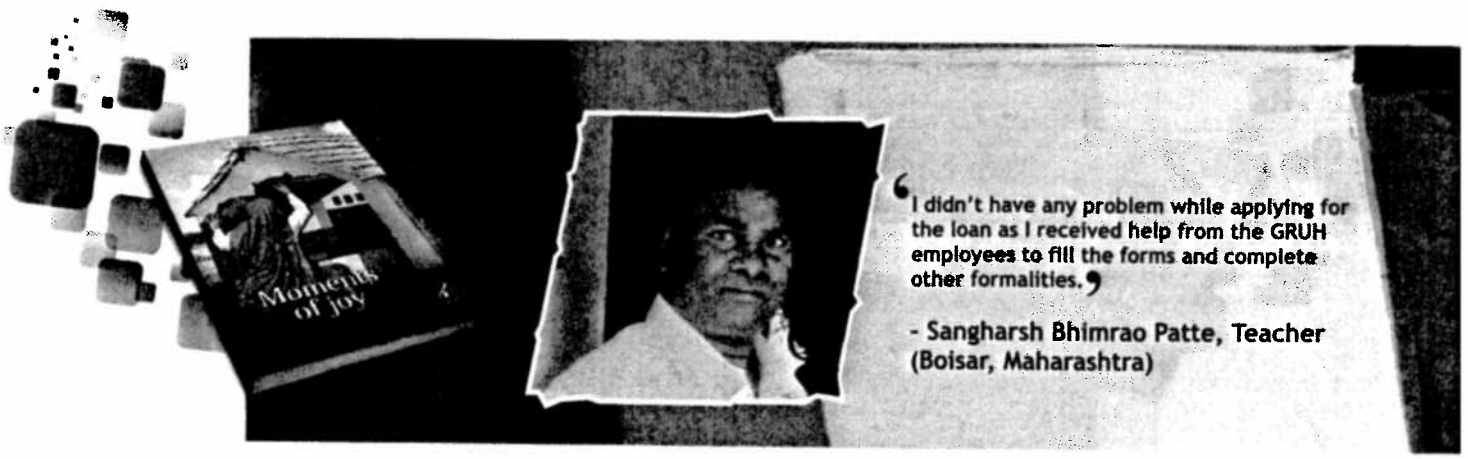
GRUH has formulated a risk management framework which lays the procedure for risk assessment and mitigation. The Risk Management Committee (RMC) comprises the Managing Director as the chairman and the members include senior managers holding key positions in the Company. The RMC apprises the Audit Committee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

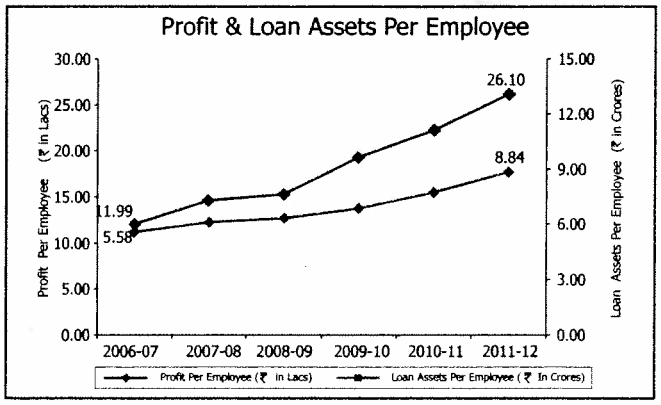
Many HFCs in recent past have experienced adverse impact on their revenues and profitability as a result of a few recent regulatory changes *viz.* to maintain a general provision at the rate 0.40% on standard individual home loans; charges not to be levied on pre-closure of loans; an increase in the rate of



provisions to be carried on non-performing loans and on standard non-residential property loans. GRUH therefore believes that regulatory risk is also one of the critical risks for HFCs which can significantly impact their profitability and financial strength.

Internal Audit and Control

GRUH has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations. Internal audit is carried out by independent firm of chartered accountants and covers key areas of business. All significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Audit Committee comprises of four directors of which three are independent directors. The committee met five times during the financial year under review.



Statement of Profit and Loss

Key elements of the statement of profit and loss for the year ended March 31, 2012 are:

- Profit before tax grew by 30% and profit after tax grew by 32%.
- Current year income tax provision amounted to ₹ 41.36 crores as compared to ₹ 33.99 crores in the previous year. The effective income tax rate for the year is 25%.
- Pre-tax return on average assets was 4.21% in the current year as against 4.15% in the previous year. Post-tax return on average assets was 3.12% as against 3.02% in the previous year.
- Return on average net worth for the year was 34.21% as against 31.42% in the previous year.
- Ratio of net interest margin to average assets was 4.64% for the current year as against 4.73% in the previous year.
- GRUH's cost to income ratio was 19.76% for the year as against 20.33% in the previous year.
- The Earnings Per Share (Basic) was ₹ 34.13 for the current year as against ₹ 26.19 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.



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.

Good governance is similarly a distinctive competent in a crowded and aggressive marketplace. It fosters customer confidence and promotes the equity, earnings quotient and value for a corporate brand.

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	7	1	-
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 4 times. The meetings were held on April 13, 2011, July 14, 2011, October 25, 2011, and January 12, 2012. 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	4	60,000	Yes
Mr. S.M. Palia	4	60,000	Yes
Mr. Rohit C. Mehta	3	45,000	No
Mr. Prafull Anubhai	4	60,000	Yes
Ms. Renu S. Karnad	4	60,000	Yes
Mr. K.G. Krishnamurthy	4	60,000	Yes
Mr. S.G. Mankad	4	60,000	Yes
Mr. Kamlesh Shah	4	-	Yes
Mr. Sudhin Choksey	4	-	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, 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	75,000
Mr. Keki M. Mistry	5	75,000
Mr. Rohit C. Mehta	3	45,000
Mr. Prafull Anubhai	5	75,000

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 comprises 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 committee met four times during the year.

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

Directors	No. of meetings attended	Sitting Fees paid (₹)
Mr. Rohit C Mehta	4	60,000
Mr. S G Mankad	4	60,000
Mr. K G Krishnamurthy	-	-
Mr. Sudhin Choksey	4	-

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 three complaints from the shareholders. The same have been resolved. There are no pending share transfers.

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

Remuneration to Directors

During the year, the Managing Director and the Executive Director were paid a gross remuneration of ₹ 144.92 lacs and ₹ 47.16 lacs 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)

During the year, the Company granted 51,050 options to employees under tranche II of ESOS-2011. The disclosure as required under Clause 12.1 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, have been made in 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, 2012 is as follows:

Directors	No. of equity shares held
Mr. Keki M. Mistry	20,905
Mr. S.M. Palia	7,030
Mr. Rohit C. Mehta	20,905
Mr. Prafull Anubhai	10,000
Ms. Renu S. Karnad	21,223
Mr. K.G. Krishnamurthy	21,165
Mr. S.G. Mankad	-
Mr. Kamlesh Shah	25,689
Mr. Sudhin Choksey	46,343

Share Dealing Code

In October 2011, the Company revised its 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 30, 2009 June 29, 2010 and July 14, 2011. The AGMs were held at H.T. Parekh Convention Centre, Ahmedabad Management Association (AMA), ATIRA Campus, Ahmedabad. Two special resolutions were 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 INE580B01011.

As at March 31, 2012, 97.59% 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 Bombay Stock Exchange 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 2012-2013 as per the listing agreement with the respective stock exchanges.

Shareholder Relations

GRUH has over 14100 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 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-sixth 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.

GRUH FINANCE LIMITED
We help you build homes

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.

Mumbai
April 24, 2012

Keki M. Mistry
Chairman

Declaration

This is to confirm that for the year 2011-12, all Board members and senior management personnel have affirmed compliance with the Code of Conduct of GRUH.

Mumbai
April 24, 2012

Marcus Lobo
Company Secretary

Sudhin Choksey
Managing Director / CEO

AUDITORS' CERTIFICATE

To the Members of GRUH Finance Limited

We have examined the compliance of conditions of Corporate Governance by GRUH Finance Limited, for the year ended on 31st March, 2012, 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.
Chartered Accountants

Mumbai
April 24, 2012

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 in development of business and improving the performance of the Company and kept in view salaries paid to senior executives of other companies in the financial and banking sector, whilst fixing the remuneration of the Managing Director of the Company.

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 four times during the last financial year. The Committee reviewed the different activities being carried out by the secretarial department of the Company and also reviewed the share transfers and dematerialisation of shares during the period. The Committee also reviewed the steps taken by the Company to redress the grievances of the 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

Shareholding Pattern as at March 31, 2012:

Category	No. of Share-holders	Total No. of Shares Held	% to Capital
Promoter – HDFC Ltd.	1	21307785	60.36
Public /Resident Indians	13442	6043962	17.12
Financial Institutions, Mutual Funds & Banks	9	731106	2.07
Corporate Bodies	329	741185	2.10
Foreign Institutional Investors (FIIs)	38	5164336	14.63
Non-Resident Indians / OCBs	339	1314264	3.72
Total	14158	35302638	100.00

Top ten shareholders of GRUH as at March 31, 2012 :

Name	No of shares	% of Capital
Housing Development Finance Corporation Limited	21307785	60.36
Smallcap World Fund, INC	982000	2.78
Acacia Partners, LP	905710	2.57
Dr. Sanjeev Arora	677450	1.92
Wasatch Emerging Markets Small Cap Fund	632020	1.79
DSP Blackrock Small and Mid Cap Fund	610431	1.73
Acacia Institutional Partners, LP	467200	1.32
Ward Ferry Management Limited A/c. WF India Reconnaissance Fund Limited	331400	0.94
The Royal Bank of Scotland PLC as depository of First State Asia Pacific Sustainability Fund	293037	0.83
Wasatch International Growth Fund	276791	0.78
Platinum Jubilee Investments Ltd	213544	0.60

Listing of Equity Shares :

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

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

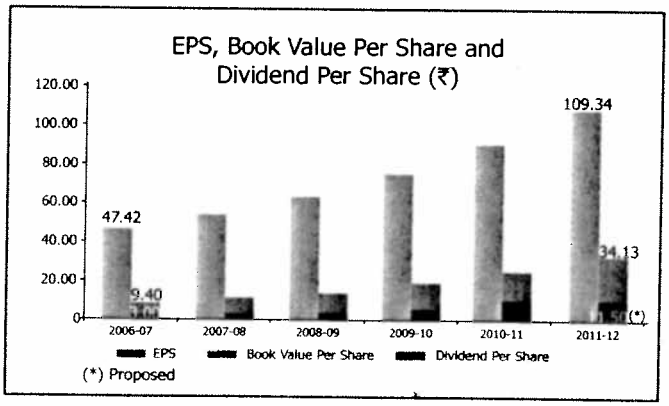
The Company has paid the listing fees for the year 2012-2013 as per the listing agreement with the respective stock exchanges.

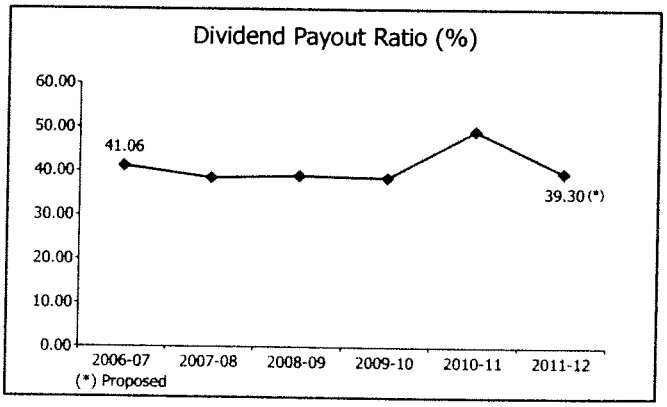
Listing of Debt Securities :

GRUH's NCDs (Series – B-001 aggregating to ₹ 40 crores) 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.





Stock Market Data :

Monthly high and low quotations as well as the volume of shares traded at the Bombay Stock Exchange Limited for 2011-2012 along with the BSE Sensex are as follows:

BSE 2011-2012:

Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	BSE Sensex (monthly close)
April 2011	540.00	352.25	178714	19135
May 2011	434.80	371.30	19141	18503
June 2011	444.60	340.00	12238	18846
July 2011	472.00	417.95	9474	18197
August 2011	492.75	390.00	4819	16677
September 2011	542.65	470.15	9479	16454
October 2011	571.00	492.00	9317	17705
November 2011	628.95	516.00	12305	16124
December 2011	630.05	508.00	5958	15455
January 2012	611.70	512.20	6267	17194
February 2012	715.95	596.00	8498	17753
March 2012	722.00	614.00	4004	17404

NSE 2011-2012:

Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	NSE Sensex (monthly close)
April 2011	539.50	352.25	1015153	5750
May 2011	424.50	372.00	1003828	5560
June 2011	444.75	407.00	676149	5647
July 2011	470.60	421.00	399787	5482
August 2011	494.00	415.10	343248	5001
September 2011	526.50	415.00	364594	4943
October 2011	573.95	490.50	320763	5327
November 2011	630.00	516.00	515877	4832
December 2011	555.10	521.00	321647	4624
January 2012	612.00	535.00	224830	5199
February 2012	718.50	596.50	934499	5385
March 2012	721.90	605.05	284159	5296

Distribution of shareholding as at March 31, 2012

No. of Shares held	Folios Numbers	Folios %	Shares Numbers	Shares %
Upto 500	12410	87.65	1847777	5.23
501 to 1000	903	6.38	666235	1.89
1001 to 5000	642	4.53	1404867	3.98
5001 to 10000	89	0.63	661971	1.87
10001 to 50000	80	0.57	1587361	4.50
50001 to 100000	11	0.08	772302	2.19
100001 and above	23	0.16	28362125	80.34
Total	14158	100.00	35302638	100.00

Dematerialisation of Shares :

As at March 31, 2012, 97.59% 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 580B01011

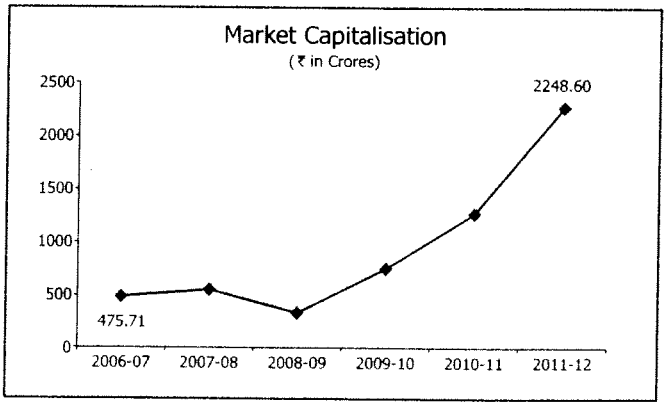
The status of shares which have been dematerialised and shares which are held in physical form as at March 31, 2010 are as under:

Particulars	No of shares	(%)
Shares held in physical form	849635	2.41
Shares held in electronic form	34453003	97.59
Total Shares	35302638	100.00

Details regarding dividend paid during the last 7 years :

Year	Rate (%)	Book Closure Date	AGM Date	Payment Date
2004-05	21	June 3, 2005 to June 14, 2005	June 14, 2005	June 16, 2005
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

Note: Shareholders who have not received the dividends as aforesaid are requested to kindly contact the secretarial department.



Unclaimed Dividend and Deposits:

The Company has transferred all unclaimed/unpaid dividends up to the financial year 2003-2004 to the General Revenue Account of the Central Government or to the Investor Education and Protection Fund, as applicable. The Company has transferred matured deposits and interest thereon for the year 2003-2004 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 2004-2005 to 2010-2011 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 2004-2005 will have to be transferred to the Investor Education and Protection Fund in July 2012 in accordance with the current regulations.

Nomination Facility:

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

Financial year:

The Company follows financial year April to March.

Outstanding GDRs / ADRs / warrants:

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

Book Closure:

The register of members and share transfer books of the Company will remain closed from Friday, June 8, 2012 to Monday, June 18, 2012, both days inclusive.

Dividend Payment:

The Board of Directors of GRUH has recommended a dividend of 115% (₹11.50 per share) for the financial year ended March 31, 2012 for approval of the shareholders at the annual general meeting.

Dividend entitlement is as follows:

(i) For shares held in physical form: shareholders whose names appear on the register of members of the Company as on Friday, June 8, 2012.

(ii) For shares held in electronic form: beneficial owners whose names appear in the statement of beneficial position furnished by NSDL and CDSL as at the close of business hours on Thursday, June 7, 2012.

Dividend, if declared by the members shall be paid on or after June 18, 2012 but within the statutory time limit.

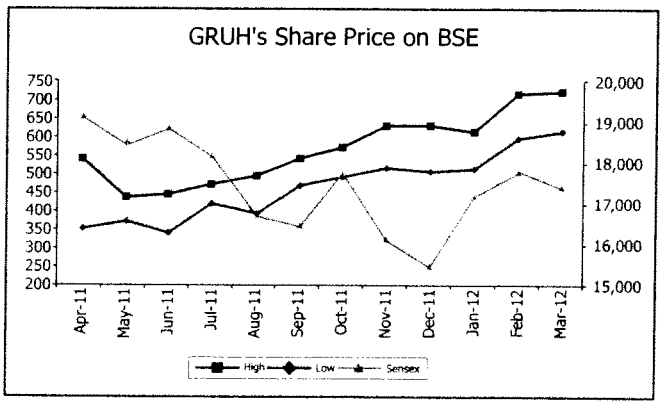
26TH Annual General Meeting

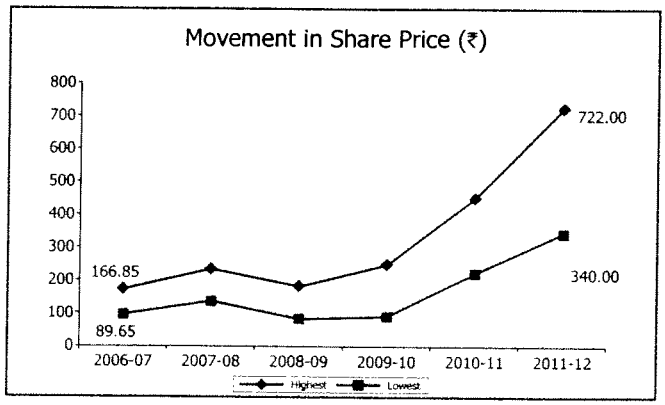
Date : June 18, 2012

Day : Monday

Time : 10.30 a.m.

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





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 Shareholder's 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	2011-12	2010-11	2009-10	2008-09	2007-08
Closing Market Capitalisation	2248.60	1266.38	756.14	324.69	534.79
Opening Market Capitalisation	1268.38	756.14	324.69	534.79	475.71
Money raised during the year from Shareholders	2.39	7.12	1.17	0.03	0.08
Net Capital Appreciation/ (Depreciation)	979.83	503.12	430.28	(210.13)	59.00
Dividend including dividend tax	47.29	45.04	26.32	19.46	16.22
Total Gain / Loss	1027.12	548.16	456.60	(190.67)	75.22
Gain / (Loss) to Opening Market Capitalisation (%)	81.11	72.50	140.63	(35.65)	15.81

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,	2012	2011	2010	2009	2008
Number of Equity Shares (Crores)	3.53	3.52	3.47	3.47	3.46
Market Price (₹)*	636.95	360.20	217.75	93.70	154.35
Market Capitalisation	2248.60	1266.38	756.14	324.69	534.79
Total Debt	3833.00	2966.33	2323.12	2245.15	1773.04
Cash	114.98	93.69	135.60	71.24	157.66
Enterprise Value(EV)	5966.62	4139.02	2943.66	2498.60	2150.17
EBIDTA	475.23	328.32	276.06	271.72	181.17
EV/ EBIDTA (Times)	12.56	12.61	10.66	9.20	11.87
TOTAL INCOME	513.99	361.27	309.06	295.28	202.59
EV/TOTAL INCOME (Times)	11.54	11.46	9.52	8.46	10.61

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

GRUH FINANCE LIMITED
We help you build homes

AUDITORS' REPORT

TO THE MEMBERS OF GRUH FINANCE LIMITED

1. We have audited the attached Balance Sheet of GRUH Finance Limited, ("the Company") as at March 31, 2012, Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003 ("Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii) 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 purpose of our audit have been received from the branches not visited by us;

   iii) 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;

   iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   v) On the basis of written representations received from the Directors, as at March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and

   vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956, 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, 2012;

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

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Mumbai
April 24, 2012

ANNEXURE TO THE AUDITORS' REPORT

Re : GRUH FINANCE LIMITED

Referred to in Paragraph 3 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, 2012 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 at March 31, 2012 on account of any dispute:

Particulars	Financial year to which the matter pertains	Forum where matter is pending	Amount (₹)
Income Tax	2005-2006	Commissioner of Income Tax (Appeals)	99,14,512
	2008-2009		81,01,840

(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

Mumbai
April 24, 2012

GRUH FINANCE LIMITED
We help you build homes

BALANCE SHEET AS AT MARCH 31, 2012

(₹)

	Notes		March 31, 2012	March 31, 2011
EQUITY AND LIABILITIES				
Share Holders' Funds				
Share Capital	2	35,30,26,380		35,15,76,330
Reserves and Surplus	3	350,25,66,764		282,78,01,208
			385,55,93,144	317,93,77,538
Non-Current Liabilities				
Long-Term Borrowings	4	2834,06,79,391		2012,35,27,909
Other Long Term Liabilities	5	7,33,34,151		3,63,12,852
Long-Term Provisions	6	41,30,83,296		29,37,37,356
			2882,70,96,838	2045,35,78,117
Current Liabilities				
Short-Term Borrowings	7	232,34,58,614		299,52,31,069
Trade Payables	8	1,17,86,978		1,76,64,757
Other Current Liabilities	9	785,60,00,037		679,10,26,264
Short-Term Provisions	6	48,67,83,277		46,14,76,969
			1067,80,28,906	1026,53,99,059
			4336,07,18,888	3389,83,54,714
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	10	10,30,88,420		10,51,52,437
Intangible Assets	11	1,34,63,734		1,69,59,617
Non-Current Investments	12	24,32,64,094		12,43,14,565
Deferred Tax Asset (Net)	13	11,95,24,502		9,27,11,416
Long-Term Loans and Advances	14			
Loans		3795,71,66,324		2977,72,32,222
Others		3,36,27,026		1,61,10,125
			3847,01,34,100	3013,24,80,382
Current Assets				
Current Investments	12	9,59,640		22,22,94,560
Cash and Bank Balances	15	169,47,67,919		123,69,42,775
Short-Term Loans and Advances	16	34,83,73,283		30,64,59,880
Other Current Assets	17			
Loans		281,71,35,319		199,12,17,902
Others		2,93,48,627		89,59,215
			489,05,84,788	376,58,74,332
			4336,07,18,888	3389,83,54,714
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
Prafull Anubhai
Renu S. Karnad
K. G. Krishnamurthy
S. G. Mankad
Kamlesh Shah

Mumbai
April 24, 2012

Sudhin Choksey
Managing Director

Marcus Lobo
Company Secretary

GRUH FINANCE LIMITED
We help you build homes

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2012

(₹)

	Notes		Current Year	Previous Year
INCOME				
Revenue from Operations	18		513,91,35,334	361,07,39,978
Other Income	19		7,47,323	19,77,550
			513,98,82,657	361,27,17,528
EXPENDITURE AND CHARGES				
Finance Cost	20		310,10,56,091	200,91,90,479
Employee Benefit Expenses	21		19,68,06,678	15,72,22,910
Establishment Expenses	22		4,98,60,360	4,00,11,024
Other Expenses	23		14,08,67,509	13,22,44,168
Depreciation and Amortisation Expenses	24		2,36,63,732	1,83,20,456
			351,22,54,370	235,69,89,037
PROFIT BEFORE TAX FOR THE YEAR			162,76,28,287	125,57,28,491
Tax Expenses :				
Current Tax		41,36,07,867		33,98,93,570
Deferred Tax (Net)		1,06,22,342		7,17,310
			42,42,30,209	34,06,10,880
PROFIT AFTER TAX FOR THE YEAR			120,33,98,078	91,51,17,611
Earnings per Equity Share				
(Face value of ₹ 10/- per Share)	30			
Basic			34.126	26.192
Diluted			34.012	26.129
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
Prafull Anubhai
Renu S. Karnad
K. G. Krishnamurthy
S. G. Mankad
Kamlesh Shah

Mumbai
April 24, 2012

Sudhin Choksey
Managing Director

Marcus Lobo
Company Secretary

GRUH FINANCE LIMITED
We help you build homes

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	162,76,28,287	125,57,28,491
Adjustments for :		
Depreciation	2,36,63,732	1,83,20,456
Brokerage Expenses Written Off	77,38,386	68,05,728
Bad Debts Written Off	1,38,66,040	1,25,83,792
Retirement Benefits	42,05,985	49,48,632
Loss on Sale of Acquired Property	12,33,133	17,31,772
Provision for Loss on Sale of Investments	79,75,391	1,47,67,411
Loss on Sale of Tangible Assets (Net)	18,18,592	(13,28,171)
	6,05,01,259	5,78,29,620
Operating Profit Before Working Capital Changes	168,81,29,546	131,35,58,111
Changes in Working Capital :		
Increase / (Decrease) in Trade Payables	(58,77,779)	33,43,102
Increase / (Decrease) in Long-Term Provisions	(2,41,237)	(26,56,900)
Increase / (Decrease) in Short-Term Provisions	29,37,691	55,36,114
Increase / (Decrease) in Other Current Liabilities	(5,76,50,703)	5,42,63,579
Increase / (Decrease) in Other Long Term Liabilities	3,70,21,299	36,06,219
(Increase) / Decrease in Long-Term Loans and Advances	(20,19,471)	(73,99,045)
(Increase) / Decrease in Short-Term Loans and Advances	(66,20,003)	(4,08,78,908)
(Increase) / Decrease in Other Current Assets	(2,03,89,412)	(16,56,384)
Brokerage Paid	(2,84,26,637)	(56,35,546)
(Increase) / Decrease in Other Bank Balances	(24,50,00,000)	(30,00,00,000)
Stock of Acquired and/or Developed Properties	(6,08,70,209)	7,79,962
Investments (Net)	9,44,10,000	(3,41,96,025)
	(29,27,26,461)	(32,48,93,832)
Cash Generated from Operations	139,54,03,085	98,86,64,279
Taxes paid (net of refunds)	(44,35,49,215)	(35,20,26,446)
Net Cash from Operations	95,18,53,870	63,66,37,833
Non-Current portion of Loans	(812,71,59,066)	(693,05,63,147)
Current Portion of Loans	(83,29,21,417)	(31,59,95,022)
	(896,00,80,483)	(724,65,58,169)
Net Cash Generated from Operations Before Extraordinary Items	(800,82,26,613)	(660,99,20,336)
Extraordinary Items	0	0
Net Cash Generated from Operating Activities	(800,82,26,613)	(660,99,20,336)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible/Intangible Assets	(2,11,48,220)	(4,69,59,551)
Sale of Tangible Assets	12,25,796	29,90,455
Capital Advances	(53,365)	(10,11,677)
Net Cash from Investing Activities	(1,99,75,789)	(4,49,80,773)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share allotment under Employee Stock Option Scheme	14,50,050	43,24,830
Securities Premium received	2,24,25,024	6,68,83,496
Securities Premium utilized	(3,32,460)	(41,95,290)
Dividends Paid	(38,57,00,150)	(22,51,82,052)
Dividend Distribution Tax Paid	(6,28,84,016)	(3,76,21,443)
Unclaimed Dividend Paid	(6,16,543)	(4,12,007)

Availment/(Repayment) of Long-Term Borrowings	821,71,51,482	172,03,01,629
Availment/(Repayment) of Short-Term Borrowings	(67,17,72,455)	244,56,81,584
Changes in Current maturities of Long-Term Borrowings	112,55,51,887	226,73,94,463
Changes in Unclaimed Matured Deposits and Interest Accrued thereon	(42,45,273)	(12,83,794)
Net Cash used in Financing Activities	824,10,27,546	623,58,91,416
Net increase in Cash and Cash Equivalents	21,28,25,144	(41,90,09,693)
Cash and Cash Equivalents at the Beginning of the Year	93,69,42,775	135,59,52,468
Cash and Cash Equivalents at the end of the Year	114,97,67,919	93,69,42,775
Cash and Cash Equivalents comprises of :		
Cash on Hand	4,16,634	3,39,511
Cheques on Hand	3,19,33,273	23,23,727
Balances with Banks - Highly liquid investments*	111,74,18,012	93,42,79,537
Total	114,97,67,919	93,69,42,775
* Includes the following balances which are not available for use by the Company		
Unpaid Dividend Accounts	62,96,140	49,78,278

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
Prafull Anubhai
Renu S. Karnad
K. G. Krishnamurthy
S. G. Mankad
Kamlesh Shah

Mumbai
April 24, 2012

Sudhin Choksey
Managing Director

Marcus Lobo
Company Secretary

AUDITORS' CERTIFICATE

To the Members of GRUH Finance Limited

We have verified the above Cash Flow Statement of GRUH FINANCE LIMITED, derived from the audited financial statements for the year ended March 31, 2012 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreements with the Stock Exchange.

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Mumbai
April 24, 2012

Notes to the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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.

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.

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.

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.

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.

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.

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.

FIXED ASSETS

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

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.

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.

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.

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, Gratuity and Retention Bonus 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.

CONTINGENT LIABILITIES

Contingent liabilities, if any, are disclosed in the notes to 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.

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.

(₹)

2 SHARE CAPITAL

		As At March 31, 2012	As At March 31, 2011
AUTHORISED			
5,00,00,000	Equity Shares of ₹ 10/- each (Previous Year 5,00,00,000 Shares)	50,00,00,000	50,00,00,000
		50,00,00,000	50,00,00,000
ISSUED AND SUBSCRIBED			
3,53,02,638	Equity Shares of ₹ 10/- each (Previous Year 3,51,57,633 Shares)	35,30,26,380	35,15,76,330
PAID UP			
3,53,02,638	Equity Shares of ₹ 10/- each (Previous Year 3,51,57,633 Shares)	35,30,26,380	35,15,76,330
		35,30,26,380	35,15,76,330

2.1 Reconciliation of Number of Shares

Particulars	As At March 31, 2012		As At March 31, 2011	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Equity Shares outstanding at the beginning of the year	3,51,57,633	35,15,76,330	3,47,25,150	34,72,51,500
Add : Shares allotted pursuant to exercise of stock options under ESOS	1,45,005	14,50,050	4,32,483	43,24,830
Equity Shares outstanding at the end of the year	3,53,02,638	35,30,26,380	3,51,57,633	35,15,76,330

2.2 Terms/Rights attached to Equity Shares

The Company has one class of shares referred to as equity shares having a par value of ₹ 10/- 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, 2012	As At March 31, 2011
Holding Company - HDFC Limited	2,13,07,785	2,13,07,785

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

Particulars	As At March 31, 2012	As At March 31, 2011
Holding Company - HDFC Limited	2,13,07,785	2,13,07,785
% of Share holding	60.36	60.61

2.5 Shares reserved for issue under options

(a) During the year, the Company has issued 1,45,005 (Previous Year 4,32,483) shares on exercise of Options granted to its employees and Directors under ESOS Scheme - 2007.

(b) As at March 31, 2012, 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 one Equity Share for each option granted.	Through allotment of one Equity Share 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, ESOS - 2011 Tranche I and ESOS - 2007 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	ESOS - 2007
Options Outstanding at start of year	Nil	Nil	1,59,325
Options granted during the year	51,050	Nil	Nil
Options not vested at the start of year	Nil	11,72,849	Nil
Options Lapsed during the year	2,500	83,190	2,260
Options Exercised during the year	Nil	Nil	1,45,005
Options vested but not exercised at end of year	Nil	4,15,097	12,060
Options not vested at end of year	48,550	6,74,562	Nil
Weighted Average Exercise Price per Option	₹ 548.80	₹ 317.85	₹ 164.65

(e) The Black-Scholes-Mertons Option Pricing 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-Mertons Option Pricing 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 - II) and ESOS - 2011 (Tranche - I) been determined on fair value approach, the Company's net profit and earnings per share would have been as pro-forma amounts indicated below :

Particulars	2011-12	(₹) 2010-11
Net Profit After Tax as reported	120,33,98,078	91,51,17,611
Less : Amortisation of Compensation Cost (pro-forma)	3,81,08,168	64,91,662
Net profit considered for computing EPS (pro-forma)	116,52,89,910	90,86,25,949
Earnings Per Share - Basic		
- as reported	34.126	26.192
- pro-forma	33.045	26.007
Earnings Per Share - Diluted		
- as reported	34.012	26.129
- pro-forma	32.935	25.944

2.6 Proposed Dividend

The final dividend proposed for the year is as follows:

Particulars	As At March 31, 2012	As At March 31, 2011
On Equity Shares of ₹ 10/- each		
Dividend per Equity Share (₹)	11.50	11.00
Percentage Dividend Proposed	115	110*

* Includes one time Special Silver Jubilee Dividend of 25%

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(₹)

3 RESERVES AND SURPLUS	As At March 31, 2012	As At March 31, 2011
SPECIAL RESERVE		
Opening Balance	119,21,00,000	97,21,00,000
Add : Transfer from Statement of Profit and Loss	28,00,00,000	22,00,00,000
	147,21,00,000	119,21,00,000
GENERAL RESERVE		
Opening Balance	33,42,36,808	24,22,36,808
Add : Transfer from Statement of Profit and Loss	15,00,00,000	9,20,00,000
Less : Utilised for Provision for Standard Assets as per NHB norms [(Net of Deferred Tax of ₹ 3,74,35,428/-) Previous Year ₹ Nil]	7,79,45,765	0
	40,62,91,043	33,42,36,808
ADDITIONAL RESERVE (U/S 29C of the NHB Act)		
Opening Balance	0	0
Add : Transfer from Statement of Profit and Loss	7,50,00,000	0
	7,50,00,000	0
SECURITIES PREMIUM		
Opening Balance	68,99,47,510	62,58,65,734
Add : Received during the year	2,24,25,024	6,68,83,496
Less : Utilised during the year [Net of tax ₹ 1,07,867/- (Previous Year ₹ 13,93,570/-)]	2,24,593	28,01,720
	71,21,47,941	68,99,47,510
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Opening Balance	61,15,16,890	45,88,06,741
Add : Profit for the year	120,33,98,078	91,51,17,611
Amount Available for Appropriation	181,49,14,968	137,39,24,352
APPROPRIATION :		
Special Reserve	28,00,00,000	22,00,00,000
General Reserve	15,00,00,000	9,20,00,000
Additional Reserve (u/s 29C of the NHB Act)	7,50,00,000	0
Proposed Dividend	40,59,80,337	38,67,33,963
Tax on Proposed Dividend	6,58,60,161	6,27,37,918
Dividend pertaining to previous year paid during the year	10,46,690	9,35,581
	83,70,27,780	61,15,16,890
	350,25,66,764	282,78,01,208

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 profits 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 ₹ 28,00,00,000/- (Previous Year ₹ 22,00,00,000/-) 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 has introduced provisioning for Standard Individual Home Loans. The Company utilised ₹ 7,79,45,765/- (Previous Year ₹ Nil) Net of Deferred Tax of ₹ 3,74,35,428/- (Previous Year ₹ Nil) 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 ₹ 7,50,00,000/- (Previous Year ₹ Nil) 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 ₹ 9,00,592/- for the year 2010-11 (Previous year ₹ 8,02,325/-) and tax on dividend of ₹ 1,46,098/- (Previous year ₹ 1,33,256/-) as approved by the share holders at the Annual General Meeting held on July 14, 2011.

4 LONG TERM BORROWINGS

(₹)

	Non-Current Portion		Current Maturities	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
SECURED BORROWINGS				
Term Loans				
National Housing Bank	1340,47,02,796	804,61,66,031	552,87,25,788	352,98,18,000
Banks	977,50,00,000	1028,75,00,000	110,00,00,000	201,25,00,000
Redeemable Non-Convertible Debentures	141,70,00,000	0	0	0
	2459,67,02,796	1833,36,66,031	662,87,25,788	554,23,18,000
UNSECURED BORROWINGS				
Redeemable Non-Convertible Subordinated Debentures	0	40,00,00,000	40,00,00,000	0
Public Deposits	374,39,76,595	138,98,61,878	59,96,88,178	96,05,44,079
	374,39,76,595	178,98,61,878	99,96,88,178	96,05,44,079
Amount disclosed under the head "Other Current Liabilities" (Note 9)	0	0	(762,84,13,966)	(650,28,62,079)
	2834,06,79,391	2012,35,27,909	0	0

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

(a) Nature of Security

Refinance from National Housing Bank 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; and

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

(b) Rate of Interest and Terms of Repayment

Particulars	(₹)	Range of Interest (%)	Terms of Repayment
National Housing Bank	1893,34,28,584	5.50 to 10.40	Repayable in quarterly instalments ranging between 12 to 60 from the respective date of release of refinance.
Dena Bank	87,50,00,000	10.70	Repayable in 16 quarterly equal instalments after moratorium of one year from the date of loan i.e. 23.03.2010.
Axis Bank	600,00,00,000	10.00 to 10.25	Repayable in 15 quarterly equal instalments after moratorium of 15 months from the date of respective loans.
IDBI Bank	400,00,00,000	10.75	Repayable in 20 quarterly equal instalments after moratorium of one year from the date of loan i.e. 22.03.2012.

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 the Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against the Public Deposits.

(b) Rate of Interest and Terms of Repayment

Series	Amount of Issue (₹)	ROI (%)	Date of Repayment
NCD Series E003	10,00,00,000	9.80	02.02.2015
NCD Series E004	10,00,00,000	9.80	10.02.2015
NCD Series E005	10,00,00,000	9.77	13.05.2014
NCD Series E006	11,00,00,000	9.75	01.08.2013
NCD Series E007	27,00,00,000	9.80	02.03.2015
NCD Series E008	10,00,00,000	9.80	06.03.2015
NCD Series E009	13,70,00,000	9.80	02.03.2015
NCD Series E010	50,00,00,000	9.10	30.06.2013
	141,70,00,000		

4.3 Unsecured Non-Convertible Subordinated Debentures

8.18% Redeemable Non-Convertible Subordinated Debentures of ₹ 40,00,00,000/- are subordinated debt to present and future senior indebtedness of the Company and qualify as Tier II Capital under National Housing Bank's guidelines for assessing capital adequacy. These NCDs are redeemable at par on February 13, 2013.

4.4 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

(₹)

	Non-Current Portion		Current Portion	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
Security Deposits	90,91,913	59,94,908	0	0
Interest Accrued but not Due on Borrowings	6,42,42,238	3,03,17,944	5,84,63,475	14,13,48,953
	7,33,34,151	3,63,12,852	5,84,63,475	14,13,48,953
Amount disclosed under the head "Other Current Liabilities" (Note 9)	0	0	(5,84,63,475)	(14,13,48,953)
	7,33,34,151	3,63,12,852	0	0

6 PROVISIONS

(₹)

	LONG TERM		SHORT TERM	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
Provision for Retirement Benefits	1,85,25,909	1,45,61,162	1,49,42,779	1,20,05,088
Provision for Standard Assets as per NHB norms	18,34,10,250	1,06,58,299	0	0
Provision for NPAs as per NHB norms	7,18,48,657	5,30,61,342	0	0
Provision for Contingencies	13,92,98,480	21,54,56,553	0	0
Proposed Dividend	0	0	40,59,80,337	38,67,33,963
Tax on Proposed Dividend	0	0	6,58,60,161	6,27,37,918
	41,30,83,296	29,37,37,356	48,67,83,277	46,14,76,969

7 SHORT TERM BORROWINGS

(₹)

		As At March 31, 2012	As At March 31, 2011
SECURED BORROWINGS			
Bank Term Loan	215,00,00,000		0
Redeemable Non-Convertible Debentures	0		100,00,00,000
		215,00,00,000	100,00,00,000
UNSECURED BORROWINGS			
Commercial Papers	0		160,00,00,000
Public Deposits	17,34,58,614		39,52,31,069
		17,34,58,614	199,52,31,069
		232,34,58,614	299,52,31,069

7.1 Term Loans from Banks

Nature of Security

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

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

(b) The Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against the Public Deposits.

7.2 Public Deposits

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

8 TRADE PAYABLES

Trade Payables 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.

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9 OTHER CURRENT LIABILITIES

(₹)

	As At March 31, 2012	As At March 31, 2011
Current Maturities of Long-Term Borrowings (Note 4)	762,84,13,966	650,28,62,079
Current Portion of Other Long-Term Liabilities (Note 5)	5,84,63,475	14,13,48,953
Instalments Received in Advance	2,72,40,838	2,62,35,127
Unclaimed Matured Deposits and Interest accrued thereon	3,74,50,474	4,16,95,747
Unpaid Dividends	62,96,344	49,78,482
Book Overdraft	3,33,99,281	0
Statutory Remittances	1,23,39,731	1,32,84,570
Other Liabilities	5,23,95,928	6,06,21,306
	785,60,00,037	679,10,26,264

9.1 There are no amounts due for payment to the Investor Education 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

(₹)

	Gross Block (At Cost)				Depreciation and Amortisation				Net Block	
Particulars	As At 1.4.2011	Additions	Disposals	As At 31.3.2012	As At 1.4.2011	Additions	Deductions	As At 31.3.2012	As At 31.3.2012	As At 31.3.2011
Own Assets										
Freehold Land	96,63,515	0	0	96,63,515	0	0	0	0	96,63,515	96,63,515
Office Buildings	4,85,13,910	0	0	4,85,13,910	1,08,13,847	7,90,777	0	1,16,04,624	3,69,09,286	3,77,00,063
Residential Flat	21,78,255	0	0	21,78,255	5,15,152	35,506	0	5,50,658	16,27,597	16,63,103
Furnitures and Fixtures	5,92,82,784	76,01,600	9,46,320	6,59,38,064	4,09,97,682	55,41,186	8,52,334	4,56,86,534	2,02,51,530	1,82,85,102
Office Equipments	2,38,67,212	67,21,947	10,98,227	2,94,90,932	1,05,20,712	24,54,679	7,99,080	1,21,76,311	1,73,14,621	1,33,46,500
Electrical Installation	91,79,370	10,32,014	0	1,02,11,384	68,46,419	6,01,844	0	74,48,263	27,63,121	23,32,951
Computers	5,73,66,733	48,54,475	2,81,96,384	3,40,24,824	3,72,78,374	92,69,014	2,55,45,129	2,10,02,259	1,30,22,565	2,00,88,359
Vehicles	23,31,919	0	0	23,31,919	2,59,075	5,36,659	0	7,95,734	15,36,185	20,72,844
Total	21,23,83,698	2,02,10,036	3,02,40,931	20,23,52,803	10,72,31,261	1,92,29,665	2,71,96,543	9,92,64,383	10,30,88,420	10,51,52,437
Previous Year	18,08,07,849	3,57,74,775	41,98,926	21,23,83,698	9,38,01,420	1,59,66,483	25,36,642	10,72,31,261	10,51,52,437	8,70,06,429

11. INTANGIBLE ASSETS

(₹)

	Gross Block (At Cost)				Depreciation and Amortisation				Net Block	
Particulars	As At 1.4.2011	Additions	Disposals	As At 31.3.2012	As At 1.4.2011	Additions	Deductions	As At 31.3.2012	As At 31.3.2012	As At 31.3.2011
Own Assets										
Computer Softwares	3,14,95,466	9,38,184	0	3,24,33,650	1,45,35,849	44,34,067	0	1,89,69,916	1,34,63,734	1,69,59,617
Previous Year	2,03,10,690	1,11,84,776	0	3,14,95,466	1,21,81,876	23,53,973	0	1,45,35,849	1,69,59,617	81,28,814

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12 INVESTMENTS

(₹)

Government Securities (At Cost)	Non-Current		Current	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
12.40 % Government of India Loan 2013	3,76,42,675	3,76,42,675	0	0
12.30 % Government of India Loan 2016	3,59,25,000	3,59,25,000	0	0
11.83 % Government of India Loan 2014	25,42,200	25,42,200	0	0
8.07 % Government of India Loan 2017	5,68,01,000	5,68,01,000	0	0
11.50 % Government of India Loan 2015 (Purchased during the year)	2,21,40,000	0	0	0
11.43 % Government of India Loan 2015 (Purchased during the year)	2,77,50,000	0	0	0
10.50 % Government of India Loan 2014 (Purchased during the year)	7,42,00,000	0	0	0
12.00 % Gujarat State Development Loan 2011 (Matured during the year)	0	0	0	1,15,06,890
12.00 % Uttar Pradesh State Development Loan 2011 (Matured during the year)	0	0	0	52,91,000
10.35 % Maharashtra State Development Loan - 2011 (Matured during the year)	0	0	0	84,92,500
10.35 % Chhattisgarh State Development Loan - 2011 (Matured during the year)	0	0	0	2,05,74,000
10.35 % Himachal Pradesh State Development Loan - 2011 (Matured during the year)	0	0	0	2,05,74,000
11.50 % Government of India Loan 2011 (Matured during the year)	0	0	0	17,05,42,800
11.03 % Government of India Loan 2012	0	10,03,200	10,03,200	0
	25,70,00,875	13,39,14,075	10,03,200	23,69,81,190
Less : Provision for Loss to arise on redemption of Investments	1,37,36,781	95,99,510	43,560	1,46,86,630
	24,32,64,094	12,43,14,565	9,59,640	22,22,94,560
Aggregate of Quoted Investments				
Book Value	25,70,00,875	13,39,14,075	10,03,200	23,69,81,190
Market Value	25,48,83,875	13,35,09,075	10,03,200	22,49,44,390

12.1 The above Investments are made in 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 Investement' (AS 13) notified by Companies (Accounting Standards) Rules, 2006 is as under :

(₹)

Particulars	As At March 31, 2012	As At March 31, 2011
Long-Term Investments	25,80,04,075	37,08,95,265
Current Investments	0	0
	25,80,04,075	37,08,95,265

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 is as follows :

(₹)

Particulars		As At March 31, 2012	As At March 31, 2011
(A) Deferred Tax Asset			
Provision for NPAs	12,80,14,144		9,27,35,352
Others	1,11,45,868		1,37,86,659
		13,91,60,012	10,65,22,011
(B) Deferred Tax Liability			
Depreciation	95,01,566		1,03,07,487
Brokerage paid in Advance	1,01,33,944		35,03,108
		1,96,35,510	1,38,10,595
Net Deferred Tax Asset		11,95,24,502	9,27,11,416

14 LONG TERM LOANS AND ADVANCES

14.1 LOANS

(₹)

	Non-Current Portion		Current Maturities	
	As At March 31, 2012	As At March 31, 2011	As At March 31, 2012	As At March 31, 2011
Home Loans				
Individuals	3545,21,14,509	2775,35,36,463	178,19,69,725	133,33,21,000
Others	74,03,78,035	38,89,71,203	82,40,23,011	43,00,48,000
	3619,24,92,544	2814,25,07,666	260,59,92,736	176,33,69,000
Other Loans				
Individuals	167,49,30,036	163,05,82,340	10,35,00,000	8,46,50,902
Others	8,97,43,744	41,42,216	10,76,42,583	14,31,98,000
	176,46,73,780	163,47,24,556	21,11,42,583	22,78,48,902
Amount disclosed under the head "Other Current Assets" (Note 17)	0	0	(281,71,35,319)	(199,12,17,902)
	3795,71,66,324	2977,72,32,222	0	0

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 ₹ 10,63,17,517/- (Previous Year ₹ 4,66,80,441/-) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

14.4 Loans includes ₹ 17,98,148/- (Previous Year ₹ 19,70,000/-) and ₹ Nil (Previous Year ₹ 3,26,671/-) respectively given to the Officer and Executive Director of the Company under the Staff Loan Scheme.

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

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

Particulars	Standard	Sub – Standard	Bad & Doubtful	Total
As At March 31, 2012				
Home Loan				
Individual	3703,69,75,889	7,83,77,173	11,87,31,172	3723,40,84,234
Others	156,44,01,046	0	0	156,44,01,046
Other Loans				
Individual	176,44,47,217	62,25,817	77,57,002	177,84,30,036
Others	19,73,86,327	0	0	19,73,86,327
Total	4056,32,10,479	8,46,02,990	12,64,88,174	4077,43,01,643
Percentage to Total Loans (%)	99.48	0.21	0.31	100

Particulars	Standard	Sub – Standard	Bad & Doubtful	Total
As At March 31, 2011				
Home Loan				
Individual	2884,52,98,434	10,19,37,793	13,96,21,236	2908,68,57,463
Others	81,90,19,203	0	0	81,90,19,203
Other Loans				
Individual	169,82,15,451	1,08,73,856	61,43,935	171,52,33,242
Others	14,73,40,216	0	0	14,73,40,216
Total	3150,98,73,304	11,28,11,649	14,57,65,171	3176,84,50,124
Percentage to Total Loans (%)	99.18	0.36	0.46	100

14.6 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 : (₹)

Particulars	Current Year			Previous Year		
	Standard Assets	Sub-Standard Assets	Doubtful Assets	Standard Assets	Sub-Standard Assets	Doubtful Assets
Housing	14,81,47,904	1,17,56,576	5,65,54,444	0	1,01,93,779	4,02,62,287
Non-Housing	3,52,62,346	9,33,873	26,03,764	1,06,58,299	10,87,386	15,17,890

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

Particulars	Current Year	Previous Year
Opening Balance	27,91,76,194	27,91,76,194
Addition during the year	11,53,81,193	0
Closing Balance	39,45,57,387	27,91,76,194

14.7 OTHERS

(₹)

(Unsecured and Considered good)	As At March 31, 2012	As At March 31, 2011
Capital Advances	10,65,042	10,11,677
Rent Deposits	73,50,195	61,17,732
Other Deposits	40,71,383	32,84,375
Advances recoverable in cash or in kind or for value to be received	2,11,40,406	56,96,341
	3,36,27,026	1,61,10,125

15 CASH AND BANK BALANCES

(₹)

		As At March 31, 2012	As At March 31, 2011
15.1 Cash & Cash Equivalents			
(a) Balances with Banks :			
In Current Accounts	21,09,21,872		12,82,01,259
In Fixed Deposits with original maturity upto three months	90,02,00,000		80,11,00,000
In Unpaid Dividend Accounts	62,96,140		49,78,278
		111,74,18,012	93,42,79,537
(b) Cheques on hand		3,19,33,273	23,23,727
(c) Cash on Hand		4,16,634	3,39,511
		114,97,67,919	93,69,42,775
15.2 Other Bank Balances			
Fixed Deposits with original maturity of more than three months up to twelve months		54,50,00,000	30,00,00,000
		169,47,67,919	123,69,42,775

16 SHORT TERM LOANS AND ADVANCES

(₹)

(Unsecured and Considered good unless otherwise stated)	As At March 31, 2012	As At March 31, 2011
Instalments due from Borrowers (Secured)	16,81,39,164	13,36,78,908
Loan Against Deposit (Secured)	62,62,059	1,09,45,274
Advance Income Tax (Net of Provision for Taxation of ₹ 173,75,90,063/- Previous Year ₹ 132,40,90,063/-)	14,61,57,939	11,61,08,724
Advances recoverable in cash or in kind or for value to be received	2,78,14,121	4,57,26,974
	34,83,73,283	30,64,59,880

16.1 Instalments due from borrowers includes ₹ 10,42,50,060/- (Previous Year ₹ 7,58,67,799/-) which are accrued but not due.

17 OTHER CURRENT ASSETS

(₹)

	As At March 31, 2012	As At March 31, 2011
LOANS		
Current Maturities of Loans (Note 14)	281,71,35,319	199,12,17,902
OTHERS		
Interest Accrued on Investments	67,04,232	79,09,141
Interest Accrued on Deposits	2,26,44,395	10,50,074
	2,93,48,627	89,59,215

18 REVENUE FROM OPERATIONS

	Current Year	Previous Year
Interest Income		
Interest on Loans	476,68,04,164	334,40,94,136
Other Interest	8,92,28,645	6,60,18,021
Fees and Other Charges	16,94,23,110	14,24,47,874
Bad Debts Recovered	5,85,06,845	1,29,48,971
Dividends	2,25,35,088	3,28,02,115
Surplus from deployment in Cash Management Schemes of Mutual Funds	1,43,56,394	0
Other Operating Income	1,82,81,088	1,24,28,861
	513,91,35,334	361,07,39,978

18.1 Surplus from deployment in cash management schemes of Mutual Funds amounting to ₹ 1,43,56,394/- (Previous Year ₹ Nil) is in respect of investments held as current Investments.

18.2 Fees and other charges is net of Loan Referral charges of ₹ 3,10,69,565/- (Previous Year ₹ 1,67,08,419/-).

19 OTHER INCOME

(₹)

	Current Year	Previous Year
Other Non-Operating Income	7,47,323	6,49,379
Profit on Sale of Fixed Assets (Net)	0	13,28,171
	7,47,323	19,77,550

20 FINANCE COST

(₹)

	Current Year	Previous Year
INTEREST		
Loans	224,93,02,497	138,33,79,925
Non-Convertible Debentures	6,00,22,977	14,18,04,931
Commercial Papers	44,26,30,736	20,15,07,014
Deposits	31,20,30,391	25,63,53,324
OTHER CHARGES		
Brokerage on Deposits	1,93,72,252	1,00,01,349
Bank Charges	74,74,858	69,16,072
Other Borrowing Cost	1,02,22,380	92,27,864
	310,10,56,091	200,91,90,479

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(₹)

21 EMPLOYEE BENEFIT EXPENSES (Note 26)	Current Year	Previous Year
Salaries and Bonus	16,67,50,965	13,56,64,440
Contribution to Provident Fund and other funds	2,03,69,854	1,51,99,906
Staff Welfare Expenses	83,23,393	47,31,420
Staff Training Expenses	13,62,466	16,27,144
	19,68,06,678	15,72,22,910

(₹)

22 ESTABLISHMENT EXPENSES	Current Year	Previous Year
Rent	2,67,06,785	2,17,59,064
Rates & Taxes	19,42,136	20,42,773
Electricity Charges	66,38,893	52,04,470
Repairs & Maintenance - Building	3,64,465	98,162
Office Maintenance	1,30,50,937	95,62,594
Insurance Charges	11,57,144	13,43,961
	4,98,60,360	4,00,11,024

(₹)

23 OTHER EXPENSES		Current Year	Previous Year
Travelling and Conveyance		1,54,88,457	1,38,60,320
Printing and Stationery		1,07,61,256	90,20,780
Postage, Telephone and Fax		1,85,33,809	2,03,43,599
Advertising & Business Promotion		1,71,50,789	2,03,56,458
Legal and Professional Charges		2,80,43,823	1,72,80,448
Repairs & Maintenance - Others		53,99,628	58,33,071
Staff Recruitment Expenses		23,04,818	31,26,497
Bad Debts written off		1,38,66,040	1,25,83,792
Expenses for Recovery		74,67,476	68,69,581
Directors' Fees		12,60,000	12,75,000
Auditors' Remuneration :			
Audit Fees	8,00,000		8,00,000
Tax Audit Fees	1,60,000		1,60,000
Other Certification Works	7,47,000		4,87,500
Reimbursement of Expenses	1,28,660		1,35,360
		18,35,660	15,82,860
Provision for Standard Assets / Contingencies	12,33,56,584		1,47,67,411
Less : Adjusted against General Reserve (Note 3.2)	11,53,81,193		0
		79,75,391	1,47,67,411
Miscellaneous Expenses		1,07,80,362	53,44,351
		14,08,67,509	13,22,44,168

(₹)

24 DEPRECIATION AND AMORTISATION EXPENSES		Current Year	Previous Year
Depreciation on Tangible Assets	(Note 10)	1,92,29,665	1,59,66,483
Amortisation on Intangible Assets	(Note 11)	44,34,067	23,53,973
		2,36,63,732	1,83,20,456

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, 2012	As At March 31, 2011
1) CRAR (%)	13.95	13.32
2) CRAR – Tier I Capital (%)	13.29	12.98
3) CRAR – Tier II Capital (%)	0.66	0.34

25.2 Exposure to Real Estate Sector :

Items	As At March 31, 2012	As At March 31, 2011
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)	Loans <= ₹ 15 lacs : ₹ 3305,48,78,560/- Loans > ₹ 15 lacs : ₹ 417,92,05,674/- Total ₹ 3723,40,84,234/-	Loans <= ₹15 lacs : ₹ 2605,86,44,443/- Loans > ₹ 15 lacs : ₹ 302,82,13,020/- Total ₹ 2908,68,57,463/-
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 :	₹ 354,02,17,409/-	₹ 268,15,92,661/-
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

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	-	-	151,68,49,447	171,65,05,447	554,53,70,894	1239,79,40,607	727,08,21,576	264,13,25,613	86,96,15,000	-	3195,84,28,584
Market Borrowings	9,99,39,386	8,14,84,247	5,22,01,150	15,22,41,637	82,47,30,846	398,35,92,285	69,76,41,659	47,97,42,651	-	-	637,15,73,861
Assets											
Advances	22,06,68,789	24,56,95,937	24,62,80,017	83,77,64,068	126,67,26,508	591,46,76,288	419,77,47,614	413,26,61,918	632,80,27,583	1738,40,52,921	4077,43,01,643
Investments	-	-	-	9,59,640	-	10,70,21,346	13,62,42,748	-	-	-	24,42,23,734

Maturity pattern of certain items of Assets and Liabilities As At March 31, 2011 :

(₹)

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	-	6,25,00,000	174,98,97,000	112,55,30,000	260,43,91,000	1075,17,45,031	638,53,10,000	119,51,77,000	14,34,000	-	2387,59,84,031
Market Borrowings	16,37,20,192	14,28,42,456	114,54,56,952	191,58,72,414	62,95,78,881	147,20,06,265	30,22,00,220	1,56,55,393	-	-	578,73,32,773
Assets											
Advances	29,01,65,545	16,26,57,883	20,31,17,866	48,49,82,740	85,02,93,868	434,18,13,229	316,91,71,914	334,00,44,560	507,74,62,061	1384,87,40,458	3176,84,50,124
Investments	-	4,80,83,870	-	15,71,33,940	1,70,76,750	3,30,04,216	25,16,377	8,87,93,972	-	-	34,66,09,125

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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 :

(₹)

Particulars	Current Year	Previous Year
Provident Fund	47,06,518	34,60,730
Superannuation Fund	42,88,016	33,43,600

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 ₹ 25,30,771/- (Previous Year ₹ 21,35,352/-) 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 ₹ 42,05,985/- (Previous Year ₹ 49,48,632/-) 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 :

(₹)

Particulars	Current Year	Previous Year
Change in the Benefit Obligations		
Liability at the beginning of the year	2,75,42,332	2,03,32,518
Current Service Cost	32,77,868	30,32,536
Interest Cost	22,28,175	16,44,901
Benefits Paid	(1,79,165)	(1,97,892)
Actuarial loss	49,42,317	27,30,269
Liability at the end of the year	3,78,11,527	2,75,42,332
Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	2,15,37,744	1,69,03,561
Expected Return on Plan Assets	19,38,397	17,29,859
Contributions	61,29,660	35,98,321
Benefits Paid	(1,79,165)	(1,97,892)
Actuarial gain/(loss) on Plan Assets	(2,23,010)	(4,96,105)
Fair Value on Plan Assets at the end of the year	2,92,03,626	2,15,37,744
Total Actuarial loss to be recognized	51,65,327	32,26,374

Actual Return on Plan Assets		
Expected Return on Plan Assets	19,38,397	17,29,859
Actuarial loss on Plan Assets	(2,23,010)	(4,96,105)
Actuarial Return on Plan Assets	17,15,387	12,33,754
Amount Recognized in the Balance Sheet		
Liability at the end of the year	3,78,11,527	2,75,42,332
Fair Value of Plan Assets at the end of the year	2,92,03,626	2,15,37,744
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	86,07,901	60,04,588
Expense Recognized in Statement of Profit and Loss		
Current Service Cost	32,77,868	30,32,536
Interest Cost	22,28,175	16,44,901
Expected Return on Plan Assets	(19,38,397)	(17,29,859)
Net Actuarial loss to be recognized	51,65,327	32,26,374
Expense recognized in Statement of Profit and Loss under "Employee Benefit Expenses"	87,32,973	61,73,952
Reconciliation of the Liability Recognized in the Balance Sheet		
Opening Net Liability	60,04,588	34,28,957
Expense Recognized	87,32,973	61,73,952
Contribution by the Company	(61,29,660)	(35,98,321)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	86,07,901	60,04,588

INVESTMENT PATTERN :

Particulars	% Invested Current Year	% Invested Previous Year
Central Government Securities	37.56	25.72
State Government Securities / Securities guaranteed by State / Central Government	20.71	14.79
Public Sector / Financial Institutional Bonds	40.40	58.66
Special Deposit Scheme	0.40	0.55
Others (including bank balances)	0.93	0.28
	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	31.3.2012	31.3.2011	31.3.2010	31.3.2009
Discount Rate (%)	8.75	8.09	8.14	7.60
Expected Return on Plan Assets (%)	8.60	9.00	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 :

Particulars	31.3.2012	31.3.2011	31.3.2010	31.3.2009
Present value of Defined Benefit Obligation	3,78,11,527	2,75,42,332	2,03,32,518	1,55,85,003
Fair Value of Plan Assets	2,92,03,626	2,15,37,744	1,69,03,561	96,85,494
Surplus/(Deficit) in the Plan	(86,07,901)	(60,04,588)	(34,28,957)	(58,99,509)
Experience adjustments on plan Liabilities (loss)/Gain	(69,18,874)	(1,26,165)	11,16,715	(10,02,975)
Experience adjustments on plan assets (loss)/Gain	(2,23,010)	-	-	-

27. The Company has disputed demands of ₹ 14,20,98,417/- (Previous Year ₹ 14,27,04,086/-) in respect of Income Tax and Interest Tax in the appellate proceedings. The Company expects to succeed in these proceedings and hence no additional provision is considered necessary.

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, 2012:

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)	Credila Financial Services Pvt. Ltd.	Fellow Subsidiary
(xvii)	HDFC Education and Development Services Private Limited	Fellow Subsidiary
(xviii)	HDFC Life Pension Fund Management Company Limited	Fellow Subsidiary
(xix)	Mr. Kamlesh Shah, Executive Director	Key Management Personnel
(xx)	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:

2011-12			(₹)
Particulars	Holding Company	Fellow Subsidiary Companies	Key Management Personnel
Dividend Paid	23,43,85,635	Nil	Nil
Remuneration	Nil	Nil	1,92,08,000
Insurance Premium Paid	Nil	4,52,230	Nil
Exercise of Stock Options	Nil	Nil	10,94,923
Repayment of Loan	Nil	Nil	3,26,671
Interest Income	Nil	Nil	2,649
Balance As At March 31, 2012			
Account Payable	Nil	Nil	Nil
Account Receivable	Nil	Nil	Nil

2010-11			(₹)
Particulars	Holding Company	Fellow Subsidiary Companies	Key Management Personnel
Commission Received	Nil	2,15,237	Nil
Dividend Paid	13,85,00,603	Nil	Nil
Remuneration	Nil	Nil	1,41,05,650
Insurance Premium Paid	Nil	4,52,230	Nil
Exercise of Stock Options	Nil	Nil	65,61,603
Repayment of Loan	Nil	Nil	1,34,043
Interest Income	Nil	Nil	16,821
Balance As At March 31, 2011			
Account Payable	Nil	Nil	Nil
Account Receivable	Nil	Nil	3,26,671

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

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

Particulars	2011-12	(₹) 2010-11
(i) Net profit attributable to Equity Share Holders	120,33,98,078	91,51,17,611
(ii) Weighted Average number of shares for computation of Basic Earnings Per Share	3,52,63,714	3,49,38,346
(iii) Nominal Value of Equity Share	10/-	10/-
(iv) EPS – Basic	34.126	26.192
(v) EPS – Diluted	34.012	26.129

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 2011-12 :

Particulars	No. of Shares	Days
(i) Equity Shares at the beginning of the year	3,51,57,633	51
(ii) Allotment of shares under ESOS 2007	1,45,005	315
(iii) Weighted Average number of shares for computation of Basic Earnings Per Share	3,52,63,714	

(b) For the year 2010-11 :

Particulars	No. of Shares	Days
(i) Equity Shares at the beginning of the year	3,47,25,150	29
(ii) Allotment of shares under ESOS 2007	4,32,483	336
(iii) Weighted Average number of shares for computation of Basic Earnings Per Share	3,49,38,346	

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	2011-12	2010-11
(i) Weighted Average number of shares for computation of Basic Earnings Per Share	3,52,63,714	3,49,38,346
(ii) Dilute effect of outstanding Stock Options	1,17,987	84,636
(iii) Weighted Average number of shares for computation of Diluted Earnings Per Share	3,53,81,701	3,50,22,982

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

Particulars	2011-12	2010-11
(i) Number of Non-resident Shareholder	1	1
(ii) Number of shares held	1,25,000	1,25,000
(iii) Year to which dividend relates	2010-11	2009-10
(iv) Amount remitted (₹)	13,75,000	8,12,500

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. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current Year's classification / disclosure.

34. 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 and accordingly previous year figures have been reclassified to this year's classification. 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, 2012 under pre-revised Schedule VI of the Companies Act.

BALANCE SHEET AS AT MARCH 31, 2012

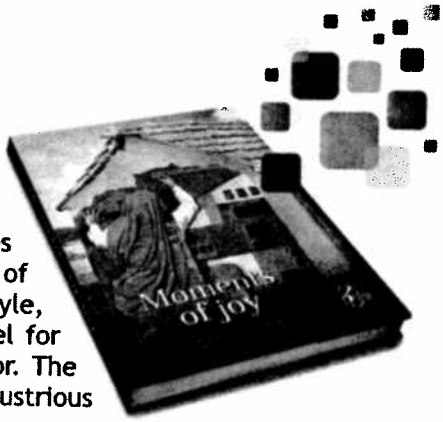
(₹)

		March 31, 2012	March 31, 2011
FUNDS EMPLOYED			
SHAREHOLDERS' FUNDS			
Share Capital	35,30,26,380		35,15,76,330
Reserves and Surplus	350,25,66,764		282,78,01,208
		385,55,93,144	317,93,77,538
LOAN FUNDS		3833,00,02,445	2966,33,16,804
		4218,55,95,589	3284,26,94,342
APPLICATION OF FUNDS			
LOANS		4077,43,01,643	3176,84,50,124
INVESTMENTS		24,42,23,734	34,66,09,125
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets, Loans and Advances	210,61,16,855		156,84,71,995
Less : Current Liabilities and Provisions	117,51,23,299		105,56,60,372
NET CURRENT ASSETS		93,09,93,556	51,28,11,623
FIXED ASSETS			
Gross Block	23,47,86,453		24,38,79,164
Less : Depreciation	11,82,34,299		12,17,67,110
Net Block		11,65,52,154	12,21,12,054
DEFERRED TAX ASSET		11,95,24,502	9,27,11,416
		4218,55,95,589	3284,26,94,342

Commemoration with a difference



Mr. Deepak Parekh, Group Chairman HDFC, launching the book in the HDFC Boardroom in Mumbai



It was one man's vision and today it has become a very successful and trial blazing initiative.

The book 'Moments of Joy' is elegantly designed in lavish colour and captures the saga of rural home ownership with 'live' testimonials from a cross-section of borrowers in the GRUH family. By using simple language and an informal style, the book dwells on the challenge of providing a strategic business model for mortgage housing finance to India's huge underserved and informal sector. The book demonstrates how GRUH put people before numbers and, like its illustrious parent HDFC, carried forward the mandate of opening up new market spaces.

The GRUH silver jubilee commemorative volume entitled 'Moments of Joy' is a timely inspiration to all players in this market. It adds to the fund of insights which HDFC and its subsidiary GRUH have garnered with regard to the challenges of rural housing and mortgage finance.



GRUH does it again

The ICAI Award for 'Excellence in Financial Reporting' for the year 2010-11 was presented to Mr. Sudhin Choksey, Managing Director GRUH and Mr. Jayesh Jain, CFO GRUH by Dr. M. Veerappa Moily, Hon. Union Minister of Corporate Affairs, Government of India

In 2008 we received the ICAI Award for our balance sheet presentation. Now, GRUH has done it again by winning the ICAI Award for Excellence in Financial Reporting for the year 2010-11. This is another achievement which reflects the culture of transparency and accountability in compliance and financial reporting.

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Glistening silver sheen

Directors, associates and leading lights from the business world get together at the luncheon hosted by Chairman Keki Mistry





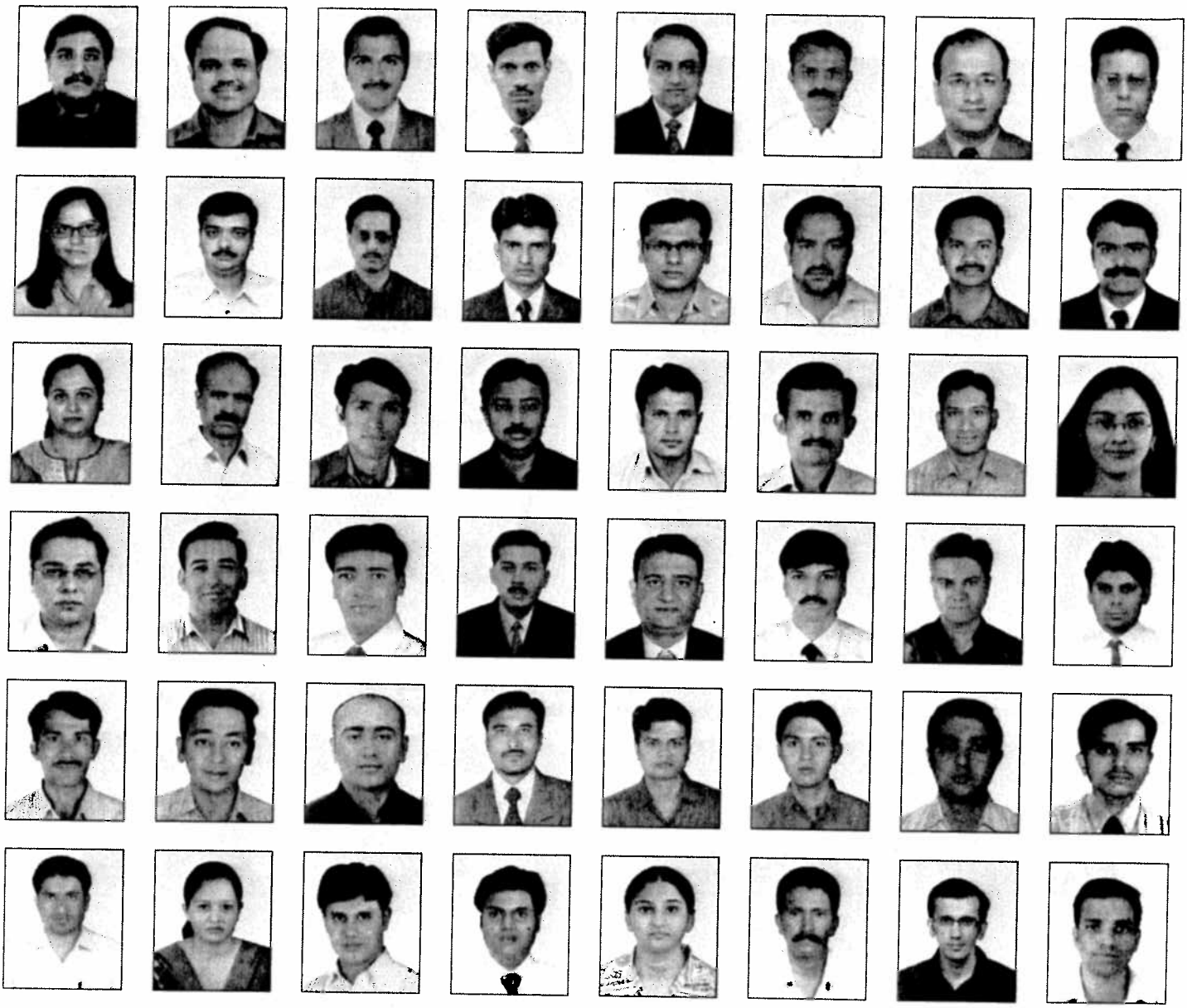

The GRUH family enjoys a 'silver' studded evening with excellence awards, fun and bonding for everyone.






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Awards marquee - Excellence Award Winners 2011-12



S. Narendra
Mit Mehta
Sandhya Chandwani
Manthan Gatha
Sanjay Shekatkar
Ulavappa Sheelavantar

Harshal Vaidya
Mehul Buch
Shailesh Kara
Jayesh Patel
Prasanna Ajansare
Rashmi Jain

Rahul Jakotiya
Vikas Navangul
Sanjeev Patel
Habib Khan
Nitin Pandya
Piyush Mehta

Jagdish Vartak
Dharmendra Sevak
Sanjay Sheth
Dharmesh Gandhi
Mukteshwar Swami
Manish Koli
Amarnath Gummed

Sadashiv Pimplaskar
Anish Shah
Sachin Bhosale
Tejas Khatri
Mohan Gorwala
Hiral Pant
Vijay Chobisa

Ravindra Golannavar
Vinod Singh
Rahul Taravdekar
Sujit Mitkari
Bhavesh Trivedi
Ganesh Khopadkar

Hitesh Agrawal
Amit Balragi
Pramod Chandsare
Amit Joshi
Vishal Buch
Devang Gandhi

Kamlesh Dave
Harshal Saraf
Nisha Mekaad
Vimal Pare
Amol Gatne
Ashish Chaulkar

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Team Awards 2011-12

A. Best Performing Branches

KHARGONE	LATUR	VAPI	KALOL	SILVASSA	BHUJ
Habib Khan	Pramod Alane	Viral Patel	Kanaiyalal Barot	Mitesh Shah	Kamlesh Sisodiya
Vimal Pare	Jayant Kulkarni	MayanK Trivedi	Sanjaykumar Patel	Chirag Patel	Mehul Gor
Manish Soni	Mukteshwar Swami	Sheetal Mehta	Pragnesh Nayak		Himanshu Gor
	Prafull Waghmare	Ankita Desai			
		Abhishek Roy			

B. Winner of the Achievers' Trophy - INDORE Area


Rakesh Hardiya


Nisha Mekaad


Habib Khan


Sunil Soni


Sanjeev Patel


Ashwin Nimgaonkar


Vikrant Kadam


Rajesh Dadhich


Anil Bilawaliya


Aniruddha Kirkire


Sanjay Shekatkar


Swapnil Shrivastava


Vimal Pare


Manish Soni


Mandar Kajwadkar


Vishal Bunkar


Abhijeet Pagare


Naveen Sharma


Paresh Sharma



Y is the classic symbol used by mathematicians to represent an unknown quantity in algebraic abstractions.
For us at GRUH, **Y** reminds us of the vast unexplored, unknown.
And every member of the GRUH team (including those featured on this page) are excited about the huge potential of the India that lies ahead of us.

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www.gruh.com

Gujarat: Adajan, Ahmedabad (Ellisbridge), Ahmedabad (Mithakhali), Amreli, Anand, Bavla, Bharuch, Bhavnagar, Bhuj, Bopal, Botad, Chandkheda, Gandhidham, Ghatlodiya, Godhra, Himatnagar, Jamnagar, Jetpur, Junagadh, Kalol, Mehsana, Modasa, Morbi, Nadiad, Naroda, Navsari, Palanpur, Patan, Porbandar, Rajkot, Silvassa, Surat (City Light), Surat (Main Ring Road), Surendranagar, Vadodara, Vapi, Veraval, Vyara **Maharashtra:** Ahmednagar, Amravati, Aurangabad, Baramati, Beed, Bhandara, Boisar, Borivali, Buldhana, Chakan, Chandrapur, Dhule, Hingoli, Jalgaon, Jalna, Kalyan, Karjat, Kolhapur, Latur, Mahad, Nagpur (Mankapur), Nagpur (Wardha Road), Nanded, Nandurbar, Nashik, Panvel, Parbhani, Pune (Bhandarkar Road), Pune (Swargate), Pune (Viman Nagar), Roha, Sangli, Satara, Solapur, Thane, Virar, Wardha, Yavatmal **Karnataka:** Bengaluru, Belgaum, Bidar, Bijapur, Chitradurga, Davangere, Dharwad, Gulbarga, Gadag, Hubli **Madhya Pradesh:** Barwani, Bhopal, Dewas, Dhar, Hoshangabad, Indore (Annapurna), Indore (Sapna Sangeeta Road), Indore (Vijaynagar), Jabalpur, Khargone, Mandsaur, Neemuch, Rajgarh, Ratlam, Sagar, Shajapur, Ujjain, Vidisha **Rajasthan:** Ajmer, Balotra, Bikaner, Jaipur, Jodhpur, Nagaur, Pali, Sirohi, Sri Ganganagar, **Chhattisgarh:** Bilaspur, Dhamtari, Durg, Raipur **Tamilnadu:** Chennai, Coimbatore, Tirupur