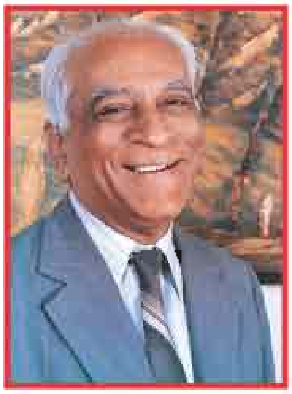
GRUH
FINANCE
LIMITED

We help you build homes

(A subsidiary of HDFC Ltd)

All Systems Go
An EXceptional past
EXpectations unlimited for the future

33rd ANNUAL REPORT
2018 - 2019



GRUH tribute to a visionary and our Founder

More than three decades to the day, Shri H T Parekh was cautiously steering the course of his favorite brain child. He was giving HDFC pioneer status in an industry that was still nascent and full of naysayers. But the vision of this pioneer was so commendable that even as the future of mortgage finance for retail housing in urban areas was still not fully understood, Shri H T Parekh took an even bolder step. He established a separate company to provide housing loans in geographies where no formal lending institution had dared to venture. This was 33 years ago.

Today GRUH has traveled the entire challenging distance. Product design, Product customization, spear tipped market segmentation and evolving Target Audience definition. These have made GRUH a pioneer on its own turf. GRUH has covered the heterogenous and widely dissimilar rural populace: from farmers to self-employed, from daily wage earners to housewives; women entrepreneurs in the informal sector and communities in predominantly lower income groups.

GRUH was the first to tweak the prevailing concept of EMI by building negative amortization into the repayment schedule. This meant going against the general practice of positive amortization. GRUH had to innovate continuously in order to meet the needs of prospects who could not measure up to the requirements of banks because of low earnings and irregular cash flow. Given the compulsions and exacting scenarios, GRUH still took the bold step of stretching out its wings, at the same time exercising utmost vigilance to keep administrative and marketing costs under very strict control. This has been the secret of GRUH's ability to drive down cost to income ratios.

Similarly, robust monitoring of operating parameters on a daily basis through the extensive IT platform enabled GRUH to deliver consistent performance despite tough and variable business and economic cycles. To quote Shri Deepak Parekh, housing finance was once regarded as a "non-productive sector". But today this sector has generated its own demand from a young population waiting to buy a house. Agriculture and farm related incomes, small town jobs and growing aspirations have created an entire industry valued at thousands of crores at last count. Significant to note is that the average age of customers has come down from 41 in the '70s to 36 today. Average loan size is just Rs.9.59 lacs for incremental loans and NPAs are 0.66% as at March 2019.

Mr. H T Parekh had said: 'You can trust a middle class person to pay back the loan'. And today he stands vindicated. GRUH looks back with a sense of fulfillment over all these challenging 33 years. Numerologists say that 33 is a 'Master Number'. It has power to influence people and events. They say that this number is a sign that major creative breakthroughs are on the way. We at GRUH salute our founder and will go forward with his guidance and inspiration.

GRUH FINANCE LIMITED
We help you build homes

HIGHLIGHTS

(₹ in crore)

Financial Highlights	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Loan Disbursements	4,936	5,259	4,125	3,857	3,121	2,577	2,174	1,487	1,211	780
Net Interest Margin	671	658	526	421	344	271	218	179	143	115
Fees Income	54	51	41	47	39	31	26	19	15	13
Operating Cost	114	100	90	82	64	56	46	39	31	25
Operating Profit	611	608	477	386	318	246	197	159	127	103
Provisions & Write Offs (Net)	(16)	33	32	22	17	2	1	(4)	1	8
Profit Before Tax	615	567	442	362	301	244	197	163	126	94
Profit After Tax	447	403	297*	244*	204*	177	146	120	92	69
Stockholders' Equity	1,891	1,555	1,113	835	711	607	491	386	318	265
Borrowed Funds	16,584	14,046	12,018	10,244	8,216	6,447	4,915	3,833	2,966	2,323
Loan Assets	17,408	15,588	13,244	11,115	8,926	7,020	5,447	4,077	3,176	2,453

Key Financial Ratios

Capital Adequacy Ratio (%)	20.30	18.90	18.32	17.82	15.36	16.36	14.56	13.95	13.32	16.55
Debt Equity Ratio (times)	8	9	11	12	12	11	10	10	9	9
Loans to Total Assets (%)	93	99	97	97	97	97	97	94	94	92
Gross NPAs to Loan Assets (%)	0.66	0.45	0.31	0.32	0.28	0.27	0.32	0.52	0.82	1.11
Net NPAs to Loan Assets (%)	0.35	0	0	0.09	0	0	0.05	0	0	0
Net Interest Margin to Average Assets (%)	4.00	4.50	4.20	4.08	4.18	4.21	4.38	4.64	4.73	4.42
Non-Interest Expenses to Average Assets (%)	0.68	0.69	0.72	0.79	0.78	0.87	0.93	1.00	1.02	0.97
Cost to Income Ratio (%)	16	14	16	17	17	18	19	20	20	20
PAT to Average Assets (%)	2.66	2.75	2.37	2.36	2.48	2.76	2.94	3.12	3.02	2.65
Return on Average Networth (%)	26	29	30	31	31	32	33	34	31	28

Measuring Shareholders' Wealth

Earnings Per Share (₹) ^	6.10	5.51	4.08	3.35	2.79	2.47	2.05	1.71	1.31	0.99
Dividend Rate (%)	100^	165^	140^	115^	100^	150	125	115	110**	65
Dividend Payout Ratio (%)	40	40	41	41	43	36	36	39	49	38
Book Value Per Share as at March 31 (₹) ^	25.83	21.29	15.30	11.49	9.82	8.46	6.91	5.47	4.55	3.81
Market Price Per Share as at March 31 (₹) ^	275.80	287.63	197.95	119.63	122.00	73.83	52.58	31.85	18.01	10.89
Price to Value Ratio (times)	11	14	13	10	12	9	8	6	4	3
Price to Earnings Ratio (times)	45	52	49	36	44	30	26	19	14	11
Market Capitalisation (in crore)	20,235	21,038	14,433	8,701	8,867	5,319	3,753	2,249	1,266	756

* PAT is after providing Deferred Tax of ₹ 29 crore for FY 16-17, ₹ 24 crore for FY 15-16 and ₹ 19 crore for FY 14-15 on Sepcial Reserve which was required to be created from FY 14-15.

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

^ GRUH allotted Bonus shares in ratio of 1:1 during June'2018 and June'2014. During FY 12-13, w.e.f. July 26, 2012, face value of equity share of GRUH was sub-divided to ₹ 2 per equity share from ₹ 10 per equity share. Dividend is for full year on the enhanced capital post sub-division and issue of bonus shares.

During FY 18-19, GRUH adopted Ind AS where figures for FY 17-18 are restated under Ind AS. Figures up to FY 16-17 are as reported under Indian GAAP.

BOARD OF DIRECTORS AND THEIR BRIEF PROFILE

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

Mr. Keki M. Mistry, the non-executive Chairman of the Company is the Vice Chairman & Chief Executive Officer of Housing Development Finance Corporation Limited (HDFC). He is a Fellow of the Institute of Chartered Accountants of India. He was also member of the Committee of Corporate Governance set up by the Securities and Exchange Board of India (SEBI). He is currently the Chairman of CII National Council on Corporate Governance and a member of Primary Markets Advisory Committee set up by the SEBI. Mr. Mistry serves as a director on the board of several companies including HDFC Bank Ltd., HDFC Life Insurance Company Ltd., HDFC ERGO General Insurance Company Ltd., HDFC Asset Management Company Ltd., Tata Consultancy Services Ltd., Greatship (India) Ltd., Torrent Power Ltd., Griha Pte Ltd., Singapore, CDC Group, London, Griha Investments, Mauritius, 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, the Risk Management Committee (RMC), the Nomination and Remuneration Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.

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

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

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

Mr. Kamlesh Shah, the Executive Director of GRUH, is a Fellow member of 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. He is a member of the Stakeholders Relationship Committee of GRUH.

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

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 has advised International and domestic real estate funds having an aggregate corpus of INR 71 billion. He has vast experience of over three 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 USAID 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, HDC Sales Pvt. Ltd., HDFC Investments Ltd., Vascon Engineers Limited and New Consolidated Construction Co. Ltd. He has been appointed on the board of GRUH since 2004. He is a member of Stakeholders Relationship Committee of GRUH. Mr. Krishnamurthy is a graduate from IIT Kharagpur with a Management Degree from Jamnalal Bajaj Institute of Management, Mumbai.

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

Mr. S.G. Mankad, IAS (retd), holds Masters in History from University of Delhi. He has served in various capacities both in Government of India and the State of Gujarat. His last assignment was as Chief Secretary, Govt. of Gujarat. He 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 Gujarat International Finance Tec- City Co. Ltd. and Swaraj Engines Limited., and Director in Gift SEZ Co. Ltd., Deepak Nitrite Ltd., Navin Fluorine International Ltd. and Mahindra Intertrade Ltd. He is on the Board of GRUH since 2010. He is Chairman of the Nomination and Remuneration Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.

GRUH FINANCE LIMITED
We help you build homes

BOARD OF DIRECTORS AND THEIR BRIEF PROFILE

Mr. Biswamohan Mahapatra
(DIN : 06990345)

Mr. Biswamohan Mahapatra, a Central Banker with career spanning over 33 years in Reserve Bank of India (RBI), mostly in the areas of banking regulation, policy and supervision, retired as its Executive Director in 2014. Post his retirement, he was on full time contract basis for six months as an Advisor to RBI on new bank licensing. He was also associated with various working groups and committees of RBI. He holds a Master of Science in Management (MSM) from Arthur D. Little Management Education Institute, Cambridge, USA; Master of Business Administration (MBA);, Master of Arts (MA) and Certified Associate of Indian Institute of Banking (CAIIB). Post-retirement from RBI, he was an External Advisor to Ernst & Young LLP. Presently, he is the non-executive Chairman of National Payments Corporation of India. He is also a director on the board of Edelweiss Financial Services Ltd., Edelweiss General Insurance Co. Ltd., ECL Finance Ltd., HDFC Credila Financial Services Pvt. Ltd., Ujjivan Small Finance Bank and Indian Institute of Insolvency Professionals of ICAI (IIIPI) etc. He is on the Board of GRUH since March 2015. He is Chairman of the Audit Committee and the Risk Management Committee (RMC) and a member of the Nomination and Remuneration Committee of GRUH.

Mr. Pankaj Patel
(DIN : 00131852)

Mr. Pankaj Patel, The Chairman of Cadila Healthcare Ltd., is an M. Pharm in Pharmaceutical Technology and spearheads Zydus Group of Companies; an innovation-driven, global healthcare provider headquartered in India and having operations in more than 50 countries worldwide. Mr. Patel has been nominated as a Member of the Mission Steering Group (MSG), the highest policy making and steering body constituted under National Health Mission (NHM) and of the Drug Technical Advisory Board by Ministry of Health & Family Welfare, Govt. of India, New Delhi. He has also been nominated on the reconstituted Court of the Indian Institute of Science for the period 2018-2021. Mr. Patel is also on the Board of Invest India. Mr. Patel is a Past President of the Federation of Indian Chamber of Commerce & Industry (FICCI) for 2017. He is associated with various educational institutions and is on the advisory committees and academic councils of several educational institutions. He is a Member of the Board of Governors of the Indian Institute of Management (IIM), Ahmedabad. He is also the Chairman of the Board of Governors and Society, IIM, Udaipur. Mr. Patel is currently on the Governing Board of The Ahmedabad University and the Chairman of School of Life Sciences, Ahmedabad University. He is also a Member of the Board of Management of the NMIMS, Member of the Governing Board of Anant National University and a Member on the Governing Board of the Gujarat Law Society and Nirma University. Mr. Pankaj Patel is the Executive Chairman, Vice President and Trustee of the Gujarat Cancer Society and Chairman of the Gujarat Cancer and Research Institute, a Regional Cancer Centre and one of the largest cancer centres of India, reaching out to the needy and underprivileged cancer patients. He also officiates as the Chairman of the Deaf and Mute School, Ahmedabad. Mr. Pankaj Patel also serves as a Director on the Board of companies like Nirma Ltd., Torrent Power Ltd., Bayer Cropscience Ltd., etc. He is on the Board of GRUH since March 2017 and is a member of the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee (CSR) of GRUH.

Mr. Rajesh Gupta
(DIN : 00229040)

Mr. Rajesh Narain Gupta, is the Managing Partner at SNG & Partners, Advocates & Solicitors, a full service law firm with its presence in Singapore along with multiple offices strategically located in Mumbai and Delhi. He holds Bachelor of Laws degree from M.D. University. He has vast experience in corporate and transactional matters including Litigation and his area of specialization includes Banking Laws and Practices, Commercial Laws, Real Estate and Private Client practice. He has been a pioneer in India in Succession & Estate Planning. He is an advisor to a number of foreign and Indian Banks, Financial Institutions, Corporate and Industrial Houses, Real Estate players. He was a special invitee by the Indian Bankers Association and the Reserve Bank of India in connection with the amendment of Banking Regulation Act 1949. He was recently invited by CBI to deliver a knowledge session on e-documentation and Banking frauds. He has been ranked in the India Business Law Journal's top 100 lawyers in India 'A List' & recognized as an "Outstanding Contributor to the Legal Profession" by Legal League Consulting for 2018. He has authored several articles and edited books on Banking Laws, which have been published by well-known journals and publication houses. He is on the Board of GRUH since April 2017. He is Chairman of the Stakeholders Relationship Committee and member of the Audit Committee and the Risk Management Committee (RMC) of GRUH.

Ms. Bhavna Doshi
(DIN : 00400508)

Ms. Bhavna Doshi, is a fellow member of the Institute of Chartered Accountants of India and holds Masters Degree in Commerce from Mumbai University. She has rich experience of over three decades advisory services in the fields of taxation, accounting, corporate and regulatory matters. She is an independent advisor and Sr. Advisor to KPMG in India. She is former partner of Bharat S Raut & Co (full member firm of KPMG in India). She led several research publication projects and contributed in areas of taxation and Vision Exercise for ICAI. She is a director in companies like Torrent Power Ltd., Everest Industries Ltd., Sun Pharma Advanced Research Company Ltd., Walchandnagar Industries Ltd., etc. She is on the Board of GRUH since January 2018. She is a member of Audit Committee, the Risk Management Committee (RMC) and the Stakeholders Relationship Committee of GRUH.

SENIOR MANAGEMENT TEAM

Suresh Iyer
Manish Gandhi
Avinash Srivastava
Dharmesh Bhavsar
Nilesh Mehta
Umesh Agrawal
Rakesh Hardiya
Rakesh Choudhary
Amit Chokshi
Harish Sharma
Jayesh Gangwani
Ajay Kumar
Venu Menon
Rupali Shelar
Subramanian K

Company Secretary Marcus Lobo

Chief Financial Officer Hitesh Agrawal

REGISTERED OFFICE

"GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380 006. Gujarat, INDIA.
Phone : 91-79-2642 1671 to 75

CIN : L65923GJ1986PLC008809

NHB Registration No. : 01.0015.01 dated July 31, 2001

LEI Number : 335800EIUY334N91OA87

Email : investorcare@gruh.com

Website : www.gruh.com

Toll Free :
Loans : 1800 233 5300

Deposits : 1800 233 7923

AUDITORS

M/s DELOITTE HASKINS & SELLS LLP
Chartered Accountants

ADVOCATES & NOTARY

M/s SINGHI & Co.,
Advocates & Notary

DEBENTURE TRUSTEES

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

BANKERS

Allahabad Bank * Axis Bank Ltd. * Bank of Baroda * Bank of India * Bank of Maharashtra * Bank of Nova Scotia * Central Bank of India Canara Bank * Corporation Bank * Development Credit Bank Ltd. * Deutsche Bank A.G. * Federal Bank Ltd. * HDFC Bank Ltd. ICICI Bank Ltd. * IDBI Bank Ltd. * IDFC First Bank Ltd. * Indian Overseas Bank * IndusInd Bank Ltd. * Kotak Mahindra Bank Ltd. Oriental Bank of Commerce * Punjab & Sind Bank * Ratnakar Bank Ltd. * The Hongkong and Shanghai Banking Corporation Ltd. The Jammu and Kashmir Bank Ltd. * State Bank of India * Syndicate Bank * UCO Bank * Union Bank of India

Index

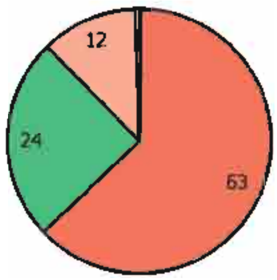
Board of Directors and their brief profile	2
Directors' Report	19
Management Discussion and Analysis Report	49
Report of the Directors on Corporate Governance	55
Information for Shareholders	68
Accounts & Auditor's Report	74

Profile of GRUH's Customers

CUMULATIVE AS ON MARCH 31, 2019

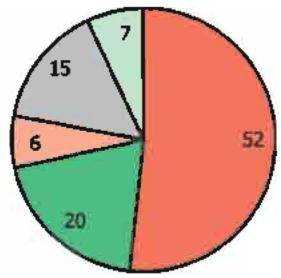
Properties Financed - Loan to Value Ratio (LTV) wise Distribution

LTV in %	No.	%	
Up to 75	2,92,202	63	
76 to 80	1,11,089	24	
81 to 85	55,278	12	
> 85	7,356	1	
	4,65,925	**100**	



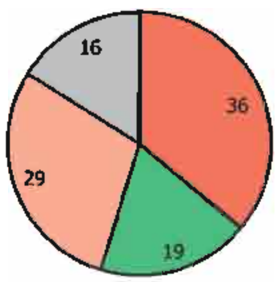
Properties Financed - Location wise Distribution

Population at Location	No.	%	
Up to 50,000	2,39,914	52	
> 50,000 to 2,00,000	93,332	20	
> 2,00,000 to 5,00,000	29,784	6	
> 5,00,000 to 25,00,000	70,240	15	
> 25,00,000	32,655	7	
	4,65,925	**100**	



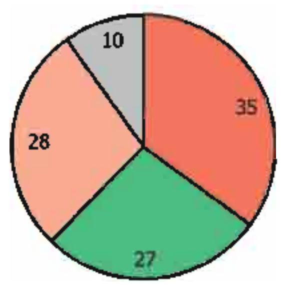
Properties Financed - Loan Amount Wise Distribution

Loan Amount (₹)	No.	%	
Up to 3,00,000	1,67,764	36	
> 3,00,000 to 5,00,000	86,380	19	
> 5,00,000 to 10,00,000	1,36,973	29	
> 10,00,000	74,808	16	
	4,65,925	**100**	



Property Financed - Family Income Wise Distribution

Family Income (₹)	No.	%	
Up to 15,000	1,64,230	35	
> 15,000 to 25,000	1,27,375	27	
> 25,000 to 50,000	1,28,411	28	
> 50,000	45,909	10	
	4,65,925	**100**	



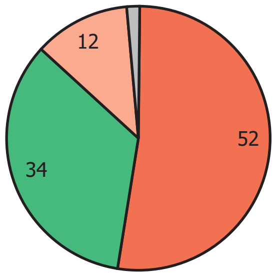
Profile of GRUH's Customers

GRUH FINANCE LIMITED
We help you build homes

FOR THE YEAR 2018-19

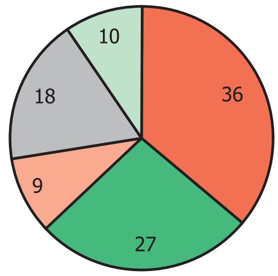
Properties Financed - Loan to Value Ratio (LTV) wise Distribution

LTV in %	No.	%
Up to 75	22,499	52
76 to 80	14,915	34
81 to 85	4,934	12
> 85	646	2
	42,994	**100**



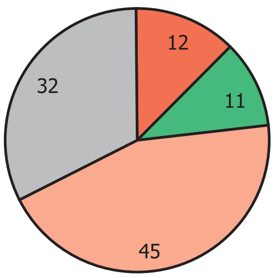
Properties Financed - Location wise Distribution

Population at Location	No.	%
Up to 50,000	15,534	36
> 50,000 to 2,00,000	11,739	27
> 2,00,000 to 5,00,000	3,946	9
> 5,00,000 to 25,00,000	7,651	18
> 25,00,000	4,124	10
	42,994	**100**



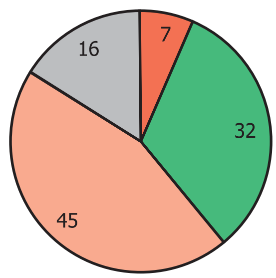
Properties Financed - Loan Amount Wise Distribution

Loan Amount (₹)	No.	%
Up to 3,00,000	5,276	12
> 3,00,000 to 5,00,000	4,550	11
> 5,00,000 to 10,00,000	19,326	45
> 10,00,000	13,842	32
	42,994	**100**



Property Financed - Family Income Wise Distribution

Family Income (₹)	No.	%
Up to 15,000	2,903	7
> 15,000 to 25,000	13,734	32
> 25,000 to 50,000	19,233	45
> 50,000	7,124	16
	42,994	**100**



Properties Financed by GRUH under Pradhan Mantri Awas Yojana (PMAY) having women ownership

GRUH FINANCE LIMITED
We help you build homes

Customers eligible for CLSS subsidy since inception of scheme in June 2015	53,400
Cumulative sanctions where customers are eligible for CLSS subsidy	₹ 5,140 crore
Total customers who have received CLSS Subsidy through GRUH till date	31.245
Cumulative subsidy received by GRUH under CLSS since inception	₹ 725 crore

Town : Kalamnuri
District : Hingoli, Maharashtra
Property Cost : ₹13,12,962/-
Loan Amount : ₹11,00,000/-

Town : Khargone
District : Khargone, Madhyapradesh
Property Cost : ₹16,51,000/-
Loan Amount : ₹13,50,000/-

Town : Madhapar
District : Kachchh, Gujarat
Property Cost : ₹17,00,000/-
Loan Amount : ₹13,00,000/-

Properties Financed by GRUH under Pradhan Mantri Awas Yojana(PMAY) having women ownership

Town : Ujjain
District : Ujjain, Madhyapradesh
Owner : Mrs. Pinkee Manoj Soni
Property Cost. : ₹9,40,028/-
Loan Amount : ₹7,50,000/-

Town : Karaikkudi
District : Sivaganga, Tamilnadu
Owner : Mrs. Kartheeswari
Property Cost. : ₹16,84,195/-
Loan Amount : ₹13,00,000/-

Town : Rajkot
District : Rajkot, Gujarat
Owner : Mrs. Shobhanaben Mer
Property Cost. : ₹11,59,000/-
Loan Amount : ₹7,00,000/-

Town : Mandya
District : Mandya, Karnataka
Owner : Mrs. Sakamma B
Property Cost. : ₹18,50,000/-
Loan Amount : ₹10,00,000/-

GRUH's 33 year journey marked by Extra-ordinary moments of challenge and determination

GRUH's first IPO in 1992 is a moment for re-dedication

Inauguration of the new GRUH Corporate Office in 1998 has Mr. Nasser Munjee, Mr. Rohit Mehta and Mr. Prafull Anubhai blessing the new office with their presence.

Mr. Deepak Parekh, Chairman HDFC Ltd. addresses GRUHites after GRUH becomes a subsidiary of HDFC in 2000.

Ahmedabad Office at Vastrapur in the fourth quarter of 2001-2002 inaugurated by Mr. S M Palia, Director GRUH

GRUH provides renewed hope from makeshift tents after the earthquake devastated homes and dreams in the 2001 disaster in Gujarat.

A major social commitment: the innovative GRUH Suvidha scheme is launched in May 2002.

Mr. Azim Premji, Chairman Wipro Ltd. is an honored visitor to GRUH in 2003.

GRUH Gardens --a project born out of courage and determination 2003.

Mr. Keki Mistry, Chairman GRUH at the Excellence Awards, September 2006.

Mr. S Sridhar – CMD, NHB on a visit to GRUH in 2007.

Red letter days: Mr. Hasmukh Adhia Nominee of the Govt of Gujarat and Mr. Bakul Dholakia Chairman IIM Ahmedabad have been some of our honored guests lauding distinguished GRUHites at the Excellence awards.

GRUH presents EXTEMPORE

On the eve of the proposed merger, as GRUHites stand together to take a bow for the proverbial curtain call, here is an exclusive collection of spontaneous reactions from GRUH's thought leaders, customers, employees, business partners, associates and valued stake holders. This keepsake flash back has been specially put together for the milestone 33rd Annual Report.

The common thread of X words in this talk-to-tape feature is symbolic of many things. X is the best example of a cross road where two lines intersect to form a permanent bond. X is also used to describe the X-factor. The term X factor stands for a noteworthy special talent, feature or quality which cannot be easily described. A quality which makes someone or something very special and exceptional. Here is an assortment of views and voices which explain what has made GRUH the proverbial X-factor in the housing finance industry.

Mr. Prafull Anubhai, longest serving Director on GRUH's Board.

"Extra-ordinary as this may seem, I have witnessed the birth of GRUH and now its "विदा".
It has been a momentous journey sprinkled with a fair amount of trials and tribulations. I have witnessed reshuffle of the promoter groups 3 times. However, the professional team has more or less remained intact all throughout. This is very unique for any public limited company of this size.Throughout, it has put up stellar performances in terms of growth, operational efficiency, profitabilityand returns to the shareholders. There is hardly any other company which can match this performanceover nearly 30 years.

GRUH started by focusing on a special segment of the housing sector, viz. rural housing. Over the years it consolidated its position in this segment and extended its hold by addressing the housing needs in smaller towns. In the process it specialized in handling small ticket proposals at very low cost. This has emerged as the competitive strength of GRUH which other companies find very difficult to emulate. Its senior and top-level professional team remained very stable with little attrition. Though never perceived as a star-studded team its performance has been outstanding year after year. The team has demonstrated a deep understanding of the small ticket housing market, developed robust processes, incorporated technology and other learnings as the company evolved. GRUH came up with innovative products like Suvidha and delivered them with the utmost simplicity and frugality. People often talk about crorepatis created by Infosys. The record of Gruh in this regard is no less spectacular.

Many employees have emerged lakhpatis and crorepatis through its ESOP scheme. For this to happen in a nondescript industry is rare.

GRUH is founded on important values like empathy, transparency and professionalism. It operates in a lowkey mode and its culture of simplicity and frugality is deeply embedded. This was recognized by all including the Government of Gujarat (GoG) when GRUH did wonderful rehabilitation work in the wake of the 2001 earthquake in Kutchh. GoG appointed GRUH as the nodal agency for this work. More importantly it won the hearts of the affected people.
GRUH has demonstrated its fairness in dealing with all stakeholders. Despite its great success GRUH has kept away from straying into other areas of the finance sector and has kept singular focus on housing finance. When the affordable housing scheme was introduced it was the first one to get its act together quickly and achieve premier status in this area. From year to year it posted such consistent numbers for growth and profitability that some found it incredible while others were 'bored' by its predictable consistency. In fact, what I heard from other financial executives was that they would love to invest in GRUH but it was very expensive. The strange thing is that what they thought to be expensive proved to be a gold mine a few years later as the GRUH stock price marched on.

Make haste slowly is an apt description of the journey. GRUH started as a regional pony which developed a decent trot and is now ready for the gallop!

GRUH presents EXTEMPORE

Mr. Sudhin Choksey

FROM THE DESK OF THE MANAGING DIRECTOR

"Exclusively set up to foster home ownership in semi-urban and rural areas of the country." This was the vision and mandate given by our founder, late Shri H.T. Parekh while incorporating 'Gujarat Rural Housing Finance Corporation' in July 1986. We commenced operations in January 1988 and since then have single mindedly pursued our mission of helping families own a home of their own. It has been a wonderful journey of learnings and challenges; of finding a different path to deliver credit for housing in rural areas and going where no other housing finance companies had ventured. Starting at mile zero meant understanding what a house means to families in rural areas and finding ways to assess incomes of families in the informal sector. The learnings led us to the development of a unique Risk Based Pricing methodology which proved to be the first amongst housing finance companies and is believed to be the only one of its kind even today. It is worth noting that the concept of risk based pricing was introduced when credit bureaus did not exist in the country. The model has proved to be a very useful tool in measuring credit risk uniformly across all our offices.

We had a trying time over a period of 5 years, effecting recoveries of loans to developers following the real estate crash in the mid-nineties. Besides generally accepted practices in effecting recoveries, we ventured into unusual methods; one of these was developing a plotted scheme ourselves under the banner of GRUH GARDENS. This helped recover full dues and remains to this day a testimony to innovation born out of extreme exigency.

While we were coping with these challenges, the earthquake of 2001 delivered a devastating blow to our customers in the state of Gujarat. GRUH took an active lead in offering a moratorium to its existing customers and also went on to take the risk of extending fresh credit not only to GRUH's existing customers whose properties were affected but also to other families who wanted to rebuild their lives.

The experience of working amidst devastated hopes of these families – with whole hearted support of National Housing Bank – NHB and the Government of Gujarat –was most satisfying. Contrary to the general belief that credits extended post natural disaster go bad, we have had an excellent experience of not a single bad loan!

In 2008 came the Lehman crisis. Its impact on liquidity in the financial system was the first of its kind that the GRUH team experienced. While bankers turned risk averse in continuing with existing lines of credit, mutual funds who had invested in the commercial paper of GRUH wanted premature buy backs at significant discounts. During this crisis, retail depositors reiterated their unshakeable faith in GRUH by pumping in the highest ever inflow of deposits. Except for a slow-down in demand for housing, GRUH sailed through the storm without a scratch.

Challenges became a part of our life and GRUH continued steadily with its mission of assisting home ownership from one state to eleven states with a determination to carve its own niche as a shining star of the industry. The consistent growth in profitability while sustaining the pristine quality of its loan assets over the past 10 years has truly earned GRUH a place at the top of India's corporate echelons.

Looking back, I feel that a strong will and a desire to excel – while not getting distracted with competitive players chasing growth for the sake of growth and instead imbibing the learnings from each of the challenges and maintaining patience to achieve excellence– has proven to be very rewarding for all the stakeholders of GRUH.

I am confident GRUHites will continue their mission with the same zeal and commitment to foster home ownership on a much larger canvas under the banner of The Bandhan Bank. I see the merger of GRUH being similar to the confluence of the Bhagirathi river into the Alaknanda river at Devprayag to form a huge Ganga thereafter!

At this moment, I wish to express my gratitude to all the stakeholders of GRUH for their whole hearted support and cooperation. I also wish to convey my gratitude to Mr. Deepak Parekh and Mr. Narottam Sakhseria who reposed confidence in me by asking me to take on the mantle of leadership at the most critical juncture for GRUH in November 1998. I will also remain grateful to Mr. Keki Mistry the Chairman of GRUH who gave complete autonomy in carrying on the mission of GRUH and I will cherish forever the professional working relationship which we evolved with trust and confidence. I would credit most of my personal success to this 'partnership' !

While I remain thankful to the Board of Directors of GRUH, I would want especially to remember the guidance and support extended by Mr. S. M. Palia and Mr. Prafull Anubhai at the board level.

Lastly, I will always cherish all my colleagues at GRUH for their unstinted support, commitment and dedication without which GRUH could not have become a shining star of the industry.

'Expansion into grass root rural areas helped bring out long neglected social capital and economic contributions. Obviously it necessitated in depth interactions and understanding of livelihoods: of farm workers, agri -input suppliers, pastoral people, peasants and rural entrepreneurs. GRUH has helped to progressively integrate them into the mainstream of the country's economic and social development.'

Mr. Rohit Mehta, GRUH's first Chairman getting first hand insights at a small village meeting.

'Extreme devastation and huge humanitarian response! I was Chairman National Housing Bank, the Regulator for the Housing Finance industry, when the devastating earthquake destroyed homes, businesses and livelihoods at Bhuj. I remember arranging for a meeting with the Union Finance Minister along with Sudhinbhai and after that with the Chief Minister of Gujarat. They promised all support for the quake hit people. But it is a measure of Mr Sudhin Choksey's amazing humanitarian qualities that he readily took up the gauntlet and worked tirelessly. He personally spearheaded the effort to sanction loans from makeshift offices. GRUH was probably the front runner in mitigating the huge distress and this is something no one can ever forget.'

Mr. P P Vora, ex CMD NHB.

'Expectedly, shareholder returns have been accorded high priority. But when I first met the GRUH team I found they understood that finance is not about making money but managing risk.

The GRUH DNA is focused on reducing the risk. Combined with this risk reduction mind set is the philosophy of doing good; of serving a noble purpose and in the process always being ethical and conservative. I have seen them truly solving problems at the smallest village nucleus and helping people find solutions to their problems. That is a very rare quality.

It is absolutely the stuff that pioneers are made of. You can see that the top 20 or 30 people in the Company have all been driven by this philosophy and that is why very few people leave GRUH. A well- known finance guru has said that a finance company must create a 'Circle of trust'. The GRUH eco system is a Circle of Trust and every single partner has benefitted from that Circle of Trust.
GRUH has provided a blueprint of how a financial services company should be run. It is the gold standard for every housing finance company.'

Mr. Hemant Amin, Founder & CEO ASIAMIN Family Office, Singapore – one of the top 10 shareholders of GRUH since 2005.

'Exceptional among Indian companies I think is GRUH. As a Social Entrepreneur with a global wing span, I have found that GRUH has made 'doing good' its primary corporate mission. Providing low ticket loans to first time home aspirants is a very big challenge and GRUH has not compromised on their basic philosophy. They have not succumbed to the temptation to show numbers; they have taken write offs; they have kept NPAs down. All team members are energized about the idea of helping people not just giving loans. The wealth generated has been shared with all stakeholders and employees. It was not frittered away in self-upkeep. Despite all their achievements they have demonstrated true humility'

Dr. Sanjeev Arora, Global Social Entrepreneur.

'Extra-ordinary management caliber is what my father always looked for. He was a senior bureaucrat in Delhi who figured that the financial industry was one of the biggest drivers of economic growth. He had great respect for HDFC Bank and knew people like Deepak Parekh. When I arrived in India "with my American hat" I was scouting for good companies. Keki mentioned that I should take a look at GRUH. Meeting Sudhin Choksey was the real epiphany moment. You could intuitively sense that here was a man who had a deep understanding of his business but was not cast in the typical capitalist mold.

He was genuinely committed to helping people and making a difference to humanity. His motto was to 'grow within your means'. He had instilled in his team a sense of loyalty and execution. I have seen the GRUH share go up, down and up again. At the end of it all, for every share we bought, we ended up with 52 shares after bonus, rights etc. Share price also increased 10 times, so you can figure why stakeholders have been laughing all the way to the bank. I must say that Sudhin and his team never took their eyes off the ball. They kept this business aligned not just to commercial outcomes but also to serving the greater good. The Captain of the ship once told me that he would always set up a new branch within 25 miles from a current branch. So managers could share, counsel and trouble shoot. In this way they built each branch not as a cookie cutter replica but brick by custom built brick. Sudhin never forgot that his assets leave in the elevator every evening. So he nurtured and cared for his employees. Not many CEOs think like this. I rate him as one of the best CEOs with a conscience that stands committed to a community of interests.'

Mr. Bharat (Barry) Sahgal, Managing Director, Zaara Management LLC.

'Experiencing GRUH in the very first interaction (back in 2002), I formed an impression that here is a small but very high-quality firm at work. That impression has since only been strongly reinforced (except that it has grown in size!). GRUH has come to represent a powerful set of value-creating attributes consistently delivered over time: sustained and very high-quality growth, with the highest ROE in the entire Indian finance space, aided by zero Net NPA for years and yet attractive growth rate over time. Growth has been self-funded and without practically any equity dilution for almost two decades. In an industry where the raw material is money, dividend payouts naturally tend to be modest. GRUH has been paying an astounding 35-40% of its profits! It is these attributes that have made GRUH one of the highest value creators in the finance space and elsewhere, over the last 15 years and more. Business model has been simple but solid and backed by robust execution.

My dialogue, over all these years with Sudhinbhai and the team members, has been a sheer pleasure: insightful, thorough, transparent, focused and always centered on the long-term.

GRUH is all about a high-quality growth led business model backed by strong and unwavering attention to achieving long-term good rather than surrendering to short-term fads and fashions'.

Mr. Bharat Shah, Director, ASK Investment Managers Ltd.

'Exceptional and striking has been the model that GRUH follows in order to provide a credit score to its borrowers. Outside the formal economy most of these borrowers would not have credit scores and it becomes difficult for a lender to assess their credit worthiness. Through its own proprietary tools GRUH was able to prepare a credit risk model. As more and more borrowers got added the model improved in its robustness. Several lenders follow a similar model now but GRUH was a true pioneer.

Another hallmark of the company has been the measured manner in which they have grown (after the troubles they had in the late 1990s due to loans to developers going bad). They have expanded both the size of their book and geographical spread in a methodical manner, which is what gives investors the confidence to keep investing in the company at ever higher valuations.'

Mr. Samar Srivastava, Senior Editor, Forbes India.

GRUH presents EXTEMPORE

'Exemplary culture is the thought which crossed my mind when I first met the MD at GRUH for an hour in 2005. I visited their locations and dwellings. Professionalism of their people and customer focus clearly stood out. So also their very strict norms. As a result, GRUH has acquired a merited reputation of trust. Sudhin and his team have never lost sight of prudent risk management in good times or bad. Even if the industry was growing at yields which made them look like they were underperforming, they did their own analysis and let seeming opportunities go but they always took care to lend well. They would bide their time and then push for growth. In this way they have done a great service to the housing finance industry in India. I would draw a parallel with Mr Warren Buffet's GEICO because even in insurance people write business without properly evaluating the risk. But at Omaha they care about the risk. They also nurture values of humility, hard work and integrity. I wish GRUH well and believe they will grow across the country in years to come.'

Mr. Megh Manseta, Mumbai based Investor.

'Exploring green field terrain, GRUH harnessed what economists describe as under-the-mattress savings. The robust GRUH IT platform has helped to drive business among people who do not approach the formal system. There are lacs of such people across the country and GRUH teams can unlock this potential to provide growth and continuing shareholder value. '

Mr. Sudhir Mankad, Director GRUH, Board member RBI and former Chief Secretary, Government of Gujarat.

Exceeding most expectations, Bakeri Group is associated with Gruh Finance Ltd. for about 25 years. Gruh Finance Ltd. was among the very few financial institutions, which could understand financial requirements for a developer and hence they have a lion share in the growth of Bakeri Group.

Gruh Finance was also a Pioneer in financing retail home loan requirements for common people who do not file Income Tax returns or have any other proof of income. Providing loans to such self-employed people in non formal trades, at affordable rates proved to be a win-win situation for Bakeri Group, for the home loan buyers and Gruh Finance.

Even during the last year when most of the HFCs faced liquidity crises, Gruh Finance honored its commitments for disbursement of loans both to the retail customers and developers. All through, Gruh Finance has one of the finest records in transparency and highest level of Professional Management. In our rating, we would give "Triple A" to Gruh Finance.

Mr. Anil Bakeri, Managing Director, Bakeri Projects Pvt Ltd.

GRUH presents EXTEMPORE

'Exciting transformations came about gradually. We had to learn about aspirations, concerns and willingness to change. Our people stretched themselves beyond the clock getting disappointed by what they faced. But the joy of identifying with families on a human level gave a sense of accomplishment; a determination to overcome every challenge.'

Mr. Kamlesh Shah, Executive Director.

'Exclusive attention to People, Processes and Platforms has helped deliver great customer experience and continuing shareholder value.'

Mr. Marcus Lobo, Company Secretary

'Excellence in the work place has been nurtured through a program of constant education, training and upgradation of people skills for effective risk evaluation. Housing finance is a tough clinical business. But we have practiced the skill of LISTENING. We have learnt to see the human face behind the numbers; to experience human adversity whether it is floods, drought, earthquakes or unforeseen life stage events. We have sometimes made the impossible possible.'

Mr. Hitesh Agrawal, CFO

'Experimentation people say is no longer necessary. A housing loan is a commodity business. Products are similar, interest rates are comparable and customers are non-differentiated. This is where GRUH has created its own brand constituencies like the GRUHini and the Aam Aadmi.
These segments have huge untapped potential and GRUH has first mover advantage.'

Mr. Suresh Iyer, Head of Operations.

GRUH presents EXTEMPORE

'Executives often asked should we take this risk. Our answer was always driven by ground realities. In tough times we had to be risk averse. But at appropriate times we embraced risks in a responsible way.'

Mr. Manish Gandhi, Regional Manager, Gujarat.

'Exemplary and desired behaviors were ingrained in us as part of the GRUH culture. People who made the grade were held up as role models through appropriate recognitions and promotions.'

Rupali Shelar, Territory Manager, Thane.

'Expanding markets will offer new opportunities for collaboration. The GRUH business model will help in evaluating new business and thus provide depth and reach to new profitable segments as they become available to us.'

Mr. Avinash Srivastava, Regional Manager Rajasthan and Karnataka.

'Examples of the GRUH culture? I would say Honesty, Simplicity, Knowledge sharing, Team work and community service.'

Mr. Rakesh Hardiya, Territory Manager, Indore.

'Exceptional perhaps is the GRUH IT platform. It is home grown and enables linkages from the remotest branch to functional departments and Head Office. For the customer, this means speed of decisions. For partners, depositors and other associates it spells faster service.'

Mr. Jayesh Gangwani, Head, IT.

GRUH's Journey Travelled - Since Inception

(₹ in crore)

Financial Year	Disburse-ments	Loan Assets	PAT	Return on Assets (%)	Stockholders' Equity	Return on Networth (%)	Dividend (%)	Book Value Per Share (₹)*	Market Capitalisation
2018-19	4,936	17,408	447	2.66	1,891	26	*100.00	25.83	20,235
2017-18	5,259	15,588	403	2.75	1,555	29	165.00	21.29	21,038
2016-17	4,125	13,244	297	2.37	1,113	30	140.00	15.30	14,433
2015-16	3,857	11,115	244	2.36	835	31	115.00	11.49	8,701
2014-15	3,121	8,926	204	2.48	711	31	*100.00	9.82	8,867
2013-14	2,577	7,020	177	2.76	607	32	150.00	8.46	5,319
2012-13	2,174	5,447	146	2.94	491	33	125.00	6.91	3,753
2011-12	1,487	4,077	120	3.12	386	34	115.00	5.47	2,249
2010-11	1,211	3,176	92	3.02	318	31	**110.00	4.55	1,266
2009-10	780	2,453	69	2.65	265	28	65.00	3.81	756
2008-09	655	2,091	50	2.21	221	24	48.00	3.19	325
2007-08	632	1,773	42	2.39	190	24	40.00	2.75	535
2006-07	474	1,379	30	2.17	164	24	30.00	2.37	476
2005-06	360	1,069	22	2.03	87	27	25.00	1.64	247
2004-05	300	818	17	2.20	73	24	21.00	1.39	119
2003-04	218	582	13	2.02	63	22	18.00	1.20	79
2002-03	202	556	11	1.66	59	18	15.00	1.12	42
2001-02	189	480	8	1.54	53	16	12.00	1.01	46
2000-01	184	452	6	1.22	49	13	8.00	0.92	23
1999-00	167	420	4	0.98	45	11	5.00	0.89	21
1998-99	128	337	1	0.31	28	4	-	1.06	12
1997-98	89	265	1	0.32	30	3	10.00	1.11	15
1996-97	79	219	4	1.49	31	14	12.00	1.12	19
1995-96	73	161	5	2.25	31	21	18.00	1.11	21
1994-95	45	99	2	1.71	15	21	15.00	0.86	23
1993-94	26	61	1	1.68	6	17	12.50	0.66	15
1992-93	15	39	1	1.62	6	14	10.00	0.56	14
1991-92	12	26	0.31	1.13	3	11	8.00	0.71	NA
1990-91	7	15	0.30	1.90	3	12	8.00	0.67	NA
1989-90	6	8	0.25	3.36	2	11	-	0.62	NA
1988-89	2	2	0.13	4.45	2	8	-	0.56	NA
1987-88	0.26	0.26	0.09	3.19	2	5	-	0.52	NA
1986-87	-	-	0.01	0.75	2	1	-	0.58	NA

* GRUH allotted Bonus shares in ratio of 1:1 during June'2018 and June'2014. During FY 12-13, w.e.f. July 26, 2012, face value of equity share of GRUH was sub-divided to ₹ 2 per equity share from ₹ 10 per equity share. Dividend is for full year on the enhanced capital post sub-division and issue of bonus shares. Book value per share of previous years has been adjusted to give effect of sub-division and bonus issues.

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

DIRECTORS' REPORT

TO THE MEMBERS,

Your directors are pleased to present the 33rd Annual Report of your Company with the audited accounts for the year ended March 31, 2019.

Financial Results - Based on Ind AS Financial Statements

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit Before Tax	615.04	567.15
Provision for Tax (Net of Deferred Tax)	167.84	164.40
Profit After Tax	447.20	402.75
Add:		
Balance brought forward from last year	540.64	447.33
Amount available for appropriation	987.84	850.08
Appropriations:		
Statutory Reserve u/s 29C of NHB Act & u/s 36(1)(viii) of I.T. Act	105.00	106.25
General Reserve	85.00	80.00
Dividend including tax thereon pertaining to previous year paid during the year	145.50	123.00
Remeasurement of Defined Benefit Plans	0.53	0.19
Balance carried to Balance Sheet	651.81	540.64
	987.84	850.08

Merger of the Company with Bandhan Bank Limited

The board of directors of the Company, at its meeting held on January 7, 2019, approved the Composite Scheme of Arrangement ("Scheme") for the merger of the Company with and into Bandhan Bank Limited under Sections 230-232 of the Companies Act, 2013, subject to receipt of applicable approvals.

The proposed amalgamation has been approved by the Competition Commission of India on April 15, 2019. No objection has been issued by the National Housing Bank (NHB) on March 4, 2019, the National Stock Exchange of India Limited on April 3, 2019 and the BSE Limited on April 3, 2019, respectively. Housing Development Finance Corporation Limited and Bandhan Bank Limited have also received approval from the Reserve Bank of India.

The Scheme remains subject to approvals from the National Company Law Tribunal (NCLT), the respective shareholders and creditors of the Company as applicable and other applicable statutory and regulatory approvals. Similar approvals are also pending in respect of Bandhan Bank.

Indian Accounting Standards (Ind As)

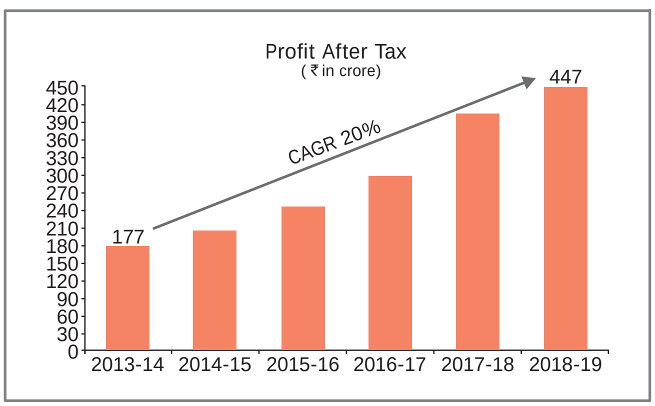
The Ministry of Corporate Affairs (MCA), based on its notification in the Official Gazette vide Notification G.S.R. 111(E) and G.S.R. 365(E) dated February 16, 2015 and March 30, 2016 respectively, notified the Indian Accounting Standards (Ind AS) applicable to certain class of companies. Ind AS has replaced the Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These notifications are applicable to all Housing Finance Companies (HFCs) effective April 1, 2018.

Accordingly, your Company has adopted Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment /rules made thereafter from April 1, 2018. The effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by NHB (Collectively referred to as 'the Previous GAAP').

The impact of transition has been recorded in the opening reserves as at April 1, 2017. The corresponding figures presented in these financial statements have been prepared on the basis of the previously published financial statements under the previous GAAP duly re-stated to Ind AS. These Ind AS adjustments have been audited by the statutory auditors. The financial statements have been prepared based on the notified Schedule III for Non-Banking Financial Companies issued by the Ministry of Corporate Affairs on October 11, 2018. The reconciliation and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in note 4 in the note to accounts in the financial statements.

Dividend

Your directors recommend payment of dividend of ₹ 2.00 per equity share of face value of ₹ 2 each for the year ended March 31, 2019 on the enhanced paid-up capital of the Company post the issue of bonus shares in the ratio of 1:1. Considering that the Company declared a 1:1 bonus during the year, the effective dividend for the year is ₹ 4.00 per equity share (pre-bonus) as compared to a dividend of ₹ 3.30 per equity share in the previous year. Although the bonus shares were allotted on June 8, 2018, dividend on these shares will be payable for the entire year. The dividend payout ratio for the year inclusive of additional tax on dividend will be 40%. The dividend recommended is in accordance with the principles and criteria as set



out in the Dividend Distribution Policy which has been approved by the board of directors. The policy is provided as 'Annexure A' to this Report.

Changes in Share Capital

During the year, the authorised share capital was increased from ₹ 100 crore divided into 50 crore equity shares of face value of ₹ 2 each to ₹ 200 crore divided into 100 crore equity shares of face value of ₹ 2 each.

During the year, the paid up equity share capital increased as a result of the 1:1 Bonus issue, whereby your Company allotted 36,57,20,011 bonus shares. The paid-up share capital also increased as a result of allotment of 22,47,490 equity shares of face value of ₹ 2 each upon exercise of stock options under ESOS-2015. As at March 31, 2019, the equity share capital stood at ₹ 146,73,75,024 divided into 73,36,87,512 equity shares of ₹ 2 each.

Disbursements

Loan disbursements during the year were ₹ 4,936 crore. GRUH continued to focus mainly on the retail segment and disbursed ₹ 4,213 crore to 42,994 loans. Cumulative disbursements as at March 31, 2019 were ₹ 33,392 crore.

Rural Housing

During the year, GRUH disbursed ₹ 1,578 crore in respect of 15,546 loans in the rural areas. Cumulative disbursements under the rural housing has been ₹ 13,470 crore in respect of 2,26,921 loans.

Affordable Housing

GRUH has signed the MOU with the Government of India for the Credit Linked Subsidy Scheme (CLSS) under the Pradhan Mantri Awas Yojana for Economically weaker Section (EWS), Lower Income Group (LIG) and Middle Income Group (MIG) segments. GRUH has been an active contributor to the scheme and has sanctioned ₹ 1,944 crore during the year in respect of 18,736 loans wherein the customers were eligible for CLSS. During the year, GRUH submitted claims aggregating to a subsidy of ₹ 391 crore in respect of 16,090 loans aggregating to loan amount of ₹ 1,557 crore. GRUH received and credited claims of ₹ 464 crore in respect of 18,990 loan accounts aggregating to loan amount of ₹ 1,763 crore. The subsidy received is credited to the respective customer's loan account and the instalment amount is reduced, keeping the balance tenure constant. Claims in respect of 4,452 loans are awaiting sanction from NHB / credit to individual customers' loan accounts in respect of loan amount of ₹ 454 crore.

Since inception of the scheme, GRUH has sanctioned 53,490 loans wherein customers are eligible for CLSS subsidy in respect of loan amount of ₹ 5,140 crore. GRUH has received claim of ₹ 727 crore in respect of 31,349 loans.

The majority of the claims submitted are in respect of the EWS and LIG customers.

Loan Assets

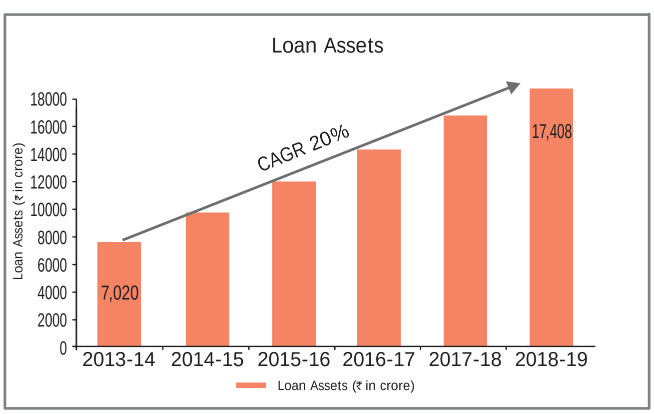
As at March 31, 2019, the loan assets increased to ₹ 17,408 crore recording a growth of 11.68%. Loan assets in respect of the retail home loans grew by 11.28% and stood at ₹ 16,188 crore.

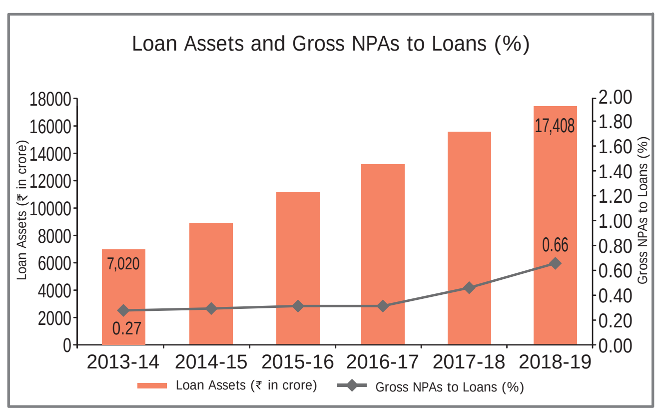
Impairment of Financial Instruments under Ind AS

Under Ind AS, asset classification and provisioning moves from the 'rule based', incurred losses model to the Expected Credit Loss (ECL) model of providing for expected future credit losses. Thus, loan loss provisions are made on the basis of the Company's historical loss experience and future expected credit loss, after factoring in various macro-economic parameters. Under Ind AS, asset classification comprises three categories based on ageing of Exposure at Default (EAD) which is principal and accrued interest. Outstanding between 0 to 30 days are Stage 1 assets, outstanding between 31 days to 89 days are Stage 2 assets and Stage 3 assets are those assets where outstanding EAD is for 90 days and above.

Accordingly, as per Ind AS, GRUH's Stage 1 Loan Assets have improved from 94.48% as at March 31, 2018 to 95.58% as at March 31, 2019. Stage 2 loans have improved from 5.07% as at March 31, 2018 to 3.76% as at March 31, 2019. Loans under Stage 3 have increased from 0.45% as at March 31, 2018 to 0.66% as at March 31, 2019.

As per Ind AS 109 on Financial Instruments, GRUH is required to carry total provisions of ₹ 45.16 crore towards expected future credit losses which is 0.26% on Loan Assets of ₹ 17,408 crore. Of this, provision of ₹ 9.28 crore is required towards Stage 3 loans of ₹ 114 crore. Provisions amounting to ₹ 35.88 crore is required on Stage 1 and Stage 2 loan assets of ₹ 17,294 crore. However, as a measure of





prudence, your directors have decided to carry a total provision of ₹ 119.58 crore towards future expected credit losses under Ind AS.

During the year, GRUH has written off ₹ 0.86 crore in respect of individual loans where the recovery was difficult in the near future. However, GRUH continued the recovery efforts in respect of written off loans of earlier years and could effect recoveries of ₹ 0.46 crore during the year in respect of such written off loans. GRUH also took possession of properties of the defaulting borrowers under the SARFAESI Act and has sold few of such acquired properties.

Standard Assets, NPAs and Provisions under NHB norms as per IGAAP

As per the prudential norms prescribed by NHB for Standard Loan Assets, HFCs are required to carry a provision of 0.25% on Individual Home Loans, 1% on Individual NRP Loans, 0.75% on developer loans for residential projects and 1% on developer loans for commercial projects.

Accordingly, GRUH is required to carry total provision of ₹ 51.48 crore on Standard Loan Assets comprising Individual Home Loans, Individual NRP Loans and Developer Loans, aggregating to ₹ 17,263 crore. This provision includes provision of ₹ 0.14 crore towards Standard Assets in respect of instalments due from borrowers of ₹ 44.02 crore and a provision of ₹ 0.02 crore in respect of Standard Assets on Loan against GRUH's fixed deposits and interest accrued thereon of ₹ 2.12 crore.

NHB, vide its notification dated August 2, 2017, reduced the provisioning requirement on Standard Individual Home Loans from 0.40% to 0.25%. However, as per the said notification, excess provision on account of reduction in provisioning requirement is to be carried forward. GRUH carries a provision of ₹ 16.26 crore on account of such reduction.

Therefore, against a provisioning requirement of ₹ 51.48 crore on total Standard Assets, GRUH carries a provision of ₹ 67.74 crore.

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

GRUH's NPAs as at March 31, 2019 were ₹ 101.97 crore in respectof Individual Home loans and ₹ 12.47 crore in respect ofIndividual NRP loans. There were no NPAs under developer loans. GRUH is required to carry a provision of ₹ 30.87 crore towards non-performing loans as per NHB norms. Accordingly, under NHB norms, GRUH is required to carry total provision of ₹ 98.61 crore towards NPAs and Standard Assets. Net Non-Performing Loans were 0.35% on outstanding loans of ₹ 17,377 crore.

Borrowings

NHB Refinance

GRUH received refinance sanction of ₹ 2,000 crore from NHB and the same was availed during the year. The refinance outstanding as at March 31, 2019 was ₹ 3,706 crore.

Bank Term Loans

GRUH received fresh sanctions from banks amounting to ₹ 2,850 crore and the same was availed during the year. The outstanding bank term loans as at March 31, 2019 were ₹ 6,775 crore.

Subordinated Debt and Non-Convertible Debentures (NCDs)

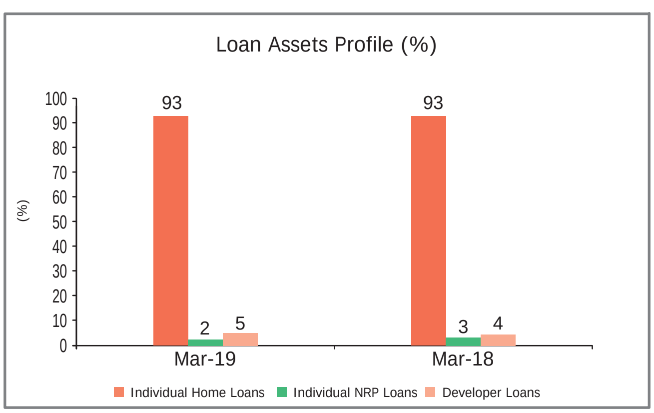
As at March 31, 2019, GRUH's outstanding subordinated debt stood at ₹ 35 crore. The debt is subordinated to present and future senior indebtedness of the company and has been assigned rating of "ICRA AAA(*)" and "CRISIL AAA(*)" indicating highest degree of safety regarding timely payment of financial obligations. Based on the balance term to maturity, as at March 31, 2019, ₹ 21 crore of the face 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.

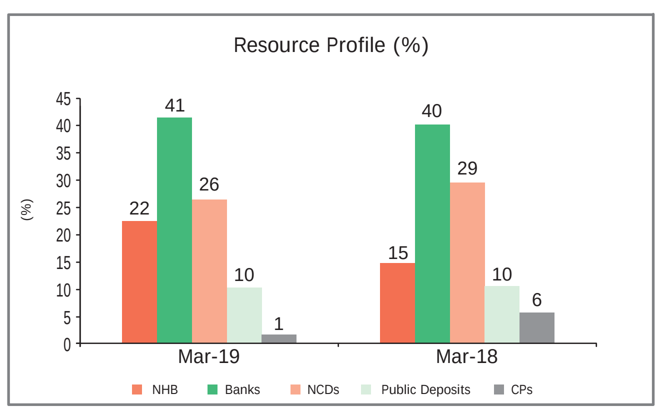
(*)Indicates 'on watch with negative implications' post merger announcement on January 7, 2019.

During the year, GRUH raised NCDs amounting to ₹ 1,230 crore on a private placement basis. The outstanding NCDs as at March 31, 2019 stood at ₹ 4,305 crore. NCDs are rated "ICRA AAA(*)" and "CRISIL AAA(*)" indicating highest degree of safety regarding timely payment of financial obligations.

(*)Indicates 'on watch with negative implications' post merger announcement on January 7, 2019.

In the case of ratings of both, subordinated debt and NCDs, the rating agencies have indicated that the above ratings are placed on 'rating watch with negative implications' following the announcement of the merger on January 7, 2019. This is because once the merger transaction is completed, the analytical approach of the rating agencies





would no longer factor the expectation of support of its majority owner, HDFC Limited.

Commercial Paper

GRUH's commercial paper is rated "ICRA A1+" and "CRISIL A1+" indicating very strong degree of safety regarding timely payment of financial obligations. As at March 31, 2019, outstanding commercial paper was ₹ 200 crore.

Deposits

GRUH mobilised deposits of ₹ 542 crore and experienced a renewal ratio of 48.30% during the year. The outstanding balance of deposits as at March 31, 2019 was ₹ 1,562 crore.

GRUH's Deposit programme is rated "MAAA(*)" by ICRA and "FAAA(*)" by CRISIL. These ratings indicate very strong degree of safety as regards timely repayment of principal and interest.

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

(*)Indicates 'on watch with negative implications' post merger announcement on January 7, 2019.

Investments

GRUH continues to maintain its Statutory Liquidity Ratio (SLR) as stipulated by NHB. Accordingly, GRUH carried investments in approved securities aggregating to ₹ 229 crore as at March 31, 2019 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.

Unclaimed Deposits and Unclaimed NCDs

As at March 31, 2019, deposits and / or interest thereon amounting to ₹ 57.52 crore had not been claimed by 2,122 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 125 of the Companies Act, 2013, deposits, NCDs and/or interest thereon, remaining unclaimed and unpaid for a period of seven years from the date they became due for payment are required to be credited to Investor Education and Protection Fund (IEPF) established by the Government of India.

Accordingly, an amount of ₹ 4.54 lacs in respect of unclaimed deposits and interest thereon was transferred to the IEPF during the year.

As at March 31, 2019, there were no NCDs amount or interest thereon, which remained unclaimed and unpaid.

Unclaimed Dividends and Unclaimed Shares

As at March 31, 2019, dividend amounting to ₹ 2.08 crore had not been claimed by shareholders of the Company. The Company takes various initiatives to reduce the quantum of unclaimed dividend and has been periodically intimating the concerned shareholders, requesting them to encash their dividend before it becomes due for transfer to the IEPF.

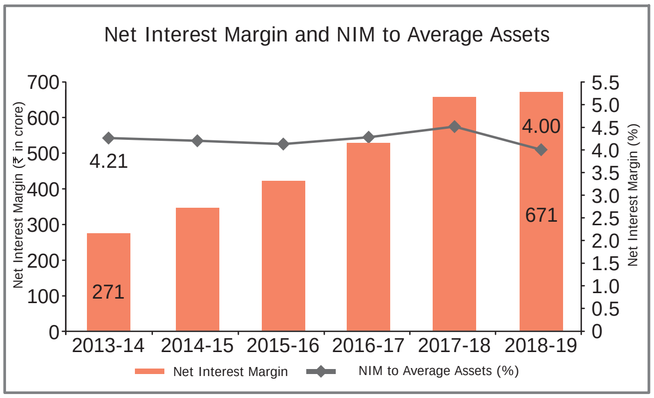
Unclaimed dividend amounting to ₹ 15.06 lac for FY 2010-11 was transferred to the IEPF on August 28, 2018. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company transferred the corresponding shares to IEPF, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders.

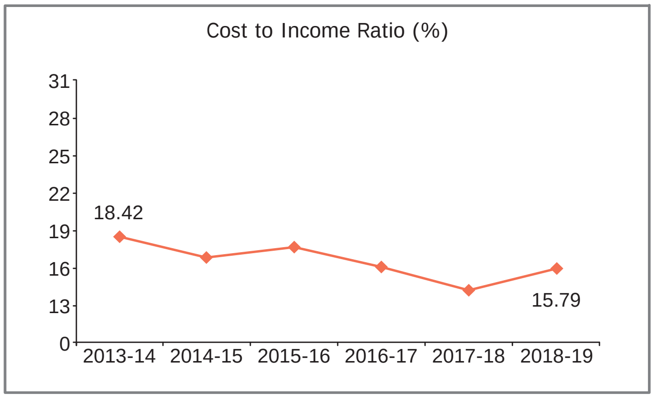
The unclaimed dividend in respect of FY 2011-12 must be claimed by shareholders on or before July 17, 2019, failing which the Company will be transferring the unclaimed dividend and the corresponding shares to the IEPF within a period of 30 days from that date. The concerned shareholders, however, may claim the dividend and shares from IEPF, the procedure for which is detailed in the Shareholders' Information section.

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

Risk Management Framework

Regulation 21 of SEBI (LODR) Regulations, 2015 has, effective April 1, 2019, mandated for the top 500 listed entities determined on the basis of market capitalisation as at the end of the immediate previous financial year, that they shall constitute a Risk Management Committee (RMC) of Directors. However, your boards of directors have constituted Risk Management Committee of Directors effective from October 29, 2018. Prior to that, the board had delegated responsibility of overseeing risk management framework including asset liability management to the Audit Committee.





GRUH has a Risk Management framework approved by the board of directors. GRUH's Risk Management framework provides the mechanism for risk assessment and mitigation. GRUH also has an Asset Liability Management (ALM) policy approved by the board.

During the year, the RMC reviewed the risks associated with the business of GRUH, its root causes and the efficacy of the measures taken to mitigate the same. RMC also reviewed the risk arising from the gaps in the liquidity and interest rate sensitivity statements and took decisions in mitigating the risk by ensuring adequate liquidity through maturity profile of assets and liabilities. The observations of the Risk Management Committee of directors if any, on the key risks associated with the business and ALM were reported to the board.

The board of directors also reviewed the key risks associated with the business and ALM of the Company, the procedures adopted to assess the risks, efficacy and mitigation measures.

Regulatory Guidelines

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

GRUH's Capital Adequacy Ratio stood at 20.30% as against the minimum requirement of 12%. Tier – I capital was 19.26% against the minimum requirement of 6%.

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

Human Resource Development

At GRUH, human resource development is considered vital for effective implementation of business plans. Constant endeavours are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. During the current year, in-house training programmes were provided to employees, *inter alia* in lending operations, recoveries, KYC, IT system & security and accounts. Employees were also nominated for training programmes conducted by NHB and other institutions. 46 employees underwent different training programmes.

GRUH's staff strength as at March 31, 2019 was 677.

Particulars of Employees

GRUH had 2 employees as at March 31, 2019 employed throughout the year who were in receipt of remuneration of ₹ 1.02 crore or more per annum or ₹ 8.50 lacs or more per month if employed for part of the year.

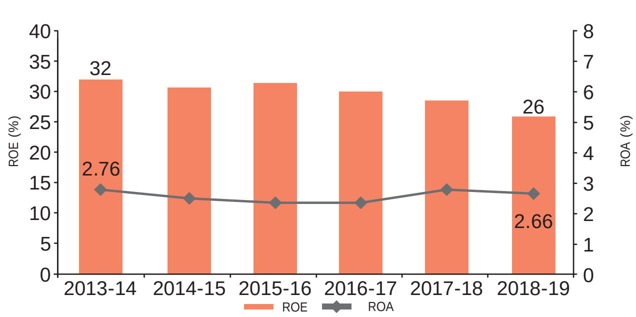
In accordance with the provisions of section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the name and other particulars of such employees are set out in the annex to the Directors' Report. However, as per the provisions of section 136 of the Companies Act, 2013, the Directors' Report is being sent to all shareholders of the Company excluding the annex. The annex is available for inspection by the members at the registered office of the Company during business hours on working days up to the date of ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the said annex may write to the company secretary at the registered office of the Company.

Employees Stock Option Scheme

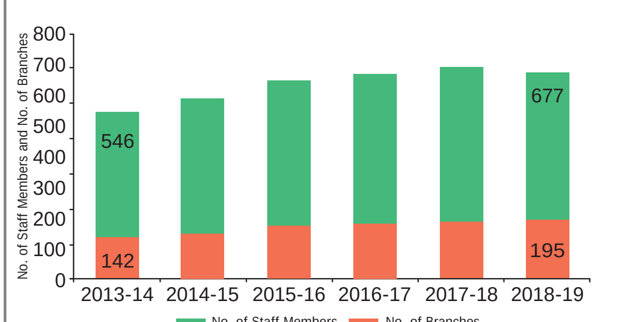
The stock options granted to the eligible employees operate under the scheme ESOS-2015. There has been no material variations in the terms of the options granted under the scheme and the scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The disclosures as required under Regulation 14 of the said regulations have been placed on the website of the Company.

The Board of Directors at its meeting held on March 14, 2019, upon the recommendation of the Nomination and Remuneration Committee of Directors of the Company, approved the issue of additional 90,00,000 equity shares of ₹ 2 each of the Company to eligible employees under existing Employee Stock Option Scheme 2015, in terms of SEBI (Share Based Employee Benefits) Regulations, 2014 and amendment of the Employee Stock Option Scheme 2015 by increasing the number of stock options to be granted to eligible employees. Subsequently, members of the Company with requisite majority have, on April 22, 2019, passed the said special resolution through postal ballot.

Return on Equity (ROE) & Return on Assets (ROA) (%)



No. of Staff Members and No. of Branches



Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented a policy on Prevention of Sexual Harassment of Women at Workplace. An Internal Complaints Committee has been set up to receive complaints, investigate the matter and report to the management.

At the begining of the year, there was no complaint pending. During the year, no complaint was received by the Committee and hence no complaint was pending at year end.

Auditors

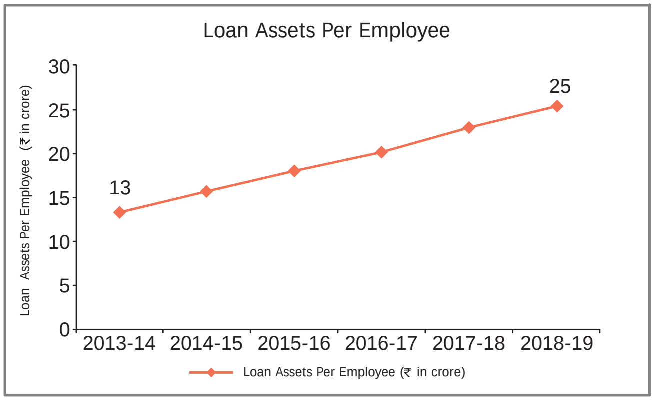
Statutory Auditors

At the 31st Annual General Meeting (AGM) held on June 15, 2017, the members had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors for a term of five years beginning from the conclusion of the 31st AGM till the conclusion of the 36th AGM, subject to them ratifying the said appointment at every AGM.

The Company has received confirmation from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to the effect that their appointment would be in terms of sections 139 and 141 of the Companies Act, 2013 and rules made thereunder.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the notice convening the ensuing AGM does not carry any resolution on ratification of the appointment of the Statutory Auditors.

The Statutory Auditors have audited the books of accounts of the Company for the financial year ended March 31, 2019 and have issued the Auditors' Report thereon. The Statutory Auditors have not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.



Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, GRUH has appointed Mr. M. C. Gupta of M/s M. C. Gupta & Co., a firm of Company Secretary in practice to undertake the Secretarial Audit of the company. The Report of the Secretarial Audit is annexed herewith as 'Annexure B' to this report.

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

Directors and Key Managerial Personnel

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

Necessary resolutions for the re-appointment of the aforesaid director and the detailed profile has been included in the notice convening the ensuing AGM and details of the proposal for re-appointment is mentioned in the explanatory statement of the notice.

Ms. Renu S. Karnad, Non-executive director of the Company, resigned from the Board w.e.f. March 8, 2019 due to personal reasons and other commitments.

Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Your directors place on record their appreciation for the invaluable contributions made by Ms. Renu S. Karnad and Mr. Prafull Anubhai during their term as directors of the Company.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of section 164 of the Companies Act, 2013.

There was no change in the Key Managerial Personnel during the year.

Details of managerial remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as per 'Annexure C' to this report.

Directors' Responsibility Statement

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

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

ii. Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of March 31, 2019 and of the profit of the Company for the year ended on that date;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

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

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

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

Corporate Social Responsibility Initiatives

In accordance with the provisions of section 135 of the Companies Act, 2013 and the rules framed thereunder, the Company has a Corporate Social Responsibility Committee of directors comprising

Mr. S. G. Mankad - Chairman, Mr. Pankaj Patel, Mr Keki M. Mistry and Mr. Sudhin Choksey and has *inter alia* also formulated a CSR Policy.

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

GRUH was required to spend ₹ 9.11 crore towards CSR activities during the year. GRUH has approved CSR proposals aggregating to ₹ 10.37 crore and incurred CSR expenditure of ₹ 6.23 crore during the year. Cumulatively, GRUH has approved CSR proposals aggregating to ₹ 25.94 crore and has incurred CSR expenditure of ₹ 18.15 crore.

GRUH has approved CSR proposals in the field of providing education, promoting health care, sanitation, education for differently abled children, promoting vocational skills, empowerment of women and gender equality and protection of national heritage, art and culture.

The Annual Report on CSR Activities, which forms part of the Directors' Report, is annexed as 'Annexure D' to this report.

Business Responsibility Reporting

As required under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, Business Responsibility Report forms part of the Directors' Report and is annexed as 'Annexure E' to this report.

Extract of Annual Return [Form MGT-9]

As per the requirements of Section 92(3) and 134(3)(a) of the Act and Rules framed thereunder, the extract of the annual return for FY 2018-2019 is given in 'Annexure F' in the prescribed Form No. MGT-9, which is a part of this report. The same is available on https://www.gruh.com/extract-annual-return/

Requirement for maintenance of cost records:

Since the Company is into housing finance, the Company is not required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

Particulars

Particulars of loans, guarantees or investments made :

Since the Company is a housing finance company, provisions of section 186 of the Companies Act 2013 relating to loans made, guarantees given or securities provided are not applicable to the company.

As regards investments made by the Company, the details of the same are provided under Note to Accounts forming part of the annual accounts of the Company for the year ended March 31, 2019.

Particulars of Contracts or arrangements entered into with related parties :

In accordance with the provisions of section 188 of the Companies Act, 2013 and rules made thereunder, the transactions entered into with related parties are in the ordinary course of business and on an arm's length pricing basis, the details of which are included in the notes forming part of the financial statements. There are no material related party transactions entered during the year. Accordingly, information in form AOC - 2 is not annexed. As required by NHB notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017, a policy on Transactions with Related Parties is given as 'Annexure G' to this report.

All related party transactions were approved by Audit Committee, Board and reviewed by Statutory Auditors.

Material Changes, details of Subsidiaries, Litigations

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

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

No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the company and / or the company's operations in future.

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

Particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable. GRUH does not have any foreign exchange earnings. GRUH has paid dividend of ₹ 0.41 crore in foreign currency.

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

In accordance with the SEBI (LODR) Regulations, 2015 and NHB Directions, the Management Discussion and Analysis Report and the Report of the Directors on Corporate Governance form part of this report.

Acknowledgements

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

On behalf of the Board of Directors

Mumbai
April 30, 2019

Keki M. Mistry
Chairman
DIN : 00008886

ANNEXURE - A TO THE DIRECTORS' REPORT - DIVIDEND DISTRIBUTION POLICY

OBJECTIVE

The objective of this policy is to establish the principles and criteria to be considered by the Board of Directors prior to recommending dividend to the equity shareholders of GRUH Finance Limited.

The policy is framed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a consistent dividend policy and has endeavoured to judiciously balance rewarding shareholders through dividends, whilst supporting future growth and long-term interests of the Company and its stakeholders.

PARAMETERS TO BE CONSIDERED BEFORE RECOMMEDING DIVIDEND

The Board of Directors shall *inter alia* consider the following parameters before recommending dividend:

Statutory and Regulatory Parameters

The Company shall declare dividend only after ensuring compliance with requisite regulations and directives as stipulated by the National Housing Bank, provisions of the Companies Act, 2013 and rules made there under, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and any other regulations as may be applicable from time to time.

The Board will consider various parameters as mentioned below before arriving at a decision on declaration of dividend:

Financial Parameters

- Growth in the loan portfolio;
- Leverage ratios;
- Accumulated reserves
- Funding and liquidity considerations;
- Profits earned during the financial year;
- Profitability outlook for the next two/three years
- Expected future capital/liquidity requirements covering future risk and contingency planning
- Compliance with covenants contained in any agreement entered into by the Company with its lenders/debenture trustees, if any;
- Other factors and/or material events which the Board may consider.

External Factors

- Shareholder expectations, including individual shareholders;
- Taxation provisions;
- Macro-economic conditions;
- Government policies.

UTILISATION OF RETAINED EARNINGS

Retained earnings shall be utilised in accordance with prevailing regulatory requirements, creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and any other specific purpose as approved by the Board. The Company shall endeavour to utilise retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders.

DIVIDEND AND CLASSES OF SHARES

The Board may declare interim or recommend final and/or special dividend as may be permitted under the Companies Act, 2013 or any amendment, modification, variation or re-enactment thereof.

Currently, the Company does not have any other class of shares (including shares with differential voting rights) other than equity shares.

DIVIDEND PAYOUT RATIO

The Company has followed a stable dividend policy in the past and strives to maintain a consistent dividend payout ratio.

CONFLICT IN POLICY

In the event of a conflict between this policy and the then existing regulations, the regulations shall prevail.

AMENDMENTS

To the extent any change/amendment is required in terms of applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be suitably modified to make it consistent with the law. Such amended policy shall be placed before the Board for noting and necessary ratification.

REVIEW OF POLICY

The Board shall review the Dividend Distribution Policy of the Company periodically.

DISCLOSURE OF POLICY

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, www.gruh.com.

ANNEXURE - B TO THE DIRECTORS' REPORT - SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
GRUH Finance Limited,
"GRUH", Netaji Marg,
Near Mithakhali Six Roads,
Ellis Bridge,Ahmedabad – 380 006

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GRUH Finance Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the GRUH Finance Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by GRUH Finance Limited (CIN: L65923GJ1986PLC008809) ("the Company") having its Registered Office at "GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellis Bridge, Ahmedabad - 380 006 for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the Audit Period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

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

- (a) National Housing Bank (NHB) Act, 1987;
- (b) Housing Finance Companies (NHB) Directions, 2010;
- (c) Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 and
- (d) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act , 2002

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015.

During the period under review, the Company has complied the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, except the following:

1. The Members at the Annual General Meeting held on 30th May, 2018 had approved increase in the authorised share capital of the company from ₹ 100 crore to ₹ 200 crore.
2. The Company had on 8th June, 2018 allotted, 36,57,20,011 Bonus Equity Shares of ₹ 2/- each as announced by the Board of Directors of the Company in its meeting held on 14th April, 2018 and approved by the members of the Company at the 32nd Annual General Meeting held 30th May, 2018.
3. The Company has issued 22,47,490 Equity Shares of ₹ 2/- each under ESOP to eligible employees on various dates.
4. The Board of Directors of the Company at its meeting held on 7th January, 2019 has passed a resolution approving scheme of amalgamation of the Company with Bandhan Bank Limited, subject to compliance of Section 230-232 of the Companies Act, 2013.
5. The Company has passed a Special Resolution through Postal Ballot to issue additional 90,00,000 Equity Shares of ₹ 2/- to eligible employees of the company under ESOP Scheme 2015.

For M C Gupta & Co,
Company Secretaries
UCN : S1986GJ003400

Ahmedabad
April 30, 2019

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

Note: This Report is to be read with Our Letter of even date which is annexed and forms an integral part of this report.

Annexure

To,

The Members,
GRUH Finance Limited,
"GRUH", Netaji Marg,
Near Mithakhali Six Roads,
Ellis Bridge, Ahmedabad – 380 006

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibly of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company not of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For M C Gupta & Co,
Company Secretaries
UCN : S1986GJ003400

Ahmedabad
April 30, 2019

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

ANNEXURE C TO THE DIRECTORS' REPORT - DISCLOSURES ON MANAGERIAL REMUNERATION

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

a : No. of permanent employees on the rolls of the Company : 656

b : The percentage increase in the median remuneration of employees in FY 2018-19 stood at 11.23%.

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

The average increase in the remuneration of all employees was 15.18% for the FY 2018-19. The average increase in remuneration of the Key managerial personnel was 12.33%.

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

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

d : Percentage increase in the remuneration of each director and key managerial personnel during 2018-19 is given below. Further details are given in MGT - 9.

Names	Designation	Increase in Remuneration (%)
Mr. Keki M. Mistry - Chairman	Non-Executive	105.41
Ms. Renu S. Karnad ^	Non-Executive	134.48
Mr. K. G. Krishnamurthy	Non-Executive	88.89
Mr. Prafull Anubhai *	Independent	18.60
Mr. S. G. Mankad	Independent	7.59
Mr. Biswamohan Mahapatra	Independent	10.38
Mr. Pankaj Patel	Independent	242.86
Mr. Rajesh Gupta	Independent	686.67
Ms. Bhavna Doshi	Independent	6075.00
Mr. Kamlesh Shah	Executive Director	10.50
Mr. Sudhin Choksey	Managing Director	11.90
Mr. Marcus Lobo	Company Secretary	12.12
Mr. Hitesh Agrawal	CFO	21.03

^ Ms. Renu S. Karnad had stepped down from the Board w.e.f. March 8, 2019 due to personal reasons and limitation of time.
* Mr. Prafull Anubhai completed his second term on March 31, 2019 and he is ceased to be a Director of the Company thereafter.

e : Ratio of remuneration of each director to the median employees' remuneration (times) for FY 2018-19 :

Name of Director	Designation	Remuneration of Directors' to median employees' remuneration (times)
Mr. Keki M. Mistry – Chairman	Non-Executive	1.33
Ms. Renu S. Karnad ^	Non-Executive	0.60
Mr. K. G. Krishnamurthy	Non-Executive	1.19
Mr. Prafull Anubhai *	Independent	4.92
Mr. S. G. Mankad	Independent	3.72
Mr. Biswamohan Mahapatra	Independent	3.54
Mr. Pankaj Patel	Independent	2.94
Mr. Rajesh Gupta	Independent	4.14
Ms. Bhavna Doshi	Independent	2.16
Mr. Kamlesh Shah	Executive Director	27.28
Mr. Sudhin Choksey	Managing Director	78.71

^ Ms. Renu S. Karnad had stepped down from the Board w.e.f. March 8, 2019 due to personal reasons and limitation of time.
* Mr. Prafull Anubhai completed his second term on March 31, 2019 and he is ceased to be a Director of the Company thereafter.

f : The remuneration is as per the Remuneration Policy of the Company.

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

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

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

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

   ✓ To take up programmes that benefit the communities where it operates in enhancing the quality of life & economic well-being of the local populace.

   ✓ To serve the socially and economically weak, disadvantaged, underprivileged, & destitute sections of the society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality, origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.

   ✓ To extend humanitarian services in the community to further enhance the quality of life like health facilities, education and basic infrastructure facilities to areas that have so far not been attended to.

   ✓ To generate, through its CSR initiatives, a community goodwill for GRUH and help reinforce a positive & socially responsible image of GRUH as a corporate entity.

   During FY 2018-19, GRUH has undertaken various activities in the sectors of:

   (i) Promoting Preventive Health Care and Sanitation by (a) providing Nutrition support to poor school children; (b) making available safe drinking water to poor children and tribal people through construction of Rain Roof Water Harvesting Structures and Spring Water Management Structure; (c) providing support to Eye Hospital for maintenance and expansion for treatment of poor and needy patients; operationalising Mobile Medicare Units; (d) providing health care facilities to under-privileged population; (e) supporting community-based Sanitation programme; and (f) supporting construction of Sanitation Units in Government Schools;

   (ii) Promoting Education by (a) providing education to differently abled children; (b) providing education to young children; (c) providing education to slum children; (d) conservation and renovation of school buildings and classrooms differently; and (e) providing employment enhancing vocational skills;

   (iii) Empowering women by (a) supporting construction of Girls' hostel building at Tribal Ashram School; (b) imparting skill training for income generation activities to disabled women and (c) providing skill training to women in five trades so as to enable their economic self-reliance;

   (iv) Ensuring environmental sustainability by supporting Bio Shield project.

   (v) Promotion and Protection of Heritage, Art and Culture.

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

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

   1. Samerth Charitable Trust, Ahmedabad, 2. YUVA Unstoppable, Ahmedabad, 3. Ambuja Cement Foundation, Mumbai, 4. Blind People's Association, Ahmedabad, 5. GVK EMRI, Secunderabad, 6. Sanjivani Health & Relief Committee, Ahmedabad 7. HelpAge India, New Delhi, 8. Aga Khan Rural Support Programme (India), Ahmedabad, 9. Education Support Organisation, Ahmedabad, 10. National Association for the Blind, Ahmedabad, 11. Sense International India, Ahmedabad, 12. American Institution of Indian Studies, New Delhi 13. Majoor Kalyan Trust, Sidhpur, 14. Light of Life Trust, Mumbai, 15. Habitat for Humanity India, Mumbai, 16. Shaishav, Bhavnagar, 17. Vikas - Centre for Development, Ahmedabad 18. Vedanta Cultural Foundation, Mumbai 19. Saptak, Ahmedabad 20. Sambhav Foundation, Bangalore 21. Samarthanam trust for Disabled, Bangalore 22. Indian Cancer Society, Mumbai.

2. Composition of the CSR committee: The CSR Committee comprises of the following directors:

   Mr. S. G. Mankad - Chairman, Mr. Keki M. Mistry, Mr. Pankaj Patel and Mr. Sudhin Choksey.

3. Average net profit of the Company for last three financial years: ₹ 455.26 crore.

4. Prescribed CSR expenditure: The Company was required to spend ₹ 910.51 lacs towards CSR.

5. Details of CSR spend for the financial year:

   a. CSR proposals approved but not funded as on 31.03.2018: ₹ 368.71 lacs.

   b. CSR proposals approved during 2018-19: ₹ 1037.07 lacs.

   c. CSR proposals funded during 2018-19: ₹ 622.98 lacs.

   d. Cumulative CSR proposals approved but yet to be funded as on 31.03.2019: ₹ 782.80 lacs.

   e. Manner in which the amount spent during the financial year is as per Annexure.

6. Reason for not spending the amount at 5(d):

   The CSR Committee examined various proposals for CSR activities. However, GRUH could consider only those proposals which could meet the objectives of GRUH's CSR policy. During the year, total proposals amounting to ₹ 1037.07 lacs were sanctioned of which ₹ 622.98 lacs were spent. While GRUH endeavoured to spend the required amount in respect of the proposals sanctioned, the funding was provided to the implementing agencies based on internal norms, procedures and progress of the project. Some of the proposals have been sanctioned in the year 2018-19 but will be implemented in 2019-20 and thereafter.

   We state that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Managing Director | Chairman of CSR Committee

ANNEXURE : MANNER IN WHICH AMOUNT SPENT DURING 2018-19 IS DETAILED BELOW:

(₹ in lacs)

1	2	3	4	5	6	7	8
Sr. No.	Projects or Project is covered	Amount Outlay Programs with location	Amount Outlay (Budget) Project or Program-wise - 2017-18	Amount spent (Budget) Project or Program-wise - 18-19	Cumulative on the projects or programs - 18-19	Amount spent Expense up to the reporting date	Direct or through implementing agency
1.	**CSR Project / Activity: Eradicating hunger, poverty and malnutrition; Promoting preventive health care & sanitation; Making available safe drinking water**						
1.1	Making available safe drinking water by three RRWHS and two SWMS	Construction at Pandariya block of Kawardha district of Chattisgarh state	9.50	0.00	5.83	5.83	Through Implementing Agencies
1.2	Making available safe drinking water	Development of Water Harvesting Structures at Rapar Block, Kutch District	0.00	26.45	24.09	29.92	Through Implementing Agencies
1.3	Promoting Sanitation	Community led Sanitation Project - Chandrapur Dist., Mah.	0.00	5.00	2.00	31.92	Through Implementing Agencies
1.4	Promoting preventive health care	Maintenance & Expansion of Eye Hospital at Bareja run by BPA, Gujarat	22.50	1.80	24.30	56.22	Through Implementing Agencies
1.5	Promoting preventive health care	Funding for operating MMU in villages of Indore district — M.P.	13.20	132.40	34.20	90.42	Through Implementing Agencies
1.6	Promoting preventive health care	Funding for Sanitary Napkin distribution project — Gujarat (Dec.'17 - Nov.'18)	15.42	0.00	6.88	97.30	Through Implementing Agencies
1.7	Promoting preventive health care	Funding for operating MMU at Ahmedabad for three years starting from Sept., 2015 — Gujarat	13.24	0.00	13.24	110.54	Through Implementing Agencies
1.8	Promoting preventive health care	Funding for operating MMU at Jaipur for three years starting from Dec. 2017, Rajasthan	62.47	0.00	20.99	131.53	Through Implementing Agencies
1.9	Making available safe drinking water	Funding for Mini Water Plants in three tribal villages of MP	16.52	0.00	14.93	146.46	Through Implementing Agencies
1.10	Promoting Sanitation	School Sanitation in four schools of Dwarka District, Gujarat	0.00	32.46	25.30	171.76	Through Implementing Agencies
1.11	Promoting preventive health care	Maintenance & Expansion of Eye Hospital at Bareja run by BPA, Gujarat	0.00	67.50	0.00	171.76	Through Implementing Agencies
1.12	Promoting preventive health care	Funding for operating MMU at Ahmedabad for three years	0.00	90.40	0.00	**171.76**	Through Implementing Agencies

1	2	3	4	5	6	7	8
Sr. No.	Projects or Project is covered	Amount Outlay Programs with location	Amount Outlay (Budget) Project or Program-wise - 2017-18	Amount spent (Budget) Project or Program-wise - 18-19	Cumulative on the projects or programs - 18-19	Amount spent Expense up to the reporting date	Direct or through implementing agency
2.	**CSR Project / Activity : Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects**						
2.1	Providing Education to poor children	Funding towards annual recurring expenses for running Early Childhood Education (ECE) Centres for poor children, Ahmedabad, Gujarat.	1.39	0.00	1.14	1.14	Through Implementing Agencies
2.2	Providing education to differently abled children	Funding for running day-care centre for one year for differently abled children at Ahmedabad, Gujarat.	8.09	0.00	7.87	9.01	Through Implementing Agencies
2.3	Providing Education to poor childen	Educating Out of School children of Sarkhej & Vejalpur areas of Ahmedabad	0.00	26.02	3.31	12.32	Through Implementing Agencies
2.4	Conservation & Renovation of school building and classrooms	Transforming Sanitation of five schools of Pune, Maharashtra	11.88	0.00	10.00	22.32	Through Implementing Agencie
2.5	Conservation & Renovation of school building and classrooms	Transforming School Sanitation and Smart Classroom Gujarat	0.00	49.25	49.25	71.57	Through Implementing Agencies
2.6	Conservation & Renovation of school building and classrooms	Transforming School Sanitation and Smart Classroom -Karnataka	0.00	50.00	0.00	71.57	Through Implementing Agencies
2.7	Conservation & Renovation of school building and	classrooms Transforming School Sanitation and Smart Classroom -Rajasthan	0.00	50.00	0.00	71.57	Through Implementing Agencies
2.8	Providing employment enhancing vocation skills	Improving employability of youth through funding of Skill Initiative Project at Chandrapur district, Maharashtra	5.47	0.00	5.47	77.04	Through Implementing Agencies
2.9	Providing employment enhancing vocation skills	Improving employability of youth through funding of Skill Initiative Project at Baloda Bazaar, Chhattisgarh	26.83	0.00	20.95	97.99	Through Implementing Agencies
2.10	Providing employment enhancing vocation skills	Improving employability of youth through funding of Skill Initiative Project at Chhindwara, M.P.	23.60	0.00	23.22	121.21	Through Implementing Agencies
2.11	Providing employment enhancing vocation skills	Providing Self Employment opportunities for 100 disabled persons at Jodhpur - Rajasthan	0.00	9.46	9.46	130.67	Through Implementing Agencies
2.12	Providing employment enhancing vocation skills	Distribution of 1000 Saarthi Devices in Bhopal, Indore, Jabalpur in MP	0.00	18.38	0.00	130.67	Through Implementing Agencies

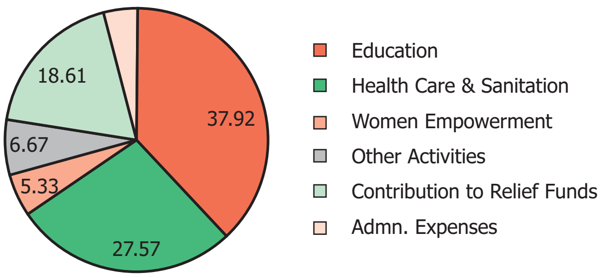
1	2	3	4	5	6	7	8
Sr. No.	Projects or Project is covered	Amount Outlay Programs with location	Amount Outlay (Budget) Project or Program-wise - 2017-18	Amount spent (Budget) Project or Program-wise - 18-19	Cumulative on the projects or programs - 18-19	Amount spent Expense up to the reporting date	Direct or through implementing agency
2.13	Providing Education to poor childen	Funding for providing mid-day sancks for children of primary school at Ahmedabad	11.69	0.00	4.68	135.35	Through Implementing Agencies
2.14	Providing Education to slum children	Provide Funding for running exclusive school for slum children of Ahmedabad city, Gujarat	26.22	0.00	20.80	156.15	Through Implementing Agencies
2.15	Providing education to differently abled and poor children	Financial Support for running “Sammilit Pathshala”, Bavla for 2017-18 - Gujarat	2.57	0.00	2.57	158.72	Through Implementing Agencies
2.16	Providing education to differently abled and poor children	Financial Support for running “Sammilit Pathshala”, Bavla for 2018-19 - Gujarat	13.98	0.00	11.13	169.85	Through Implementing Agencies
2.17	Providing education to differently abled children	Funding for Education & Rehabilitation of deaf & blind children in Ujjain	13.00	0.00	11.32	181.17	Through Implementing Agencies
2.18	Providing Education to poor childen	Funding for running coaching classes for academically & economicsally weak students	5.49	0.00	0.00	181.17	Through Implementing Agencies
2.19	Conservation & Renovation of school building and classrooms	Provide Funding for School sanitation & Hygiene Education in Tribal Residential School of Palghar district of Maharashtra state	28.85	0.00	28.02	209.19	Through Implementing Agencies
2.20	Providing Education to poor childen	Financial Support for LokShala Programme for Slum Children of Bhavnagar - Gujarat	0.00	10.00	7.31	216.50	Through Implementing Agencies
2.21	Promoting Higher value education to youth	Funding for imparting Value Education through Vedanta Academy, Pune	0.00	15.00	15.00	231.50	Through Implementing Agencies
2.22	Providing education to differently abled children	Funding for vocational Training support to children and adulted with Special needs	0.00	20.10	4.76	236.26	Through Implementing Agencies
2.23	Providing education to differently abled children	Funding for Training to 100 Disabled at Dharwad, North Karnataka	0.00	27.90	0.00	236.26	Through Implementing Agencies
2.24	Providing Education to slum children	Provide Funding for running exclusive school for slum children of Ahmedabad city, Gujarat	0.00	135.00	0.00	236.26	Through Implementing Agencies
2.25	Providing education to differently abled children	Funding for Education & Rehabilitation of deaf & blind children in Ujjain	0.00	78.92	0.00	**236.26**	Through Implementing Agencies

1	2	3	4	5	6	7	8
Sr. No.	Projects or Project is covered	Amount Outlay Programs with location	Amount Outlay (Budget) Project or Program-wise - 2017-18	Amount spent (Budget) Project or Program-wise - 18-19	Cumulative on the projects or programs - 18-19	Amount spent Expense up to the reporting date	Direct or through implementing agency
3.	**CSR Project / Activity: Promoting gender equality, empowering women, reducing inequality faced by socially and economically backward groups**						
3.1	Promoting gender equality	Empowering 30 women with disabilities through skill development at Jodhpur, Rajasthan	0.00	4.20	4.20	4.20	Through Implementing Agencies
3.2	Promoting gender Equality	Funding for construction of Girls' Hostel Building at Tribal Ashram Shala, Ambaji	5.12	0.00	5.12	9.32	Through Implementing Agencies
3.3	Reducing inequality faced by socially and economically backward groups	Funding for construction of Boy's Hostel Building at Tribal Ashram Shala, Ambaji	0.00	35.30	15.84	25.16	Through Implementing Agencies
3.4	Promoting gender equality	Women's Empowerment Centre at Kashele, Karjat, Dist. Raigadh, Mah.(Dec.'17-Nov.'18)	8.11	0.00	8.01	**33.17**	Through Implementing Agencies
4.	**CSR Project / Activity: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;**						
4.1	Ensuring Environmental sustainability	Provide funding for establishing Bio-shield at Tankari Village, Jambusar, Bharuch	0.00	34.23	34.23	**11.00**	Through Implementing Agencies
5.	**CSR Project / Activity: Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;**						
5.1	Promoting restoration of sites of historical importance	Provide funding for organising Photo Exhibition on Stepped Wells & Reservoirs in six cities of Gujarat state	23.57	0.00	23.57	23.57	Through Implementing Agencies
5.2	Protection of national heritage, art and culture	Provide Funding for organising 23rd Sangeet Sankalp Saptah aimed towards promoting Indian Classical & Traditional Music at Ahmedabad, Gujarat	0.00	7.00	7.00	**30.57**	Through Implementing Agencies
6	**Contribution to Indian Cancer Society**					**4.94**	Direct
7	**Contribution to PM Relief Fund**						
	PM National Relief Fund	Contribution to PM National Relief Fund		111.00	111.00	**111.00**	Direct
8	**CSR Administrative Expenses**					**24.28**	
	CSR EXPENSES INCURRED DURING FY 2018-19 (1.12 + 2.25 + 3.4 + 4.1 + 5.2 + 6 + 7 + 8)					**622.98**	

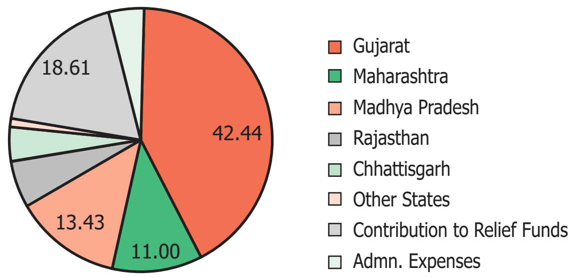
GRUH FINANCE LIMITED
We help you build homes

GRUH's CSR Initiatives

Activity wise CSR funding for FY 1819 (%)

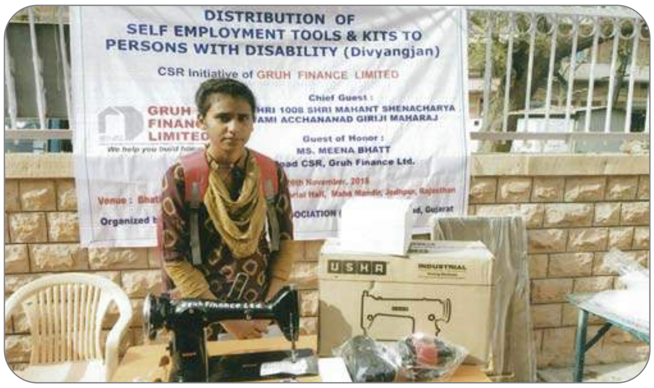


State wise CSR funding as for FY 1819 (%)



Inauguration of Girls Hostel building at Ambaji, Gujarat

Distribution of Hygiene kits to female students at Dahanu, Maharashtra



Distribution of Self Employment Kits to Disabled women at Jodhpur, Rajasthan

Mobile Medical Unit at Indore, Madhya Pradesh

Renovation of School Sanitation unit at Dwarka, Gujarat

Mangrove Plantation at Jambusar, Gujarat

ANNEXURE E TO THE DIRECTORS' REPORT - BUSINESS RESPONSIBILITY REPORT 2018-19

SECTION A, B, C – Details of the Company

GRUH Finance Limited (GRUH) is a Housing Finance Company established in July 1986 and recognised by National Housing Bank (NHB). GRUH's registered office is situated in Ahmedabad. GRUH has been primarily established to provide long term home loans (activity code 65923) for purchase / construction / renovation of houses. GRUH operates in 11 states through its 195 branches. GRUH also accepts deposits from public.

GRUH's paid up capital as on March 31, 2019 was ₹ 146.74 crore and total net owned funds were ₹ 1,646.28 crore. Total Disbursements during the year were ₹ 4,936 crore. GRUH posted a profit after tax of ₹ 447 crore for the year ended March 31, 2019.

The details of CSR activities of the company and the amount spent on CSR are provided as a part of Directors' report.

GRUH does not have a subsidiary.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

The board of directors is primarily responsible for overall business at GRUH. GRUH has a strong set of values drawn from its promoter and parent – HDFC Ltd. Though there is no formal Business Responsibility Policy, GRUH has, since its inception, adopted the principles of transparency, integrity, accountability and responsibility at all levels. GRUH's board has always maintained the true spirit of trusteeship and has inspired the management team to practice professional ethics in all its dealings with GRUH's stakeholders.

GRUH's board adopted the principles of good corporate governance by setting up an audit committee, stakeholders' relationship committee and nomination and remuneration committee since 1997 – prior to the time when it was statutorily made mandatory.

With such values in place and practices being followed, GRUH endeavours to become a responsible corporate citizen.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

GRUH has *inter alia* adopted the following Policies:

a. Code of conduct for directors & senior management

b. Code of conduct for employees

c. Fair Practice Code

d. Customer Grievance Policy

e. KYC and AML Policy

f. Dividend Distribution Policy

g. Code of conduct for DSAs

h. Share Dealing Code on prevention of insider trading

i. Policy on sexual harassment as required under Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

j. Policy on Related Party Transactions

k. Whistle Blower Policy

l. Valuation Policy

m. Recovery Policy

There was no case of violation of the Company's Code of Conduct in 2018-19. No case was reported under the Company's whistle blower policy or under the sexual harassment policy during the year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

GRUH is a Housing Finance Company (HFC) providing loans for purchase / construction / renovation of residential units. While carrying out the Legal appraisal of property documents and during technical inspection of property, it is verified that local laws / bye-laws are fully complied. The guidelines provided by National Housing Bank (NHB) from time to time are also adhered to while sanctioning / disbursing loans.

In an endeavour for quick and paperless services, GRUH promotes the use of electronic means of communication with its depositors, customers, associates and shareholders by sending electronic communication for confirmation of payments and such other purposes. GRUH also encourages the use of electronic mode of payment to and from all its stakeholders. Soft copies of the annual report 2017-18 along with the notice convening the 32nd Annual General Meeting and the dividend e-payment advice were sent to over 40,000 shareholders so as to minimise the usage of paper.

Principle 3: Businesses should promote the wellbeing of all employees

GRUH had staff strength of 677 as at March 31, 2019 out of which, 21 staff members were hired on contractual basis, 53 were permanent women employees and 3 staff with disabilities. There is no employees' association.

GRUH extends benefits under group Mediclaim insurance policy for its staff and their family members. GRUH has also carried out insurance cover for accidental consequences for its staff members.

As a welfare measure, GRUH provides loan at a concessional rate to its staff for purchase / construction / renovation of residential units, for purchase of vehicle or purchase of furniture.

During the year, no complain was received relating to child labour, forced labour, involuntary labour or Sexual harassment.

GRUH generally hires staff on permanent employment. As a part of initial induction, new joinees are put through a training by internal faculties on company's loan products, credit assessment, legal and technical appraisal, recovery mechanism etc. GRUH also identifies staff who could be imparted further training on marketing, regulatory guidelines, soft skills etc. and nominates them for external training programmes as well.

Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalised

GRUH believes in the principle of being fair and just to all its stakeholders irrespective of any caste, creed, religion or gender. The staff is also trained to treat every stakeholder equally in the best interest of the company.

Principle 5 Businesses should respect and promote human rights

GRUH treats all its stakeholders and customers with dignity, respect and due understanding. GRUH takes care to be just, patient and understanding while dealing with all stakeholders. Any aggrieved stakeholder has an access to the highest level to put his grievance and the same is resolved in the best possible manner in the shortest possible time.

As a law abiding corporate citizen, GRUH follows all applicable laws and rules announced by the authorities from time to time.

Principle 6 Businesses should respect, protect and make efforts to restore the environment

GRUH recognises the need to make efforts to protect and restore the environment and supports NGOs who undertake such activities. GRUH has funded NGOs who undertake projects like :

- providing clean and hygienic toilets in schools and / or for communities;
- Cultivation of mangroves for preventing the erosion of land;
- closed files of loan customers are sent for recycling.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

While GRUH is not a member of any trade and chamber or association, matters / issues relating to housing finance are taken up / escalated to the appropriate forum provided by the regulator.

Principle 8 Businesses should support inclusive growth and equitable development

GRUH is a HFC providing loans for purchase / construction / renovation of residential units. GRUH had visualised a need to cater to the families in the informal sector of the society and has already developed a customised loan product – GRUH Suvidha - to enable such families to have a home of their own.

GRUH also operates at deeper geographical locations. GRUH extended approx. 40% of its loans at rural locations where the population is less than 50000. Average Loan size as at March 31, 2019 was ₹ 8.19 lacs.

GRUH has been a major contributor under Pradhan Mantri Aawas Yojana (PMAY) wherein loans are given to the EWS and LIG segments for purchase/construction of dwelling units.

Besides this business activity, GRUH actively supports NGOs which are pursuing the activities of inclusive growth, women empowerment as well as development of tribal people, weaker sections of the society and minorities.

While the activity of providing home loans and loans in the informal sector is being undertaken by GRUH's own teams, CSR funding is done through partnering organisations / NGOs. The utilization of funds provided by GRUH to the NGOs is being checked through the utilization certificate received from the NGOs. In addition, personal visits by GRUH's staff are also being carried out.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

The product information is displayed on each branch notice board. No case has been filed against GRUH regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behaviour. GRUH collects customer feed backs on-line through a customer portal hosted on its website. The details of customer grievances / service requests are provided as per Note no. 40.23 of Notes to Accounts.

During the year, GRUH received 3,849 customer grievances / service requests and had 21 additional grievances / service requests pending at the beginning of the year. During the year, 3,847 such customer grievances / service requests were resolved and 23 were pending for resolution.

ANNEXURE F TO THE DIRECTORS' REPORT - FORM MGT-9 - EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L65923GJ1986PLC008809
2.	Registration Date	July 21, 1986
3.	Name of the Company	GRUH Finance Limited
4.	Category / Sub-Category of the Company	Public Company limited by shares
5.	Address of the Registered office and contact details:	"GRUH", Netaji Marg, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006 Tel : +91-79-2642 1671-75 Website : www.gruh.com Email : investorcare@gruh.com
6.	Whether listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Pvt. Limited 506-508, 5th Floor, Amarnath Business Centre-I, Beside Gala Business Centre, Nr. St. Xavier's College Corener, Off. C.G. Road, Navrangpura, Ahmedabad - 380 009. Tel : +91-79-2646 5179 Fax No.: +91-79-2646 5179 Email : ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1	Housing Development Finance Corporation Ltd. Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai - 400 020.	L70100MH1977PLC019916	Holding	56.09%	2(46)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
A. Promoters									
1 Indian									
a. Individual/HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	211877850	-	211877850	57.93	411555700	-	411555700	56.09	(1.84)
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	211877850	-	211877850	57.93	411555700	-	411555700	56.09	(1.84)
2 Foreign									
a. NRIs- Individuals	-	-	-	-	-	-	-	-	-
b. Other– Indivi)uals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total Share Holding of Promoters A (1+2)	211877850	-	211877850	57.93	411555700	-	411555700	56.09	(1.84)
B. Public Shareholding									
1 Institution									
a. Mutual Funds	34316649	-	34316649	9.38	68842399	-	68842399	9.38	0.01
b. Bank/ FI	1371817	14000	1385817	0.38	2796942	28000	2824942	0.39	0.01
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	1000000	-	1000000	0.27	2000000	-	2000000	0.27	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	38375025	1250000	39625025	10.83	76413094	2500000	78913094	10.76	(0.07)
h. Foreign Venture Cap. Fund	-	-	-	-	-	-	-	-	-
i. Alternate Investment Fund	1695324	-	1695324	0.46	4026382	-	4026382	0.55	0.09
j. Others	-	-	-	-	-	-	-	-	-
Sub-Total B (1)	76758815	1264000	78022815	21.33	154078817	2528000	156606817	21.35	0.03
2. Non-Institution									
a. Bodies Corporate	6912636	23350	6935986	1.90	16926752	42700	16969452	2.31	0.41
b. individuals									
i. individual shareholders holding nominal share capital upto ₹ 1 lakh	35656475	2962780	38619255	10.56	64576115	4757032	69333147	9.45	(1.11)
ii. individual shareholders holding nominal share capital excess of ₹ 1 lakh	19043690	-	19043690	5.21	45307509	-	45307509	6.18	0.97
c. NBFCs Registered with RBI	-	-	-	-	86013	-	86013	0.01	-
d. Trust Employee	-	-	-	-	684	-	684	0.00	-
e. Others									
i. NRI	8486421	-	8486421	2.32	15738328	-	15738328	2.15	(0.17)
ii. OCB	-	-	-	0.00	-	-	-	0.00	0.00
iii. Trust	98275	-	98275	0.03	106600	-	106600	0.01	(0.02)
vi. HUF	1388647	7300	1395947	0.38	2592658	14600	2607258	0.36	(0.02)
vii. Clearing Member	278542	-	278542	0.08	13456449	-	13456449	1.83	1.75
viii. IEPF	579980	-	579980	0.16	1166235	-	1166235	0.16	-
ix. Unclaimed Shares	381250	-	381250	0.10	753220	-	753220	0.10	-
x. Foreign National	-	-	-	-	100	-	100	0.00	-
Sub-Total B (2)	72825916	2993430	75819346	20.73	160710663	4814332	165524995	22.56	1.83
Net Total B (1+2)	149584731	4257430	153842161	42.07	314789480	7342332	322131812	43.91	1.84
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	361462581	4257430	365720011	100.00	726345180	7342332	733687512	100.00	-

ii. Shareholding of Promoters

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No.of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No.of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Housing Development Finance Corporation Ltd.	211877850	57.93	-	411555700	56.09	-	(1.84)

iii. Change in Promoter's Shareholding

During the year, HDFC Limited has sold 1,22,00,000 equity shares after the requisite approval received from NHB. Additionally, the percentage of the shareholding and no. of shares has changed due to 1:1 bonus issue of equity shares allotted on June 8, 2018 and various allotments of equity shares made during the year under the ESOS Scheme of the Company.

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

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Shareholding at the end of the year (March 31, 2019)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Axis Mutual Fund Trustees Ltd. *	18389796	5.03	49153207	6.70
2	CLSA India Private Limited #	-	-	12200000	1.66
3	Ishana Capital Master Fund *	1403629	0.38	10473580	1.43
4	Amansa Holdings Private Limited #	-	-	9564673	1.30
5	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund #	-	-	9290100	1.27
6	SBI Magnum Multicap Fund *	11324000	3.10	4525000	0.62
7	Platinum Jubilee Investments Ltd *	2135440	0.58	4270880	0.58
8	Rachna Amin *	1807600	0.49	3615200	0.49
9	Arjun Sahgal *	1410000	0.39	2820000	0.38
10	Vanguard Total International Stock Index Fund *	1178565	0.32	2802252	0.38
11	Vanguard Emerging Markets Stock Index Fund *	1302298	0.36	2648213	0.36
12	UTI – Equity Fund *	3496494	0.96	1584647	0.22
13	SmallCap World Fund, INC @	8560000	2.34	-	-
14	Matthews India Fund @	3081950	0.84	-	-

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence, the date wise increase / decrease in shareholding is not indicated.
2. * Common top 10 shareholders as on April 1, 2018 and March 31, 2019
   @ Top 10 shareholders only as on April 1, 2018
   # Top 10 shareholders only as on March 31, 2019

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year on April 1, 2018		No. of shares purchased (allotted pursuant to exercise of ESOS and/or Bonus entitlement during the year)	No of shares sold / transferred during the year	Shareholding at the end of the year on March 31, 2019	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	Mr. Keki M. Mistry	332900	0.09	332900	-	665800	0.09
2	Mr. Prafull Anubhai	8000	0.00	8000	8000	8000	0.00
3	Ms. Renu S. Karnad	467230	0.13	467230	-	934460	0.13
4	Mr. K.G. Krishnamurthy	466650	0.13	466650	-	933300	0.13
5	Mr. S.G. Mankad	130000	0.04	130000	-	260000	0.04
6	Mr. Biswamohan Mahapatra	0	0.00	-	-	0	0.00
7	Mr. Pankaj Patel	0	0.00	-	-	0	0.00
8	Mr. Rajesh Gupta	0	0.00	-	-	0	0.00
9	Ms. Bhavna Doshi	0	0.00	-	-	0	0.00
10	Mr. Kamlesh Shah	320366	0.09	510366	138080	692652	0.09
11	Mr. Sudhin Choksey	339816	0.09	549816	302113	587519	0.08
12	Mr. Marcus Lobo	316450	0.09	364950	24000	657400	0.09
13	Mr. Hitesh Agrawal	63150	0.02	98850	80700	81300	0.01

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in crore)

	Particulars	Secured Loans excluding Public Deposits	Unsecured Loans	Public Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
1)	Principal Amount	11,782.69	805.00	1,458.31	14,046.00
2)	Interest due but not paid	0.00	0.00	0.00	0.00
3)	Interest accrued but not due	57.61	0.07	49.43	107.11
	Total (1+2+3)	11,840.30	805.07	1,507.74	14,153.11
	Change in Indebtedness during the financial year				
1)	Addition	6,080.10	0.00	179.60	6,259.70
2)	Reduction	3,109.90	570.00	89.80	3,769.70
	Net Change	2,970.20	(570.00)	89.80	2,490.00
	Indebtedness at the end of the financial year				
1)	Principal Amount	14,786.30	235.00	1,562.25	16,583.55
2)	Interest due but not paid	0.00	0.00	0.00	0.00
3)	Interest accrued but not due	24.20	0.07	35.29	59.56
	Total (1+2+3)	14,810.50	235.07	1,597.54	16,643.11

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD Mr. Sudhin Choksey	Name of MD/WTD Mr. Kamlesh Shah	Total
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act	236.00	84.00	320.00
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (*)	14.02	5.40	19.42
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of Profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify			
	Contribution to Provident Fund	14.16	6.30	20.46
	Ex-gratia	185.00	60.00	245.00
	Total (A)	449.18	155.70	604.88
	Ceiling as per the Act			6,218.59

* Excludes value of perquisite on exercise of stock options.

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

Name of Directors	Particulars of Remuneration: Fees for attending board / committee meetings	Commission paid(*)	Others, please specify	Total
Mr. Keki M. Mistry - Chairman	7.60	-	-	7.60
Mr. Prafull Anubhai (upto March 31, 2019)	13.05	15.00	-	28.05
Ms. Renu S. Karnad (upto March 8, 2019)	3.40	-	-	3.40
Mr. K. G. Krishnamurthy	6.80	-	-	6.80
Mr. S. G. Mankad	6.25	15.00	-	21.25
Mr. Biswamohan Mahapatra	5.20	15.00	-	20.20
Mr. Pankaj Patel	1.80	15.00	-	16.80
Mr. Rajesh Gupta	8.60	15.00	-	23.60
Ms. Bhavna Doshi	8.60	3.75	-	12.35
Total (B)	61.30	78.75	-	140.05
Ceiling as per the Act:				621.86

(*) Commission for the year 2017-18 was paid during the year 2018-19.

Total (A+B)	744.93

C. Remuneration to Key Managerial Personnel Other than MD/WTD

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of KMP Mr. Marcus Lobo	Mr. Hitesh Agrawal	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	40.55	21.54	62.09
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (*)	1.41	1.38	2.79
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of Profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify			
	Contribution to Provident Fund	2.56	1.08	3.64
	Performance Bonus	13.65	7.13	20.78
	Total	58.17	31.13	89.30

* Excludes value of perquisite on exercise of stock options.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

ANNEXURE G TO THE DIRECTORS' REPORT - POLICY ON TRANSACTIONS WITH RELATED PARTIES

1. Policy

As a policy, GRUH (the "Company") discourages Transactions with Related Parties unless they are determined to be in the Company's best interests and they have been approved in accordance with the terms and conditions of this Policy. The Board of Directors (the "Board") further recognises that related party transactions could present conflicts of interest and/or improper valuation (or the perception or appearance thereof) and therefore has adopted this Related Party Transaction Policy (this "Policy") to be followed in connection with all related party transactions involving the Company. The Board recognises that transactions between related parties and the Company may occur in the ordinary course of business and on arm's length basis. All Related Party Transactions, as the term is defined in this policy, shall be subject to review and approval in accordance with the procedures set forth below.

2. Definitions

2.1. "Applicable Laws" includes (a) the Companies Act, 2013 ('the Act') and rules made thereunder; (b) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (c) Accounting Standards (d) National Housing Bank (NHB) Act, NHB Housing Finance Companies Directions, 2010 and Notifications issued by NHB from time to time and (e) any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

2.2. "Audit Committee" means the committee of Board of Directors of the Company constituted in accordance with the provisions of Companies Act, 2013 and Rules made thereunder.

2.3. "Related Party Transaction" as per regulation 2(1)(zc) of SEBI (LODR), 2015 mean a transfer of resources, services or obligations between listed entity and a related party, regardless of whether a price is charged. As per section 188(1) of Companies Act, 2013 related party transaction will include following specific transactions :

a) sale, purchase or supply of any goods or materials;

b) selling or otherwise disposing of, or buying, property of any kind;

c) leasing of property of any kind;

d) availing or rendering of any services;

e) appointment of any agent for purchase or sale of goods, materials, services or property;

f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

g) underwriting the subscription of any securities or derivatives thereof, of the company.

provided that nothing in section 188(1) shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not at arm's length basis.

As per Ind AS 24, a related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

2.4. "Related Party"

As per regulation 2(1)(zb) of SEBI (LODR), 2015 related party means a related party as defined under section 2(76) of the Companies Act, 2013 or under the applicable accounting standards.

As per Indian Accounting Standard (Ind AS) 24, a related party is a person or entity that is related to the entity that is preparing its financial statements

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control of the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies :

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity (or of the parent of the entity).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Control

As per the Ind AS-110 on Consolidated financial Statements, definition of control encompasses three distinct principles, which, if present, identify the existence of control by an investor over an investment, hence forming a parent-subsidiary relationship :

(i) Power over the investee;

(ii) Exposure, or rights, to variable returns from its involvement with the investee; and

(iii) The ability to use its power over the investee to affect the amount of the investor's returns.

As per Ind AS 28, Investment in Associates and Joint ventures: Joint control, Joint venture, Joint venturer and Significant influence are defined as under :

Joint control

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint Venturer

A joint venturer is a party to a joint venture that has joint control of that joint venture.

Significant Influence

Significant influence is the power to participate in the financial and operating policy decision of the investee but is not control or joint control of those policies.

As per section 2(76) of Companies Act, Related Party means :

(i) a director or his relative;

(ii) a key managerial personnel or his relative;

(iii) a firm, in which a director, manager or his relative is a partner;

(iv) a private company in which a director or manager or his relative is a member or director;

(v) a public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital;

(vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

(vii) any person on whose advice, directions or instructions, a director or manager is accustomed to act:

(viii) any company which is -

(a) a holding, subsidiary or an associate company of such company; or

(b) a subsidiary of a holding company to which it is also a subsidiary;

(ix) such other person as may be prescribed.

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity.

Rule 3 of the Companies (Specification of Definitions Details) Rules, 2014, provides that a director (excluding independent directors) or key managerial personnel of the holding company or his relative with reference to a company shall also be deemed to be a related party.

Relative

In terms of Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 a person is said to be a relative of another, if -

a. They are members of a Hindu undivided family; b. They are husband and wife; c. Father (including step-father); d. Mother (including step-mother); e. Son (including step-son); f. Son's wife; g. Daughter; h. Daughter's husband; i. Brother (including step-brother); or j. Sister (including step-sister).

As per Ind AS 24, close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including :

(a) that person's children, spouse or domestic partner, brother, sister, father and mother;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person's spouse or domestic partner.

Material Related Party Transaction (Regulation 23(1) and 23(4) of SEBI (LODR), 2015)

mean such Related Party Transactions where the aggregate value of transactions entered, or likely to be entered into, with a related party; during the current financial year, is likely to exceed 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

All material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

Arm's length transaction (Section 188(1)(b) of Companies Act, 2013)

mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Omnibus approval (Regulation 23(3) of SEBI (LODR), 2015)

In case of certain frequent/ repetitive/ regular transactions with Related Parties which are in the ordinary course of business of the Company, the Audit Committee may grant an omnibus approval for such Related Party Transactions proposed to be entered into by GRUH, subject to the following conditions, namely -

(a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;

(b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;

(c) the omnibus approval shall specify:

  (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,

  (ii) the indicative base price / current contracted price and the formula for variation in the price if any; and

  (iii) such other conditions as the audit committee may deem fit: Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

  (iv) such other conditions as may be specified by the law from time to time.

(d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by GRUH pursuant to each of the omnibus approvals given.

(e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

3. Procedures

3.1. Board of Directors

3.1.1. All related parties with whom the Company intends to enter into transaction will require prior approval of the Board of Directors.

3.1.2. All related party transactions, otherwise done at arm's length distance, falling within the limits of section 188(1) will require prior approval of the Board of Directors at its meeting. The Board of Directors shall review and recommend all transactions in terms of section 188(1) requiring shareholders' prior approval.

3.1.3. As per Regulation 23 (4) of SEBI (LODR), 2015 all material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

3.1.4. The Board of Directors shall annually review, the details of all Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, and the benefits to the Company and to the relevant Related Party.

3.1.5. Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

3.1.6. As per guideline issued by Fixed Income Money Market and Derivatives Association of India (FIMMDA) dated October 5, 2017, Company shall not invest in Commercial paper of any other Company within HDFC group either in primary or secondary market.

3.2. Audit Committee

3.2.1. Each of GRUH's directors and executive officers are instructed to inform the Company Secretary of any potential Related Party Transactions. All such transactions will be analysed by the Audit Committee in consultation with management to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction requiring compliance with this Policy. The Committee will be provided with the following details of each new, existing or proposed Related Party Transaction :

i. The Name of the Related Party and nature of relationship;

ii. The nature, duration and particulars of the contract or arrangement;

iii. The material terms of the contract or arrangement including the value, if any;

iv. Any advance paid or received for the contract or arrangement, if any;

v. The manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract;

vi. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and

vii. Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

3.2.2. Transactions with approved parties will require a prior approval of the Audit Committee.

3.2.3. The Related Party Transactions which are not in the ordinary course of business and not at arm's length will be reviewed by the Audit Committee and then recommended to the Board of Directors.

3.2.4. If a Related Party Transaction is ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee shall periodically review and assess ongoing relationships with the Related Party.

3.2.5. The Committee will review the material facts of all Related Party Transactions and may approve or disapprove of the entry into the Related Party Transaction.

3.2.6. The Committee may also disapprove of a previously entered Related Party Transaction and may require that management of the Company take all reasonable efforts to terminate, unwind, cancel or annul the Related Party Transaction.

3.2.7. A Related Party Transaction entered into without pre-approval of the Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

3.2.8. The Committee may decide to get advice, certification, study report, rely upon certification issued as per the requirement of other laws etc. from a professional (includes statutory / internal Auditors) or technical person including price discovery process, to review transactions with Related Party.

3.2.9. Any member of the Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the Related Party Transaction. However, the Chairperson of the Committee may allow participation of such member in some or all of the Committee's discussions of the Related Party Transaction.

3.2.10. Annually, the Audit Committee shall review any previously approved or ratified Related Party Transaction that is continuing and determine based on then-existing facts and circumstances, including the Company's existing contractual or other obligations, if it is in the best interests of the Company to continue, modify or terminate the transaction.

4. Approval of Shareholders

4.1. The contracts or agreements with any Related Party which are not in the ordinary course of business and not at arm's length in respect of transactions specified in section 188(1) of the Companies Act, 2013, will require prior approval of the shareholders by a resolution.

4.2. All material related party transactions will require shareholders' approval.

4.3. The explanatory statement to be annexed to the notice of general meeting in this regards will contain following particulars:

i. name of the related party;

ii. name of the director or key managerial personnel who is related, if any;

iii. nature of relationship;

iv. nature, material terms, monetary value and particulars of the contract or arrangement;

v. any other information relevant or important for the members to take a decision on the proposed resolution.

5. Disclosure

5.1. Each director who is, directly or indirectly, concerned or interested in any way in any transaction with the Related Party shall disclose all material information and the nature of his interest in the transaction to the Committee or Board of Directors.

5.2. All Related Party Transactions that are required to be disclosed in the Company's filings with the Stock Exchanges, as required by the Listing Regulations.

6. Review of Policy

The Audit Committee will periodically review this Policy and may recommend amendments to this Policy as it deems appropriate.

7. Exceptions - Transactions that need not be reported to the Audit Committee

7.1. Employment of Executive Officers and their compensation as approved by Nomination & Remuneration Committee.

7.2. Managerial remuneration recommended by Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

7.3. Reimbursement or advances of business travel and expenses incurred or to be incurred directly by a director or executive officer of the Company in connection with the performance of his or her duties.

7.4. Transactions where all shareholders receive proportional benefits :

Any transactions, arrangements or relationships where the Related Party's interest arises solely from the ownership of the Company's Shares and all holders of the Company's Shares received the same benefit on a pro-rata basis (e.g., dividends, sub-division or bonus shares).

7.5. Certain banking-related services :

Any transactions, arrangements or relationships with a Related Party involving services as a bank viz. current account, depositary of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

7.6. Regulated transactions :

Any transactions, arrangements or relationships with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.

7.7. Other Transactions :

Such other transactions as may be determined by the Committee or Board of Directors from time to time.

8. Administrative Measures

Management shall institute appropriate administrative measures to provide that all Related Party Transactions are not in violation of, and are reviewed in accordance with, these Policies and Procedures.

9. Interpretation

In any circumstance where the terms of these Policies and Procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as these Policies and Procedures are changed to confirm to the law, rule, regulation or standard.

10. Dissemination of Information

GRUH shall upload this Policy on its website i.e., www.gruh.com and a weblink of the same will be provided in the Annual Report. Disclosures regarding Material Related Party Transactions, if any, shall be disclosed to the stock exchanges quarterly along with the GRUH's Compliance Report on Corporate Governance, in accordance with the Listing Regulations. GRUH shall also make relevant disclosures in its Annual Report and maintain such registers as required under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations.

11. Implementation

The policy will be implemented by the management of the Company from the date it is approved by the Board. All Related Party Transaction entered prior to the date of approval of this Policy and Procedures shall be subject to review by the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Overview

During the year under review, the Reserve Bank of India (RBI) maintained a very cautious stance in its endeavours to keep inflation under a target of 4% and increased the repo rate twice by 25 basis points each during the first half of the financial year. While it succeeded in containing inflation which declined to a low of 2.2% in December 2018, however, neither GDP nor credit could register the desired growth. The RBI cut the repo rate by 25 basis points in February 2019. Monetary policy transmission continued to remain slow.

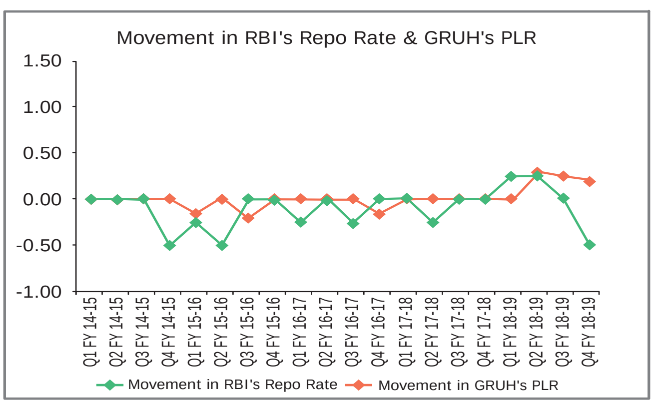
Midway during the year, RBI revised housing loan limits for priority sector eligibility for banks which further intensified competition at the market place with marginal cost based pricing for home loans by the banks. RBI also cautioned that the levels of NPAs for small ticket size loans were rising and it might need to consider policy action such as tightening of loan to valueratios or increase risk weights.

The money markets were caught in the aftermath of the liquidity crisis following defaults by a large NBFC which led to heightened risk aversionand higher borrowing costs for NBFCs and HFCs. For few weeks, the liquidity completely dried up with a fear of contagion impact on other players of NBFCs and HFCs. However, the RBI undertook various measures such as continued open market operations, easing norms for sale of loans, rupee/dollar buy/sell swap options and encouraging banks to increase their lending to NBFCs.

Market Scenario

While the availability of money was scarce and costswerehigh, the real estate sector continued to stagnate with high levels of inventory and lack of demand for new housing. The sector struggled to cope with the effects post demonetisation and it also geared to comply with the Real Estate Development and Regulation Act. An anomaly in the applicability of the Goods and Services Tax (GST) on completed units and under construction units did not allow the sector to witness much improvement in the demand.

Most of the HFCs slowed down disbursals of home loans to manage the tight liquidity, which further added to the woes of the sector in slowing down sales. At this juncture, it appears that the real estate sector might take 12 to 18 months to revive, despite the government's thrust towards affordable housing.



Indian Accounting Standards (Ind AS)

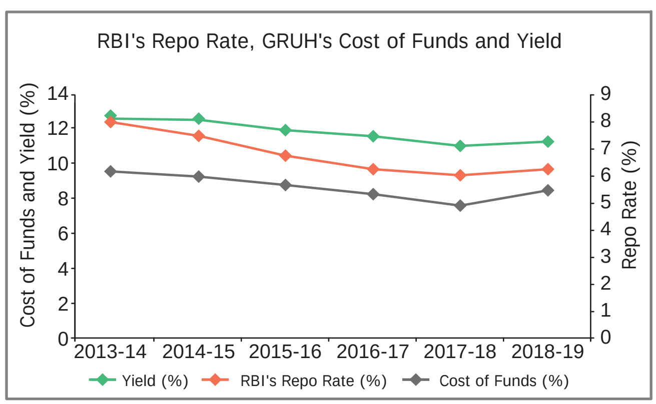
The Ministry of Corporate Affairs (MCA), based on its notification in the Official Gazette vide Notification G.S.R. 111(E) and G.S.R. 365(E) dated February 16, 2015 and March 30, 2016 respectively, notified the Indian Accounting Standards (Ind AS) applicable to certain class of companies. Ind AS has replaced the Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These notifications are applicable to all HFCs effective April 1, 2018.

Accordingly, your Company has adopted Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment /rules made thereafter from April 1, 2018. The effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by NHB (Collectively referred to as 'the Previous GAAP').

The impact of transition has been recorded in the opening reserves as at April 1, 2017. The corresponding figures presented in these financial statements have been prepared on the basis of the previously published financial statements under the previous GAAP, duly re-stated to Ind AS. These Ind AS adjustments have been audited by the statutory auditors. The financial statements have been prepared based on the notified Schedule III for Non-Banking Financial Companies issued by the Ministry of Corporate Affairs on October 11, 2018. The reconciliation and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in note 4 in the note to accounts in the financial statements.

Loan Products

GRUH's major focus has been to provide home loans to individuals and families for purchase, construction and extension of residential units. 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. The repayment capacity of such families are appraised based on their cash flows. Apart from extending home loans, GRUH offers loans for purchase and construction of non-residential properties (NRP) and also offers mortgage loans against existing residential and commercial properties. GRUH offers developer loans on a selective basis.



Home loan products are being offered at variable and fixed rates, giving customers an option to decide on the type of interest rate risk.

GRUH has also signed an MOU with National Housing Bank (NHB) which is the Central Nodal Agency under the Pradhan Mantri Awas Yojana (PMAY) for the Credit Linked Subsidy Scheme (CLSS) for EWS, LIG and MIG categories. The subsidy received from the government through the Central Nodal Agency under this scheme, is being passed on to the beneficiaries by way of prepayment with a reduction in their instalments.

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

Marketing Efforts

To ensure a deeper geographic reach, GRUH has been sourcing retail business through third party channels by appointment of GRUH Referral Associates (GRAs). GRAs only source loans while GRUH retains control over the credit, legal and technical appraisals. Business sourced through GRAs was 75% of total disbursements made during the year and GRUH paid referral fees of ₹ 15.05 crore to GRAs for sourcing business.

GRUH is operating in eleven states - Gujarat, Maharashtra, Karnataka, Rajasthan, Madhya Pradesh, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Bihar, Jharkhand, West Bengal and Dadra & Nagar Haveli. GRUH established 2 new offices during the year. GRUH now has 195 retail offices across these eleven states. GRUH's staff strength as at March 31, 2019 was 677.

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

Disbursements

GRUH disbursed ₹ 4,936 crore during the year as against ₹ 5,259 crore in the previous year. GRUH disbursed loans of ₹ 3,760 crore (previous year ₹ 4,016 crore) for home purchase, repair and renovation.

GRUH disbursed home loans to 37,599 families (previous year 43,473 families) and the average home loan to individuals was increased to ₹ 9.59 lacs from ₹ 9.40 lacs in previous year.

Disbursements under the Loan Against Property (LAP) segment were ₹ 404 crore (previous year ₹ 569 crore).

GRUH disbursed loans of ₹ 50 crore (previous year ₹ 60 crore) for purchase of NRP and ₹ 723 crore (previous year ₹ 614 crore) to developers.

Cumulative disbursements as at March 31, 2019 stood at ₹ 33,392 crore with a Compound Annual Growth Rate (CAGR) of 14% 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 41,943 customers under this arrangement in respect of property cover of ₹ 4,252 crore.

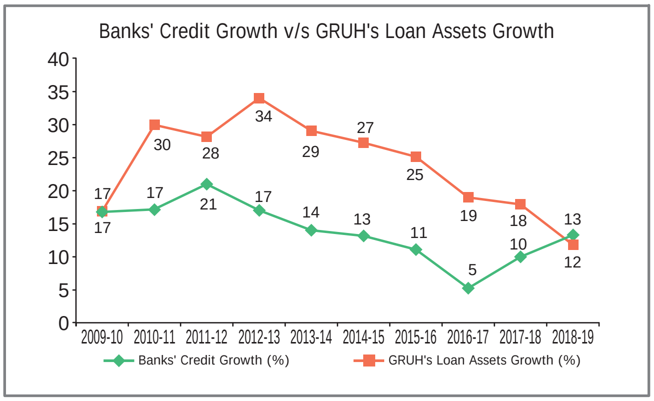
GRUH has an arrangement with three Life Insurance service providers viz HDFC Life Insurance Co. Ltd., Bharti AXA Life Insurance Co. Ltd. and Kotak Mahindra Life Insurance Co. Ltd. GRUH continued to persuade its customers to take insurance cover on the life of the principal income earner as the collateral for its loans. The policies are assigned in favour of GRUH. During the year, 21,755 customers have taken the life cover from these insurance companies in respect of life cover of ₹ 1,865 crore.

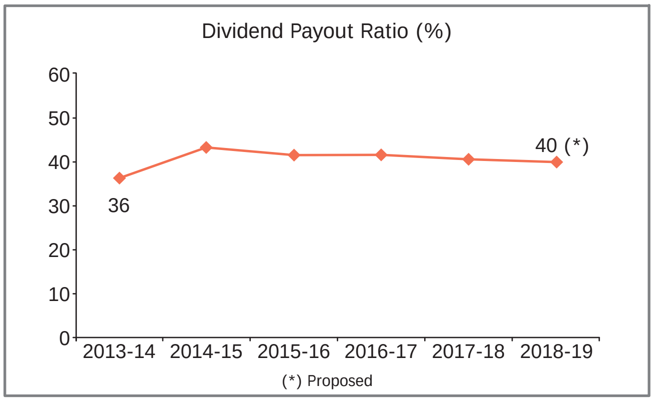
Loans

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

During the year, GRUH's total outstanding loans increased to ₹ 17,408 crore from ₹ 15,588 crore and registered a growth of 12%. CAGR over the past 5 years period has been 20%.

The total outstanding loans at variable rates stood at ₹ 16,213 crore (previous year ₹ 14,431 crore), which was 93% (previous year 92%) of the total outstanding loans. Loans to total assets stood at 93.26% as at March 31, 2019.





GRUH's outstanding home loans to individuals of ₹ 14,406 crore constitute 83% of the total outstanding loans. Loan Against Properties of ₹ 1,783 crore and other loans to individuals for non-residential premises (NRP) of ₹ 343 crore constituted 10% and 2% respectively of the total outstanding loans. GRUH experienced a prepayment ratio of 11% (previous year 14%) in respect of individual loans. The outstanding loans to developers of ₹ 876 crore constituted 5% of the total outstanding loans.

The average yield realised on the loan assets during the year was 11.37% (previous year 11.33%).

CAGR (%) As At March 31, 2019

Particulars	5 Years	7 Years	10 Years
Disbursements	14	19	22
Loan Assets	20	23	24
NIM	20	21	23
PAT	20	21	24

Classification of Loan Assets as per Ind AS

Under Ind AS, asset classification and provisioning moves from the 'rule based', incurred losses model to the Expected Credit Loss (ECL) model of providing for expected future credit losses. Thus, loan loss provisions are made on the basis of the Company's historical loss experience and future expected credit loss, after factoring in various macro-economic parameters. Under Ind AS, asset classification comprises three categories based on ageing of Exposure at Default (EAD) which is principal and accrued interest. Outstanding between 0 to 30 days are Stage 1 assets, outstanding between 31 days to 89 days are Stage 2 assets and Stage 3 assets are those assets where outstanding EAD is for 90 days and above.

Accordingly, as per Ind AS, GRUH's Stage 1 Loan Assets have improved from 94.48% as at March 31, 2018 to 95.58% as at March 31, 2019. Stage 2 loans have improved from 5.07% as at March 31, 2018 to 3.76% as at March 31, 2019. Loans under Stage 3 have increased from 0.45% as at March 31, 2018 to 0.66% as at March 31, 2019.

As per Ind AS 109 on Financial Instruments, GRUH is required to carry total provisions of ₹ 45.16 crore towards expected future credit losses which is 0.26% on Loan Assets of ₹ 17,408 crore. Of this, provision of ₹ 9.28 crore is required towards Stage 3 loans of ₹ 114 crore. Provisions amounting to ₹ 35.88 crore is required on Stage 1 and Stage 2 loan assets of ₹ 17,294 crore. However, as a measure of prudence, your directors have decided to carry a total provision of ₹ 119.58 crore towards future expected credit losses under Ind AS.

During the year, GRUH has written off ₹ 0.86 crore in respect of individual loans where the recovery was difficult in the near future. However, GRUH continued the recovery efforts in respect of written off loans of earlier years and could effect recoveries of ₹ 0.46 crore during the year in respect of such written off loans. GRUH also took possession of properties of the defaulting borrowers under the SARFAESI Act and has sold few of such acquired properties.

Standard Assets, NPAs and Provisions under NHB norms as per IGAAP

As per the prudential norms prescribed by NHB for Standard Loan Assets, HFCs are required to carry a provision of 0.25% on Individual Home Loans, 1% on Individual NRP Loans, 0.75% on developer loans for residential projects and 1% on developer loan for commercial projects.

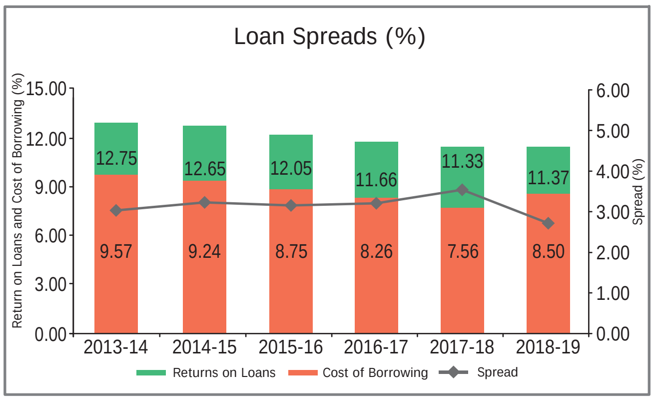
Accordingly, GRUH is required to carry total provision of ₹ 51.48 crore on Standard Loan Assets comprising Individual Home Loans, Individual NRP Loans and Developer Loans, aggregating to ₹ 17,263 crore. This provision includes provision of ₹ 0.14 crore towards Standard Assets in respect of instalments due from borrowers of ₹ 44.02 crore and a provision of ₹ 0.02 crore in respect of Standard Assets on Loan against GRUH's fixed deposits and interest accrued thereon of ₹ 2.12 crore.

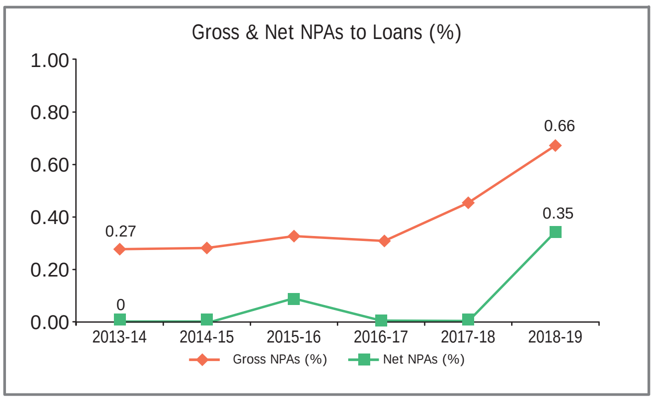
NHB, vide its notification dated August 2, 2017, reduced the provisioning requirement on Standard Individual Home Loans from 0.40% to 0.25%. However, as per the said notification, excess provision on account of reduction in provisioning requirement is to be carried forward. GRUH carries a provision of ₹ 16.26 crore on account of such reduction.

Therefore, against a provisioning requirement of ₹ 51.48 crore on total Standard Assets, GRUH carries a provision of ₹ 67.74 crore.

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

GRUH's NPAs as at March 31, 2019 were ₹ 101.97 crore in respect of Individual Home loans and ₹ 12.47 crore in respect of Individual NRP loans. There were no NPAs under developer loans. GRUH is required to carry a provision of ₹ 30.87 crore towards non-performing loans as per NHB norms. Accordingly, under NHB norms, GRUH is required to carry total provision of ₹ 98.61 crore towards NPAs and Standard Assets.





Net Non-Performing Loans were 0.35% on outstanding loans of ₹ 17,377 crore.

GRUH carried 293 properties acquired in settlement of dues at the beginning of the year. During the year, GRUH acquired 103 properties and disposed off 41 properties. GRUH carried 355 properties as at March 31, 2019.

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 ₹ 52 crore as surplus from cash management schemes of mutual funds and ₹ 47 crore by way of interest on deposits placed with banks. At the end of the year, GRUH maintained ₹ 900 crore by way of short term liquid deposits with banks.

As per NHB guidelines, HFCs are required to maintain Statutory Liquid Ratio (SLR) in respect of public deposits. Currently, the SLR requirement is 12.50% of the public deposits. As at March 31, 2019, GRUH has invested ₹ 229 crore in approved securities comprising government securities, government guaranteed bonds and deposits with scheduled banks, which is higher than the limits prescribed by NHB.

GRUH has classified its investments in SLR securities as long-term investments and valued them at cost. GRUH carries a provision of ₹ 5.88 crore 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 NHB by way of refinance, from banks by way of term loans, by private placement of non-convertible debentures (NCDs), by issuance of commercial paper and mobilisation of public deposits.

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

During the year, as a result of the liquidity tightening, GRUH reduced its dependence on short-term borrowings and mobilised funds from banks and refinance from NHB. GRUH also built up its liquidity to an extent of ₹ 3,000 crore and significantly reduced the risk on borrowings from commercial paper, despite the negative drag on the net interest margin.

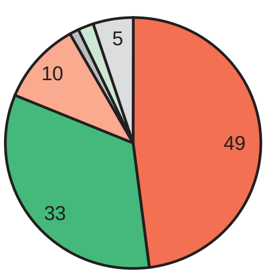
The above is evident from the fact that the borrowings which have original maturity of upto twelve months as at the end of the year, constituted 19.97% (previous year 39.12%) of the total borrowings of ₹ 16,584 crore (previous year ₹ 14,046 crore). The outstanding borrowings at fixed rate stood at ₹ 9,578 crore (previous year ₹ 8,086 crore), which was 57.75% (previous year 57.57%) 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 ₹ 11,815 crore during the year and repaid loans aggregating to ₹ 10,677 crore. 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 Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against Public Deposits. Outstanding balance of bank loans was ₹ 6,775 crore as at March 31, 2019.

GRUH repaid refinance of ₹ 342 crore to NHB. Outstanding refinance from NHB as at March 31, 2019, of ₹ 3,706 crore 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 Statutory Liquid Assets having floating charge in favour of the Public Deposit Trustees against Public Deposits.

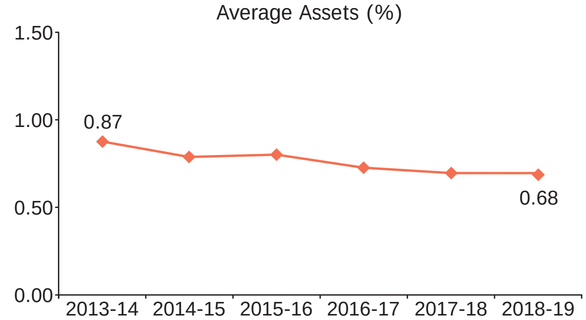
GRUH raised ₹ 1,230 crore through issuance of NCDs during the year. The outstanding balance of NCDs as at March 31, 2019 was

GRUH's Outstanding Loans



Individual Housing	(₹ in crore)	%
Suraksha	8,408	49
Suvidha	5,770	33
Mortgage	1,787	10
Sajavat	231	1
Individual Non-Residential		
Samrudhi	328	2
Shubh Labh	8	-
Developer Loans	876	5
	17,408	100

Non-Interest Expenses to Average Assets (%)



₹ 4,305 crore. 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 AAA(*)" and "CRISIL AAA(*)" indicating highest degree of safety regarding timely payment of financial obligations.

(*)Indicates 'on watch with negative implications' post merger announcement on January 7, 2019.

The outstanding subordinated debt as at March 31, 2019 stood at ₹ 35 crore. The debt is subordinated to present and future senior indebtedness of the Company and is rated "ICRA AAA(*)" and "CRISIL AAA(*)" indicating highest degree of safety regarding timely payment of financial obligations. Based on the balance term to maturity, as at March 31, 2019, ₹ 21 crore of the face value of subordinated debt is considered as Tier II capital as per the guidelines issued by NHB for the purpose of computation of Capital Adequacy Ratio (CAR).

(*)Indicates 'on watch with negative implications' post merger announcement on January 7, 2019.

GRUH's short term borrowings including commercial paper and short term NCDs are rated "ICRA A1+" and "CRISIL A1+", indicating very strong degree of safety regarding timely payment of financial obligations. The outstanding balance of commercial paper as at March 31, 2019 was ₹ 200 crore.

During the year, GRUH received fresh deposits of ₹ 542 crore and repaid deposits of ₹ 438 crore. The renewal ratio (the ratio of deposits renewed to the deposits maturing during the year) experienced by GRUH was 48.30%. The outstanding deposits have increased from ₹ 1,458 crore at the beginning of the year to ₹ 1,562 crore by the end of the year. The outstanding balance of public deposits constituted 9.42% of the total outstanding borrowings as at March 31, 2019.

GRUH's Deposit programme is rated "MAAA(*)" by ICRA and "FAAA(*)" by CRISIL. These ratings indicate very strong degree of safety as regards timely repayment of principal and interest.

(*)Indicates 'on watch with negative implications' post merger announcement on January 7, 2019.

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

The average cost of total borrowings experienced during the year was 8.50% per annum (previous year 7.56%).

NHB Guidelines and Prudential Norms

GRUH has complied with the guidelines issued by NHB regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) Standards, Fair Practices Code, grievance redressal mechanism, valuation of properties, 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, 2019 of ₹ 16,584 crore were within the permissible limit of 16 times of the net owned funds. Of this, the public deposits of ₹ 1,562 crore were also within the limit of 5 times of 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.

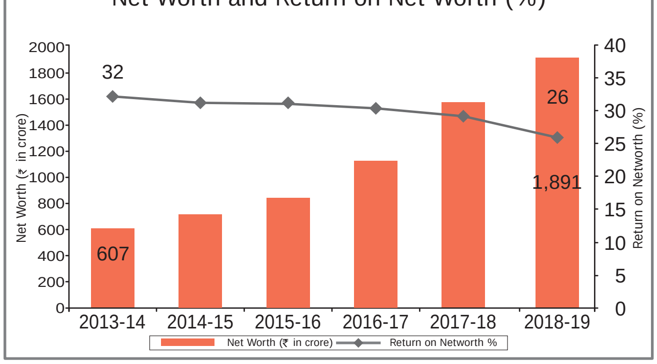
GRUH's CAR as at March 31, 2019 was 20.30% as against NHB's prescribed limit of 12%. The Capital Adequacy on account of Tier I Capital was 19.26% while the Capital Adequacy on account of the Tier II Capital was 1.04%.

Central Registry

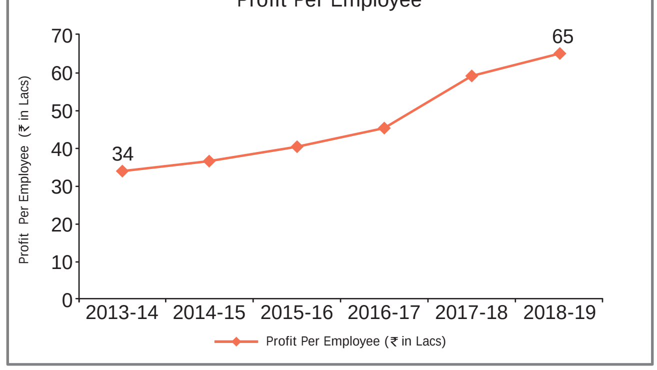
The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act, 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. All Banks & Housing Finance Companies (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 the data of mortgage.

GRUH is registered with CERSAI. GRUH has uploaded 37,889 records in respect of loans disbursed during the year. GRUH has paid fees of ₹ 0.43 crore to Central Registry towards uploading the data of mortgages.

Net Worth and Return on Net Worth (%)



Profit Per Employee



Risk Management

Regulation 21 of SEBI (LODR) Regulations, 2015 has effective April 1, 2019, mandated for the top 500 listed entities determined on the basis of market capitalization as at the end of the immediate previous financial year that they shall constitute a Risk Management Committee (RMC) of Directors. However, your board of directors have constituted Risk Management Committee of Directors effective from October 29, 2018. Prior to that, the board had delegated responsibility of overseeing risk management framework including asset liability management to the Audit Committee.

GRUH has a Risk Management framework approved by the board of directors. GRUH's Risk Management framework provides the mechanism for risk assessment and mitigation. GRUH has an Asset Liability Management (ALM) policy approved by the board.

During the year, the RMC reviewed the risks associated with the business of GRUH, its root causes and the efficacy of the measures taken to mitigate the same. RMC also reviewed the risk arising from the gaps in the liquidity and interest rate sensitivity statements and took decisions in mitigating the risk by ensuring adequate liquidity through maturity profile of assets and liabilities. The observations of the Risk Management Committee of directors if any, on the key risks associated with the business and ALM are reported to the board.

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

The board of directors also reviewed the key risks associated with the business and ALM of the Company, the procedures adopted to assess the risks, efficacy and mitigation measures.

Internal Audit and Control

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

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

IT Audit and Security

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

The Information System at GRUH operates under centralized IT environment and all the branches are connected through MPLS VPN connectivity. The centralized IT environment enables prompt communication between its retail offices and head office and also provides an interface for easy and quick MIS and preparation of various monthly reports.

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

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

Statement of Profit and Loss

Key elements of the statement of profit and loss for the year ended March 31, 2019 are:

- Profit before tax grew by 8.44% as against 27.16% in the previous year.
- Profit after tax grew by 11.04% as against 22.26% in the previous year.
- Current year income tax provision amounted to ₹ 159.79 crore as compared to ₹ 166.11 crore in the previous year. The effective income tax rate for the year was 26% as against 29% during the previous year.
- Pre-tax return on average assets was 3.67% in the current year as against 3.88% in the previous year. Post-tax return on average assets was 2.66% as against 2.75% in the previous year.
- Return on average net worth for the year was 25.92% as against 28.79% in the previous year.
- Ratio of net interest margin to average assets was 4.00% for the current year as against 4.50% in the previous year.
- Cost to income ratio was 15.79% for the year as against 14.18% in the previous year.
- The Earnings Per Share (Basic) was ₹ 6.10 for the current year as against ₹ 5.51 for the previous year.
- Debt Equity Ratio was 8 times in the current year as against 9 times in the previous year.
- Interest Service Coverage Ratio for the current year was 0.35% as against 0.30% in the previous year.

Human Resource

The enthusiasm of staff members continued to be high in sustaining 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.

Company's philosophy on Corporate Governance

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

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

With emphasis on transparency, integrity and accountability, the Board of Directors adopted the principles of good corporate governance by setting up an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee since 1997. GRUH has developed systems that allow sufficient freedom to the board and the management to take decisions which promote growth while remaining within the framework of effective accountability. Given below is the report of the directors on corporate governance in accordance with the provisions of the SEBI (LODR) Regulations, 2015 and applicable NHB directions.

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. Out of the seven non-executive directors, five are independent directors. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and are independent from the management. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company. None of the directors of the Company are related to each other. All directors are appointed by the members of the Company.

The directors bring to the board a wide range of experience and skills. Brief profiles of the directors, are set out elsewhere in the annual report. The composition of the board is in conformity with SEBI (LODR) Regulations, 2015. As per the SEBI (LODR) Regulations, 2015, 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. The Composition of the Board of Directors of the Company as on March 31, 2019, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are provided as 'Annexure A'.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under:

Sr. No.	Directors	DIN	No. of Directorships	No. of Committees Member	No. of Committees Chairman	Category of Director
1	Mr. Keki M. Mistry - Chairman	00008886	9	4	3	Non-Executive Non-Independent
2	Ms. Renu S. Karnad ^	00008064	7	6	1	Non-Executive Non-Independent
3	Mr. K.G. Krishnamurthy	00012579	8	4	3	Non-Executive Non-Independent
4	Mr. Prafull Anubhai *	00040837	3	4	2	Non-Executive Independent
5	Mr. S.G. Mankad	00086077	7	2	1	Non-Executive Independent
6	Mr. Biswamohan Mahapatra	06990345	6	5	1	Non-Executive Independent
7	Mr. Pankaj Patel	00131852	7	1	1	Non-Executive Independent
8	Mr. Rajesh Gupta	00229040	1	1	1	Non-Executive Independent

9	Ms. Bhavna Doshi	00400508	9	4	4	Non-Executive Independent
10	Mr. Kamlesh Shah (Executive Director)	03092230	1	1	-	Executive
11	Mr. Sudhin Choksey (Managing Director)	00036085	4	-	3	Executive

Directors at sr. nos. 10 and 11 are executive directors. All other directors are non-executive directors.

Directors at sr. nos. 4 to 9 are independent directors.

^ Ms. Renu S. Karnad, Non-executive director of the Company, resigned from the Board w.e.f. March 8, 2019 due to personal reasons and other commitments.

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Responsibilities

The board of directors represents the interest of the company's shareholders in optimising long-term value by providing the management with guidance and strategic direction on the shareholders' behalf. The board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulatory compliance, safeguard interest of shareholders and reporting to shareholders.

Role of Independent directors

Independent directors play an important role in deliberations at the board meetings and bring to the Company their wide experience in the fields of finance, housing, accountancy, law and public policy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the CSR Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, the Corporate Governance Directions issued by NHB and as approved by the board, from time to time.

Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as directors of the Company.

Appointment of Independent Directors

The Company has 5 Independent Directors on its Board.

The current Independent Directors on the Board are: Mr. S. G. Mankad, Mr. Biswamohan Mahapatra, Mr. Pankaj Patel, Mr. Rajesh Gupta and Ms. Bhavna Doshi. None of Independent Directors are liable to retire by rotation.

Mr. Prafull Anubhai completed his second term on March 31, 2019 and he has ceased to be a Director of the Company from the close of March 31, 2019.

All Independent Directors of the Company, at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year, give a declaration that they meet with the criteria of independence as provided under Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

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

Familiarisation Programme

The objective of a familiarisation programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI (LODR) Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

A familiarisation programme was conducted for non-executive directors on areas such as the core functions of the Company, overview of the industry, financials and the performance of the Company. An overview of the familiarisation programme is placed on the Company's website.

Evaluation of Directors and the Board

With the objective of enhancing the effectiveness of the board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and each director and board committees.

The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

The independent directors also held a separate meeting to review the performance of the non-executive directors, the Chairman of the Company and the overall performance of the board.

Board Meetings

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

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

During the year, the board met 6 times. The meetings were held on April 14, 2018, July 25, 2018, October 29, 2018, January 7, 2019, January 25, 2019 and March 14, 2019. 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	Attendance at the 32nd AGM
Mr. Keki M. Mistry – Chairman	6	Yes
Mr. Prafull Anubhai *	6	Yes
Ms. Renu S. Karnad ^	5	No#
Mr. K.G. Krishnamurthy	6	Yes
Mr. S.G. Mankad	4	Yes
Mr. Biswamohan Mahapatra	4	Yes
Mr. Pankaj Patel	2	Yes
Mr. Rajesh Gupta	6	Yes
Ms. Bhavna Doshi	6	Yes
Mr. Kamlesh Shah (Executive Director)	6	Yes
Mr. Sudhin Choksey (Managing Director)	6	Yes

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

^ Ms. Renu S. Karnad, Non-executive director of the Company, resigned from the Board w.e.f. March 8, 2019 due to personal reasons and other commitments.

Ms. Renu S. Karnad was unable to attend the previous AGM of the Company since she was out of the country.

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

Board Committees

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

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

Audit Committee

The Audit Committee is constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee comprises of Mr. Biswamohan Mahapatra (Chairman), Mr. Keki M. Mistry, Mr. Rajesh Gupta and Ms. Bhavna Doshi. All the members of the committee are financially literate and have accounting and financial management expertise.

Meetings of the Audit Committee are scheduled well in advance. The Audit Committee met five times during the year under review on April 14, 2018, July 25, 2018, October 29, 2018, January 7, 2019 and January 25, 2019. The committee reviewed the quarterly/annual financial statements before submission to the Board for approval.

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

During the year, your board of directors have constituted Risk Management Committee of Directors effective from October 29, 2018. Prior to that the board had delegated responsibility of overseeing risk management framework including asset liability management to the Audit Committee.

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

Directors	No. of meetings attended
Mr. Biswamohan Mahapatra – Chairman	3
Mr. Keki M. Mistry	5
Mr. Prafull Anubhai *	5
Mr. Rajesh Gupta	5
Ms. Bhavna Doshi	5

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

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

Risk Management Committee (RMC)

Regulation 21 of SEBI (LODR) Regulations, 2015 has effective April 1, 2019, mandated for the top 500 listed entities determined on the basis of market capitalization as at the end of the immediate previous financial year that they shall constitute a Risk Management Committee (RMC) of Directors.

However, your boards of directors have constituted Risk Management Committee of Directors effective from October 29, 2018. The Committee comprises of the following members, viz. Mr. Biswamohan Mahapatra (Chairman), Mr. Keki M. Mistry, Mr. Rajesh Gupta and Ms. Bhavna Doshi. Prior to that, the board had delegated responsibility of overseeing risk management framework including asset liability management to the Audit Committee.

GRUH has a Risk Management framework approved by the board of directors. GRUH's Risk Management framework provides the mechanism for risk assessment and mitigation. GRUH has an Asset Liability Management (ALM) policy approved by the board.

During the year, the RMC reviewed the risks associated with the business of GRUH, its root causes and the efficacy of the measures taken to mitigate the same. RMC also reviewed the risk arising from the gaps in the liquidity and interest rate sensitivity statements and took decisions in mitigating the risk by ensuring adequate liquidity through maturity profile of assets and liabilities.

The observations of the RMC of directors if any, on the key risks associated with the business and ALM are reported to the board.

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

The board of directors also reviewed the key risks associated with the business and ALM of the Company, the procedures adopted to assess the risks, efficacy and mitigation measures.

The RMC met once during the year under review on January 25, 2019.

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

Directors	No. of meetings attended
Mr. Biswamohan Mahapatra – Chairman	-
Mr. Keki M. Mistry	1
Mr. Prafull Anubhai *	1
Mr. Rajesh Gupta	1
Ms. Bhavna Doshi	1

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Leave of absence was granted to the Director who could not attend the respective meeting.

Nomination and Remuneration Committee (NRC)

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

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (LODR) Regulations, 2015, Section 178 of the Companies Act, 2013 and Rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014, besides other terms as may be referred by the board including matters stipulated by NHB.

The role of the Nomination and Remuneration Committee *inter alia*, includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

During the year, the Nomination and Remuneration Committee met two times on April 14, 2018 and March 14, 2019. The details of attendance at the Nomination and Remuneration Committee meeting are as under:

Directors	No. of meetings attended
Mr. S.G. Mankad – Chairman	2
Mr. Keki. M. Mistry	2
Ms. Renu S. Karnad ^	1
Mr. Biswamohan Mahapatra	2
Mr. Pankaj Patel	1

^ Ms. Renu S. Karnad, Non-executive director of the Company, resigned from the Board w.e.f. March 8, 2019 due to personal reasons and other commitments.

Leave of absence was granted to the Director who could not attend the respective meeting.

Stakeholders Relationship Committee (SRC)

As on March 31, 2019, the Stakeholders Relationship Committee (SRC) comprised of Mr. Rajesh Gupta (Chairman), Ms. Bhavna Doshi, Mr. K. G. Krishnamurthy and Mr. Kamlesh Shah. The committee looks into redressal of shareholders, investors, depositors and customer complaints. The Stakeholders Relationship Committee met four times during the year April 14, 2018, July 25, 2018, October 29, 2018 and January 25, 2019. The details of attendance at the committee meetings are as under:

Directors	No. of meetings attended
Mr. Rajesh Gupta	4
Mr. K G Krishnamurthy	4
Ms. Bhavna Doshi	4
Mr. Kamlesh Shah	4

All members were present at all the Stakeholders Relationship Committee meetings.

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

The role of the committee shall inter-alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year, 10 complaints were received from shareholders and 10 complaints were also received from depositors, of which all complaints have been duly attended / resolved. There are no pending share transfers.

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

Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises of 4 Members, viz. Mr. S.G. Mankad (Chairman), Mr. Keki M Mistry, Mr. Pankaj Patel and Mr. Sudhin Choksey. The Committee is primarily responsible for formulating and recommending to the Board of Directors, a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects.

The Committee met two times during the year on June 6, 2018 and March 29, 2019. The details of attendance at the CSR Committee meeting are as under:

Directors	No. of meeting attended
Mr. Prafull Anubhai – Chairman *	2
Mr. S.G. Mankad #	2
Mr. Sudhin Choksey	2
Mr. Pankaj Patel	-
Mr. Keki M Mistry @	-

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Mr. S.G. Mankad was appointed as Chairman of the CSR w.e.f. April 30, 2019.

@ Mr. Keki M, Mistry was appointed as Member of the CSR w.e.f. April 30, 2019.

Leave of absence was granted to the director who could not attend the meeting.

Separate Meeting of the Independent Directors

During the year, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, a separate meeting of the independent directors of the Company was held on March 14, 2019 without the attendance of non-independent directors and members of the management. Out of six independent directors five independent directors were present at the meeting, wherein they had inter alia reviewed the performance of non-independent directors and the Board as a whole; reviewed the performance of the Chairman of the Company, taking into account the views of the executive directors and the non-executive directors; and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

Remuneration Policy

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

Remuneration to Directors

Non-Executive Directors

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

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

Information on the total sitting fees paid to each non-executive director during FY 2018-19 for attending Meetings of the Board and its Committees is set out in the following table:

Directors	Sitting fees paid (₹)	Commission# (₹)	Total (₹)
Mr. Keki M. Mistry	7,60,000	-	7,60,000
Mr. Prafull Anubhai *	13,05,000	15,00,000	28,05,000
Ms. Renu S. Karnad ^	3,40,000	-	3,40,000
Mr. K.G. Krishnamurthy	6,80,000	-	6,80,000
Mr. S.G. Mankad	6,25,000	15,00,000	21,25,000
Mr. Biswamohan Mahapatra	5,20,000	15,00,000	20,20,000
Mr. Pankaj Patel	1,80,000	15,00,000	16,80,000
Mr. Rajesh Gupta	8,60,000	15,00,000	23,60,000
Ms. Bhavna Doshi	8,60,000	3,75,000	12,35,000

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

^ Ms. Renu S. Karnad, Non-executive director of the Company, resigned from the Board w.e.f. March 8, 2019 due to personal reasons and other commitments.

Commission for the year 2017-18 was paid in the year 2018-19.

Executive Directors

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

Certificate under Regulation 34(3) of SEBI Listing Regulations:

The Company has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, from M/s M. C. Gupta & Co., a firm of Company Secretary in practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authority. The said certificate forms part of this report as 'Annexure B'.

Employee Stock Option Scheme (ESOS)

The disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, have been placed on the website of the Company.

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

The relevant information is included in the Director Report.

Proceeds from Private Placement Issues

During the year under review, the Company issued non-convertible debentures of ₹ 1,230.10 crore in aggregate. 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.

Details of Utilization of Funds

During the year under review, the issue of Debentures was made to augment long-term resources to finance the housing finance operations and other activities of the Compnay. Accordingly, the funds raised were utilised for Company's main line of businesses and other ancillary and incidental purpose.

Transactions with Non-executive Directors

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

Shareholding of Directors

The shareholding details of the directors as at March 31, 2019 are included in Form MGT-9 forming part of the Directors' Report.

Prevention of Insider Trading

In December 2018 and January 2019, SEBI amended the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from April 1, 2019. Pursuant thereto, the Company has revised a Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and Share Dealing Code for Prevention of Insider Trading.

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.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all the Board members and all the employees in the management grade of the Company. In the year 2014, the said Code was amended by the Board of Directors to bring it in line with listing agreements. The Code of Conduct is posted on the website of the Company. For the year under review, all directors and members of senior management have affirmed their adherence to the provisions of the Code.

Vigil Mechanism / Whistle Blower Policy

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

The Board of Directors has approved the vigil mechanism/whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Audit Committee. The policy is placed on the website of the Company.

Disclosures

Related party transactions

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

Accounting Standards / Treatment

The Company has complied with the applicable Indian Accounting Standards (Ind AS) specified u/s 133 of the Companies Act, 2013. The financial statements for the year have been prepared in accordance with and in compliance of Schedule III notified by the Ministry of Corporate Affairs (MCA) on October 11, 2018.

Management Discussion and Analysis Report

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

Annual General Meetings

(Following are the details of Annual General Meetings for the previous three years held. The AGMs were held at H.T. Parekh Convention Centre, Ahmedabad Management Association (AMA), ATIRA Campus, Ahmedabadat 10.30 a.m.)

Sr. No.	Particulars of meeting	Day & Date	Number of Special Resolutions passed, if any	Nature of Special Resolutions
1	30th Annual General Meeting	Wednesday, June 22, 2016	2 (Two)	1. Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 upto ₹ 15,000 crore. 2. Approval for Issuance of Redeemable Non-Convertible Debentures (NCDs) and Issuance of Unsecured Redeemable Subordinated Debt - Tier II NCDs
2	31st Annual General Meeting	Thursday, June 15, 2017	3 (Three)	1. Re-appointment of Mr. Prafull Anubhai (00040837) as an Independent Director of the Company 2. Re-appointment of Mr. S.G. Mankad (00086077) as an Independent Director of the Company 3. Approval for Issuance of Redeemable Non-Convertible Debentures (NCDs) and Issuance of Unsecured Redeemable Subordinated Debt - Tier II NCDs
3	32nd Annual General Meeting	Wednesday, May 30, 2018	4 (Four)	1. Re-appointment of Mr. Biswamohan Mahapatra (06990345) as an Independent Director of the Company 2. Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 upto ₹ 21,000 crore. 3. Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013 4. Approval for Issuance of Redeemable Non-Convertible Debentures (NCDs) and Issuance of Unsecured Redeemable Subordinated Debt - Tier II NCDs

Postal Ballot

During the year the company approached the shareholders through postal ballot. The details of the postal ballot are as follows :

Date of Postal Ballot Notice: March 14, 2019 Voting period: March 24, 2019 to April 22, 2019

Date of declaration of result: April 24, 2019 Date of approval: April 22, 2019

Name of resolution	Type of resolution	Total No. of votes polled	No. of Votes - in favour		No. of Votes - Against	
			No. of Votes	%	No. of votes	%
Issue of additional 90,00,000 Equity Shares of ₹ 2/- each to eligible employees under existing Employee Stock Option Scheme 2015 and amendment of Employee Stock Option Scheme 2015 by increasing the number of stock options to be granted to eligible employees	Special Resolution	510073857	509848831	99.96	225026	0.04

Scrutinizer:

Mr. M.C. Gupta, of M/s. M. C. Gupta & Co., Practicing Company Secretaries, was appointed by the Company to act as the Scrutinizer to scrutinize Postal Ballot voting and the e-voting process in a fair and transparent manner.

No resolution is proposed to be passed at this 33rd AGM using postal ballot.

Fees paid to Statutory Auditors

During the year, the total fees incurred by the Company, for services rendered by statutory auditors is given below:

Nature of Service	₹ in crore
a) Statutory Audit Fees	0.19
b) Tax Audit Fees	0.04
c) For other services	0.45
d) For reimbursement of expenses	0.00
e) payments made to a firm in which some of the partners of the audit firm are partners - Income Tax Service	0.05
Total	0.73

Dematerialisation of shares

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

As at March 31, 2019, 98.99% of equity shares of GRUH have been dematerialised by members through NSDL and CDSL.

Listing of Equity Shares:

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

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

The listing fees have been paid to BSE and NSE for the financial year 2019-20 as per the listing agreement with the respective stock exchanges.

Shareholder Relations

GRUH has over 73,800 shareholders. The main source of information for the shareholders is the Annual Report that includes inter alia, the Directors' Report, the shareholders' information and the audited financial results. GRUH recognizes the importance of regular dialogue with its shareholders to ensure that the Company's strategy is clearly understood. Since the year 2002, the Annual Report has also included the Report of Directors on Corporate Governance and Management Discussion and Analysis Report. Shareholders are intimated through the press, email and GRUH's website, www.gruh.com of the quarterly performance and financial results of the Company. Shareholders have an opportunity to attend the Annual General Meeting at which the business outlook is presented and relevant aspects of the Company's operations are discussed. In addition, the Corporate Office as well as the Registrar's Office (RTA), serves as a contact point for shareholders on issues such as share transfers, dividends and announcements.

Along with the financial results, other information as per the listing guidelines such as Annual Report and Shareholding Pattern, are being uploaded on BSE website under "BSE Listing Centre" and on NSE website under "NSE Electronic Application Processing System (NEAPS)". On regular basis, the presentation on quarterly results & performance of the Company is placed on the website of the Company and furnished to stock exchanges for the benefit of the investors. The Company generally does not make any presentation to analysts or to institutional investors.

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers and are communicated to the stock exchanges as per the provisions of SEBI (LODR) Regulations, 2015 and uploaded on Company's website.

The Ministry of Corporate Affairs (MCA) and SEBI, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 permit companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/Depository participant. In every Annual Report, the Company has been requesting the shareholders holding shares both in physical / demat form to register / update their e-mail addresses to the Company/depository participants. Accordingly, the annual report for 2018-19, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.

The annual report also contains a section on 'Shareholders' Information' which inter alia provides information relating to the AGM date, time and venue, shareholding pattern, distribution of shareholding, top shareholders, the monthly high and low quotations of the equity share during the year and other corporate governance information as required under SEBI (LODR) Regulations, 2015.

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

In accordance with Regulation 18(3) of SEBI (LODR) Regulations, 2015, Mr. Sudhin Choksey, the Managing Director and CEO and Mr. Hitesh Agrawal, the CFO of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

Non-mandatory requirements

The Company shall endeavour to adopt the non-mandatory requirements, as and when necessary.

Compliance

The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status reports to the stock exchanges within the prescribed time limit.

Risk Management

The Company has formulated a risk management framework, which lays the procedures for risk assessment and mitigation.

Regulation 21 of SEBI (LODR) Regulations, 2015 has effective April 1, 2019, mandated for the top 500 listed entities determined on the basis of market capitalization as at the end of the immediate previous financial year that they shall constitute a Risk Management Committee (RMC) of Directors. However, your boards of directors have constituted Risk Management Committee (RMC) of Directors effective from October 29, 2018. Prior to that, the board had delegated responsibility of overseeing risk management and ALM framework including asset liability management to the Audit Committee.

GRUH has an Asset Liability Management (ALM) policy approved by the board. The task of overseeing the ALM has been entrusted to the RMC and the Audit Committee which overseas and reviews the ALM position every quarter.

During the year, the ALCO reviewed the risk arising from the gaps in the liquidity and interest rate sensitivity statements and took decisions in mitigating the risk by ensuring adequate liquidity and profitability through maturity profile of assets and liabilities.

The observations of Risk Management Committee and Audit Committee, if any, on the Risk Management and ALM are reported to the Board.

Going Concern

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

On behalf of the Board of Directors

Mumbai
April 30, 2019

Keki M. Mistry
Chairman
DIN : 00008886

Declaration

This is to confirm that for the year 2018-19, all Board members and senior management personnel have affirmed compliance with the Code of Conduct of GRUH.

Mumbai	Marcus Lobo	Sudhin Choksey
April 30, 2019	Company Secretary	Managing Director
	FCS : 4256	DIN : 00036085

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF GRUH FINANCE LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated July13, 2018.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of GRUH Finance Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

9. We 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah
Partner
Membership No. 35701
(UDIN: 19035701AAAABJ3827)

Mumbai
April 30, 2019

Annexure A

The Composition of the Board of Directors of the Company as on March 31, 2019, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are as follows:

Sr. No.	Directors	Category of Director	Special Knowledge/Practical Experience/ Skills/ Expertise/ Competencies	List of Category of Directorship in other Listed Companies
1	Mr. Keki M. Mistry - Chairman	Non-Executive Non-Independent	An expert in finance, accountancy, audit, economics, consumer behaviour, sales & marketing, contemporary corporate governance, risk management and strategic thinking.	1. HDFC Limited (Vice Chairman & CEO) 2. HDFC Life Insurance Co. Ltd. (Non-executive Director) 3. HDFC Bank Ltd. (Non-executive Director) 4. HDFC Asset Management Co. Ltd. (Non-executive Director) 5. Torrent Power Ltd. (Independent Director) 6. Tata Consultancy Services Ltd. (Independent Director)
2	Mr. K.G. Krishnamurthy	Non-Executive Non-Independent	An expert in the field of real estate, project development and operations. He has vast experience of over three decades in real estate and management and has been widely consulted by the industry on real estate matters	1. Ajmera Realty & Infra India Ltd. (Independent Director) 2. Vascon Engineers Ltd. (Independent Director)
3	Mr. Prafull Anubhai *	Non-Executive Independent	A Corporate Advisor and Management experts with expertise in thefield of education, management, textile industry etc.	1. Vardhman Textiles Ltd. (Independent Director) 2. Unichem Laboratories Ltd. (Independent Director)
4	Mr. S.G. Mankad	Non-Executive Independent	An IAS (retd), he has served in various capacities both in Govt. of India and the State of Gujarat. His last assignment was as Chief Secretary, Govt. of Gujarat. He has expertise in the field of administration, management, planning and education.	1. Deepak Nitrite Ltd. (Independent Director) 2. Navin Fluorine International Ltd. (Independent Director) 3. Swaraj Engines Ltd. (Independent Director)
5	Mr. Biswamohan Mahapatra	Non-Executive Independent	A Central Banker with a career spanningover 33 years in Reserve Bank of India (RBI), mostly in the areas of banking regulation, policy and supervision, and retired as its Executive Director in 2014. He has expertise in banking, finance and accountancy.	1. Edelweiss Financial Services Ltd. (Independent Director)
6	Mr. Pankaj Patel	Non-Executive Independent	He has an expertise in functional areas of research, helathcare, education, management, public relations, etc	1. Bayer Cropscience Ltd. (Independent Director) 2. Cadila Healthcare Ltd. (Non-executive Chairman) 3. Torrent Power Ltd. (Independent Director)
7	Mr. Rajesh Narain Gupta	Non-Executive Independent	He has Legal expertise with vast experience in corporate and transactional matters including litigation and his areas of specialization includes Banking Laws and Practices, Commercial Laws, Real Estate, etc.	-
8	Ms. Bhavna Doshi	Non-Executive Independent	She has a rich experience of over three decades of advisory services in the fields of taxation, accounting, corporate and regulatory matters.	1. Torrent Power Ltd. (Independent Director) 2. Sun Pharma Advanced Research Co. Ltd. (Independent Director) 3. Walchandnagar Industries Ltd. (Independent Director) 4. Everest Industries Ltd. (Independent Director)
9	Mr. Kamlesh Shah (Executive Director)	Executive	He has expertise in the functional areas of operations, finance, human resources and administration	-
10	Mr. Sudhin Choksey (Managing Director)	Executive	He has expertise in the functional areas of finance, commercial and general management both in India and abroad	1. Gujarat Ambuja Exports Ltd. (Independent Director) 2. Deepak Nitrite Ltd. (Independent Director)

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Annexure B

CERTIFICATE

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members
GRUH Finance Limited
“GRUH”, Netaji Marg,
Near Mithakhali Six Roads,
Ellis Bridge, Ahmedabad – 380 006

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GRUH Finance Limited (CIN : L65923GJ1986PLC008809) and having registered office at “GRUH”, Netaji Marg, Near Mithakhali Six Roads, Ellis Bridge, Ahmedabad – 380 006 (hereinafter referred to as ‘the Company’), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) and Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Keki Minoo Mistry	00008886	28th July, 2000
2	Mr. Krishnamurthy Kulumani Gopalratnam	00012579	17th January, 2004
3	Mr. Sudhin Bhagwandas Choksey	00036085	3rd May, 1996
4	Mr. Sudhir Gunvantrai Mankad	00086077	14th January, 2010
5	Mr. Pankaj Rameshbhai Patel	00131852	16th March, 2017
6	Mr. Rajesh Narain Gupta	00229040	17th April, 2017
7	Ms. Bhavna Gautam Doshi	00400508	20th January, 2018
8	Mr. Kamlesh Hasmukhlal Shah	03092230	16th April, 2010
9	Mr. Biswamohan Mahapatra	06990345	19th March, 2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ahmedabad
April 30, 2019

For M C Gupta & Co.
Company Secretaries

Mahesh Chand Gupta
Proprietor
FCS: 2047 (CP: 1028)

INFORMATION FOR SHAREHOLDERS

This section inter alia provides information pertaining of the Company, its shareholding pattern, means of dissemination of information, service standards, share price movements and such other information, in terms of point no. C (9) of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance.

Shareholders / Investors Services:

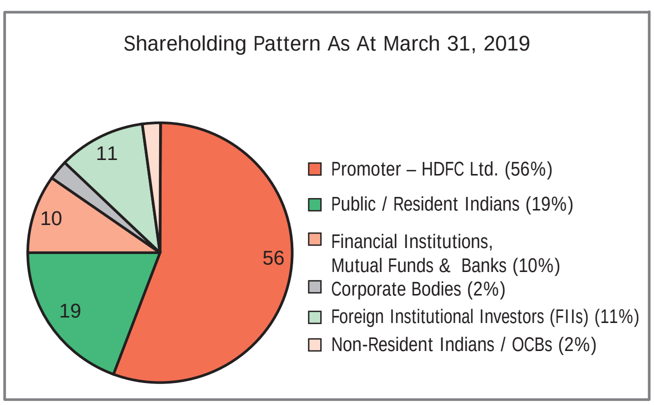
GRUH has its in-house secretarial department under the overall supervision of Mr. Marcus Lobo – Company Secretary / Compliance Officer. For any assistance regarding share transfers, transmissions, change of address, non receipt of dividend, duplicate / missing share certificates and other matters pertaining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

Secretarial Department :	Registrar & Transfer Agent :
GRUH Finance Ltd.	Link Intime India Pvt. Ltd.
"GRUH"	Unit : "GRUH"
Netaji Marg,	506-508, 5th Floor,
Nr. Mithakhali Six Roads,	Amarnath Business Centre-I,
Ellisbridge,	Off. C.G.Road, Navrangpura,
Ahmedabad 380 006	Ahmedabad- 380 009
Tel : 079–26421671-75	Tel : 079–2646 5179
Website : www.gruh.com	Fax : 079-2646 5179
Email : investorcare@gruh.com	Email : ahmedabad@linkintime.co.in
CIN : L65923GJ1986PLC008809	

Listing of Equity Shares :

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

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



The listing fees have been paid to BSE and NSE for the financial year 2019-20 as per the listing agreement with the respective stock exchanges.

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers,	Exchange Plaza, Plot No. C-1, Block G,
Dalal Street,	Bandra Kurla Complex,
Mumbai 400 001.	Bandra (E), Mumbai 400 051.
Tel. Nos. : +91 22-2272 1233/34	Tel. Nos. : +91 22-2659 8100-114
Fax No. : +91 22-2272 1919	Fax No. : +91 22-2659 8120
E-mail : corp.comm@bseindia.com	E-mail : nseiscmum@nse.co.in
Website : www.bseindia.com	Website : www.nseindia.com

Listing of Debt Securities:

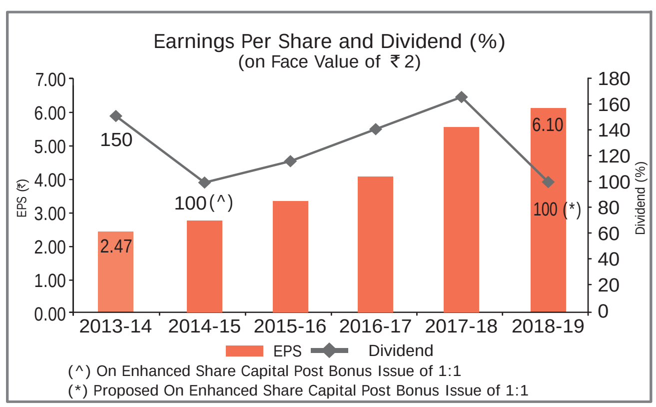
GRUH's NCDs (Series - SD-001 and SD-002 aggregating to ₹ 35 crores) are listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Limited (NSE).

Debenture Trustees:

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

Shareholding Pattern as at March 31, 2019:

Category	No. of Share-holders	Total No. of Shares Held	% to Capital
Promoter – HDFC Ltd.	1	411555700	56.09
Public /Resident Indians	71707	138844497	18.92
Financial Institutions, Mutual Funds & Banks	61	71667341	9.77
Corporate Bodies	999	16968452	2.31
Foreign Institutional Investors (FIIs)	154	78913194	10.76
Non-Resident Indians	2978	15738328	2.15
Total >>>	75900	733687512	100.00



Distribution of Shareholding as at March 31, 2019

No. of Shares held	Folios Numbers	Folios %	Shares Numbers	Shares %
Upto 500	53801	70.88	6514501	0.89
501 to 1000	8588	11.31	6306476	0.86
1001 to 2000	5181	6.82	8129379	1.11
2001 to 3000	1988	2.62	5113116	0.70
3001 to 4000	1262	1.66	4578386	0.62
4001 to 5000	981	1.29	4646131	0.63
5001 to 10000	2174	2.86	15705982	2.14
10001 and above	1925	2.54	682693541	93.05
Total	75900	100.00	733687512	100.00

Dematerialisation of Shares:

As at March 31, 2019, 98.99% of equity shares of GRUH have been dematerialised by shareholders through National Securities Depository Limited and Central Depository Services (India) Limited.

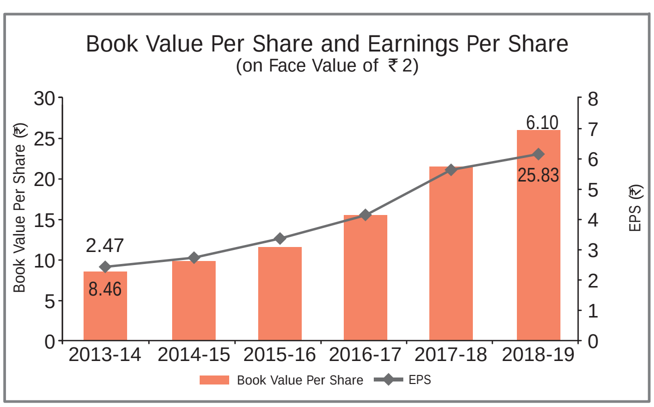
ISIN for NSDL & CDSL : INE580B01029

The status of shares which have been dematerialised and shares which are held in physical form as at March 31, 2019 are as under:

Particulars	No. of shares	(%)
Shares held in physical form	7342332	1.01
Shares held in electronic form	726345180	98.99
Total Shares	733687512	100.00

Share Transfer System

In terms of Regulation 40 of the SEBI (LODR) Regulations, 2015, the Board of Directors has delegated the authority to approve share transfers to Mr. Kamlesh Shah (Executive Director) and Mr. Marcus Lobo (Company Secretary/Compliance Officer). Share transfer formalities are normally attended to three times in a month. The details of share transfers are reported to the Board of Directors.



Details regarding dividend paid during the last 7 years :

Year	Rate (%)	Book Closure Date	AGM Date	Payment Date
2011-12	115	June 8, 2012 to June 18, 2012	June 18, 2012	June 18, 2012
2012-13	125	June 28, 2013 to July 8, 2013	July 8, 2013	July 10, 2013
2013-14	150	May 7, 2014	May 28, 2014	May 28, 2014
2014-15	100	June 18, 2015 to June 26, 2015	June 26, 2015	June 29, 2015
2015-16	115	June 14, 2016 to June 22, 2016	June 22, 2016	June 22, 2016
2016-17	140	June 7, 2017 to June 15, 2017	June 15, 2017	June 16, 2017
2017-18	165	April 25, 2018 to April 27, 2018	May 30, 2018	May 31, 2018

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

Unclaimed Dividend

The Company has transferred all unclaimed/unpaid dividends up to the financial year 2010-11 to the Investor Education and Protection Fund, as applicable. The Company has transferred matured deposits and interest thereon for the year 2010-11 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 2011-12 to 2017-18 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 2011-12 will have to be transferred to the Investor Education and Protection Fund in August 2019 in accordance with the provisions of the Companies Act.

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

Financial year	No. of Members who have not claimed their dividend	Unclaimed dividend as on March 31, 2019 (₹)	Unclaimed dividend as % to total dividend	Date of declaration	Last date for claiming the dividend prior to its transfer to IEPF
11-12	1028	17,18,731	0.42	June 18, 12	July 17, 19
12-13	1065	18,57,188	0.41	July 8, 13	Aug 5, 20
13-14	1155	23,13,681	0.43	May 28, 14	June 26, 21
14-15	1287	32,73,374	0.45	June 26, 15	July 24, 22
15-16	1167	33,12,646	0.40	June 22, 16	July 21, 23
16-17	1220	45,35,248	0.44	June 15, 17	July 13, 24
17-18	652	37,78,862	0.31	May 30, 18	June 28, 25

Unclaimed Shares:

As per Listing Regulations :

Regulation 39(4) of the Listing Regulations *inter alia* requires every listed company to comply with certain procedures in respect of shares issued by it in physical form pursuant to a public issue or any other issue and which remained unclaimed for any reason whatsoever.

In compliance with the provisions of the said Regulation, the Company has sent three reminders under Registered Post to the Shareholders whose share certificates were returned undelivered and are lying unclaimed. In case your shares are lying unclaimed with the Company, you are requested to claim the same by writing a letter to the Company.

Last year, the unclaimed 3,81,250 equity shares of ₹ 2 each of the Company in respect of 303 folios were dematerialized and credited to GRUH Finance Limited - Unclaimed Suspense Account maintained with HDFC Bank Limited, on March 28, 2018, in compliance with the said Regulation.

During the year, As per the said provisions, GRUH had identified folios where shares had returned undelivered remaining unclaimed with the Company. Accordingly, GRUH had sent 3 reminder letters to the identified 231 shareholders and will be thereafter transferred identified equity shares to Unclaimed Demat Suspense Account opened with HDFC Securities Limited.

Summary of the unclaimed shares transferred to the said Unclaimed Suspense Account, in terms of the said Regulation, as on March 31, 2019, is detailed as under:

Sr. No.	Particulars	No. of share holders	No. of equity shares of ₹ 2 each
1	Aggregate number of shareholders and the outstanding equity shares lying in the Unclaimed Suspense Account as on March 31, 2018.	303	3,81,250
2	Aggregate number of shareholders and the outstanding equity shares lying in the Unclaimed Suspense Account after Bonus issue of shares*.	303	7,62,500
3	Number of shareholders who approached the Company for transfer of equity shares from the said Unclaimed Suspense Account during the year ended March 31, 2019.	4	9,280
4	Number of shareholders to whom equity shares were transferred from the Unclaimed Suspense Account during the year ended March 31, 2019.	3	8,280
5	Aggregate number of shareholders and the outstanding equity shares lying in the Unclaimed Suspense Account as on March 31, 2019.	300	7,54,220

* The shares in unclaimed suspense account has increased due to 1:1 Bonus issue of equity shares in June 2018.

In terms of the said Regulation, voting rights on the equity shares lying in the said Unclaimed Suspense Account shall remain frozen till the rightful owner claims such shares. Further, all corporate benefits in terms of securities accruing on the said unclaimed shares viz. bonus shares, split, etc., if any, shall also be credited to the said Unclaimed Suspense Account.

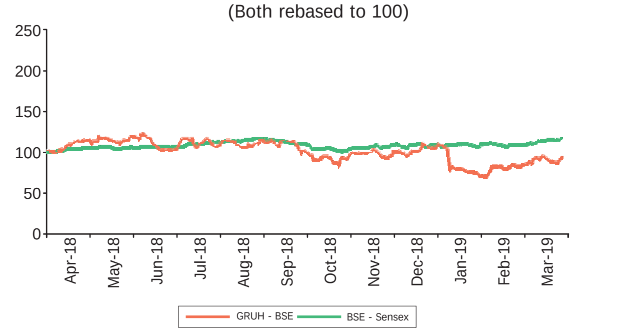
As per Companies Act, 2013 :

As per Section 124 of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF. However, the concerned shareholder(s) can claim the dividend and/or shares that have been transferred to IEPF after complying with the procedure prescribed by the Ministry of Corporate Affairs, Government of India. The details of shares required to be transferred by the Company to IEPF is available on its website.

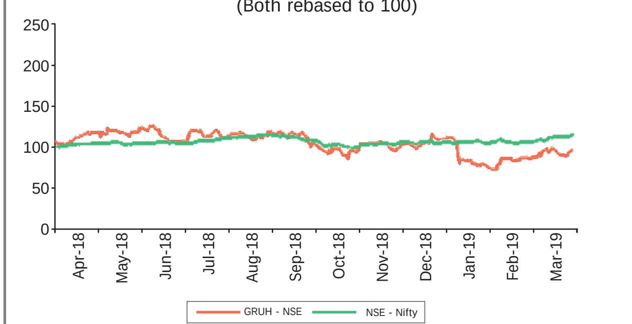
A brief outline of the procedure for claiming the dividend/shares from the IEPF Authority is listed for the benefit of the concerned shareholder(s):

- Download Form IEPF-5 from www.iepf.gov.in.
- Submit the duly filled form online at www.mca.gov.in. On successful upload, download the acknowledgement that gets generated automatically.
- Take a printout of the duly filled Form IEPF-5 and the acknowledgement. Submit the same to the Nodal Officer (IEPF) of the Company at its registered office in an envelope marked as “Claim for refund from IEPF Authority” along with the following documents:
  - indemnity in original with claimant’s signature
  - advance stamped receipt (in original)
  - copy of Aadhaar Card (for Indian citizens)
  - copy of Passport, OCI and PI card (for foreigners and NRI)

Movement of GRUH's Share Price via-a-vis the Sensex
(Both rebased to 100)



Movement of GRUH's Share Price via-a-vis the Nifty
(Both rebased to 100)



- proof of entitlement (share certificate/dividend warrant etc.)
- cancelled cheque leaf and
- Other required documents

- The Company on receipt of the complete set of documents will submit its verification report to the IEPF Authority.
- Upon submission of the verification report by the Company, the corresponding action shall solely be at the discretion of the IEPF Authority.

For more details, the concerned shareholders are requested to refer to the “Refund” section of www.iepf.gov.in.

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 SH-13 (in duplicate) to the secretarial department to avail of the nomination facility. Shareholders may contact the secretarial department for the said form. Shareholders holding shares in demat form are requested to contact their depository participants for availing the nomination facility.

Financial year:

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

Outstanding GDRs / ADRs / warrants:

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

Commodity Price Risks and Foreign Exchange Risks and hedging activities:

Being a housing finance company, the Company does not deal in the commodity market nor has any hedging activities. The Company has no exposure to foreign exchange borrowings.

Book Closure:

Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014, the register of members and share transfer books of the Company will remain closed from July 11, 2019 to July 19, 2019 (both days inclusive) for the purpose of AGM/Dividend for the financial year 2018-19.

Dividend Payment:

The Board of Directors of GRUH has recommended a dividend of 100 % (₹ 2 per share) for the financial year ended March 31, 2019 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 Wednesday, July 10, 2019.

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

Dividend, if declared by the members shall be paid on or after July 19, 2019 but within the statutory time limit.

33rd Annual General Meeting

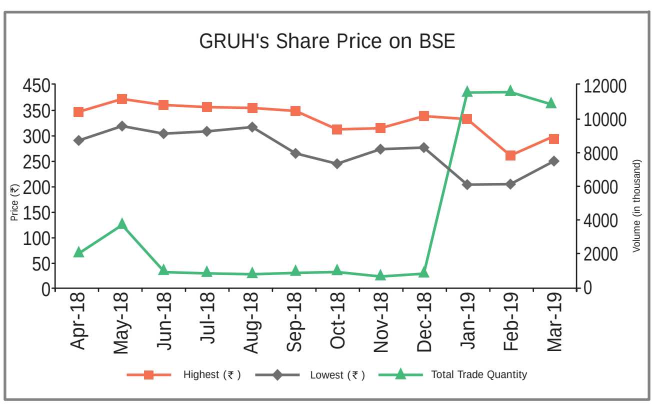
Date	:	July 19, 2019
Day	:	Friday
Time	:	10.30 a.m.
Venue	:	H.T. Parekh Convention Centre, Ahmedabad Management Association (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad 380 015

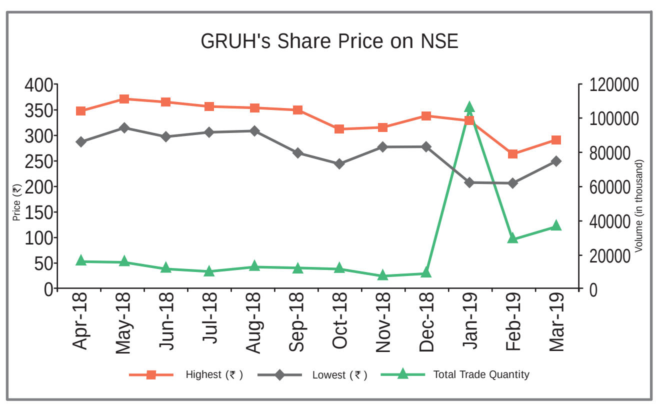
Service Standards

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

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

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





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

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

Stock Market Data :

Monthly high and low quotations as well as the volume of shares traded at the BSE Limited and the NSE for 2018-19 along with the BSE Sensex and NIFTY are as follows:

BSE 2018-19 :

Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	BSE Sensex (monthly close)
April 2018	342.23	286.05	2006606	35160
May 2018	368.00	317.80	3733890	35322
June 2018	381.95	297.60	979082	35423
July 2018	352.90	304.80	876588	37607
August 2018	349.00	312.00	776436	38645
September 2018	344.45	266.00	1037848	36227
October 2018	306.00	244.10	967938	34442
November 2018	309.60	275.05	590949	36194
December 2018	334.65	275.00	820792	36068
January 2019	329.00	204.60	11619455	36257
February 2019	258.60	205.20	11406349	35867
March 2019	288.55	248.15	10996699	38673

NSE 2018-19 :

Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	NIFTY (monthly close)
April 2018	342.45	286.10	16676400	10739
May 2018	368.85	316.55	15853024	10736
June 2018	382.00	297.60	11875237	10714
July 2018	354.00	304.90	9835315	11357
August 2018	349.55	310.70	13793814	11681
September 2018	344.75	265.55	11761565	10930
October 2018	306.30	244.05	12685365	10387
November 2018	310.10	275.10	7242603	10877
December 2018	335.40	275.10	9108314	10863
January 2019	326.95	204.60	106116993	10831
February 2019	259.00	204.80	28936406	10793
March 2019	288.45	248.00	37428650	11624

* During FY 2018-19, Company has allotted bonus shars in the ratio of 1:1 number of shares and share price per share are adjusted to give effect of the bonus shares.

OTHER INFORMATION :

Equity History :

Particulars	No. of shares issued (of ₹ 2 each)	Year
Subscription by Institutions	1,00,00,000	1987
Rights Issue	50,00,000	1992
Public Issue	1,07,50,000	1992
Reserved for allotment in Rights Issue (conversion of Part "A" of FCDs issued to GRUH Employees Welfare Trust)	6,25,000	1994
Rights Issue (conversion of Part "A" of FCDs issued to Shareholder(s)	1,28,75,000	1995
Reserved for allotment in Rights issue (conversion of Part "B" of FCDs issued to GRUH Employees Welfare Trust)	12,50,000	1995
Rights Issue (conversion of Part "B" of FCDs issued to Shareholder(s)	2,57,50,000	1995
Rights Issue (conversion of FCDs issued to Shareholder(s)	6,62,50,000	1999
Rights Issue	3,97,50,000	2006
Allotment under ESOS	9,25,990	2006-07
Allotment under ESOS	62,505	2007-08
Allotment under ESOS	21,305	2008-09
Allotment under ESOS	3,65,950	2009-10
Allotment under ESOS	21,62,415	2010-11
Allotment under ESOS	7,25,025	2011-12
Allotment under ESOS	19,63,485	2012-13
Allotment under ESOS	16,54,475	2013-14
Bonus Issue (1:1)	18,01,31,150	June 10 '14
Allotment under ESOS	31,22,280	2014-15
Allotment under ESOS	2,97,160	2015-16
Allotment under ESOS	8,82,744	2016-17
Allotment under ESOS	11,55,527	2017-18
Bonus Issue (1:1)	36,57,20,011	June 8 '18
Allotment under ESOS	22,47,490	2018-19
Total : (As At March 31, 2019)	73,36,87,512	

Note: The nominal face value of the equity shares of the Company was sub-divided from ₹ 10 per equity share to ₹ 2 per equity share, with effect from July 26, 2012. Thereafter, at the 28th Annual General Meeting (AGM) of the Company held on May 28, 2014, the members of the Company had approved the issue of Bonus Shares in the proportion of 1:1 (i.e. one new fully paid up Equity Share of ₹ 2 each for every 1 (one) fully paid-up Equity Share of ₹ 2 each held. Again, at the 32nd Annual General Meeting (AGM) of the Company held on May 30, 2018, the members of the Company had approved the issue of Bonus Shares in the proportion of 1:1 (i.e. one new fully paid up Equity Share of ₹ 2 each for every 1 (one) fully paid-up Equity Share of ₹ 2 each held. Accordingly, for ease of comparison, all issues have been represented by equity shares of ₹ 2 each.

Measuring Shareholders' Value :

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

A. Total Shareholders' Return :

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

(₹ in crore)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Closing Market Capitalisation	20,235.10	21,038.04	14,433.11	8,701.09	8,866.58
Opening Market Capitalisation	21,038.04	14,433.11	8,701.09	8,866.58	5,319.27
Money raised during the year from Shareholders	30.15	31.00	22.57	1.01	10.56
Net Capital Appreciation	(833.09)	6,573.94	5,709.45	(166.50)	3,536.75
Dividend including Dividend Tax	176.90	145.50	123.00	100.68	87.48
Total Gain	(656.19)	6,719.44	5,832.45	(65.82)	3,624.23
Gain to Opening Market Capitalisation (%)	(3.12)	46.56	67.03	(0.74)	68.13

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 crore)

Particulars As At March 31,	2019	2018	2017	2016	2015
Number of Equity Shares of ₹ 2 each (crore)*	73.37	73.14	72.92	72.74	72.68
Market Price per share on face value of ₹ 2 each*	275.80	287.63	197.95	119.63	122.00
Market Capitalisation	20,235.10	21,038.04	14,433.11	8,701.09	8,866.59
Total Debt	16,507.16	13,968.93	12,018.15	10,244.4	8,215.58
Cash	1052.84	17.47	12.56	27.45	8.30
Enterprise Value(EV)	35,689.42	34,989.50	26,438.70	18,918.04	17,073.87
EBIDTA	1,919.65	1,555.04	1,364.48	1,172.14	979.86
EV/ EBIDTA (times)	18.59	22.50	19.38	16.14	17.43
Total Income	2,026.65	1,693.74	1,487.39	1,275.40	1,060.32
EV / Total Income (times)	17.61	20.66	17.78	14.83	16.10

*During FY 2018-19 and FY 2014-15, Company has allotted bonus shares in the ratio of 1:1. Number of shares and share price per share of previous years are adjusted to give effect of Bonus shares. Market price on the stock exchange where maximum numbers of shares have been traded is considered.

During FY 18-19, GRUH adopted Ind AS where figures for FY 17-18 are restated under Ind AS. Figures up to FY 16-17 are as reported under Indian GAAP.

Web links:

As required under the various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the web link of some of the important documents placed on the website of the Company is provided below:

1	Code of Conduct for directors and senior management	http://www.gruh.com/policies/Code-of-Conduct.pdf
2	Corporate Social Responsibility Policy	http://www.gruh.com/policies/CSR-Policy.pdf
3	Whistle Blower Policy	http://www.gruh.com/policies/Whistle-Blower-Policy.pdf
4	Policy on Transactions with Related Parties	http://www.gruh.com/policies/RPT-Policy.pdf
5	Familiarization Programme	http://www.gruh.com/policies/Familiarization-Programme.pdf
6	Policy on Remuneration of Directors, Senior Management, KMPs and other employees	http://www.gruh.com/policies/Remuneration-Policy.pdf
7	Policy on Determination of Materiality	http://www.gruh.com/policies/Determination-on-Materiality.pdf
8	Archival Policy	http://www.gruh.com/policies/Archival-Policy.pdf
9.	Code of Practices & Procedures for Fair Disclosures of UPSI	http://www.gruh.com/policies/Fair-Disclosure-Code-UPSI.pdf
10	Disclosure under Regulation 14 of SEBI (SBEB) Regulations 2014	http://www.gruh.com/ESOS-Disclosure.pdf
11.	Dividend Distribution Policy	http://www.gruh.com/pdf/dividend-distribution-policy.pdf

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRUH FINANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GRUH Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equityfor the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Impairment of loans measured at amortized cost (refer notes 3.10.3.1.5 and 7 to the financial statements)

Key Audit Matter Description

As at the year end, the Company has financial assets in form of loans granted to customers Rs. 17,288.28 crore net of provision for expected credit loss of Rs. 119.58 crore. Management estimates impairment provision using collective model based approach for the loan exposure other than those subject to specific provision. We have reported this as a key audit matter because measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are :

- Timely identification of the impaired loans
- Key assumptions in respect of determination of probability of defaults and loss given defaults including consideration of collateral values.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed by us included the following :

- Tested the design and effectiveness of internal controls implemented by the management for following :
  - o Identification of credit deterioration and consequently impaired loans
  - o Validation of the critical components viz. Exposure at Default (EAD), Probability of Default (PD) and Loss given default (LGD) used for the impairment provision
  - o Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
  - o Completeness and accuracy of the data inputs used
- Tested the completeness and accuracy of data from underlying systems used in the model including the bucketing of loans into delinquency bands. We critically assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by management as potentially impaired, examined on a sample basis, checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.

- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and formed their own judgement as to whether that was appropriate through examining information such as the counterparty's payment history.
- Involved specialists for evaluation of the methodology and approach applied by the management.

B. Application of new Accounting Standards (refer note 4 to the financial statements)

Key Audit Matter Description

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 in terms of the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The transition date balance sheet as on April 1, 2017 and the comparative financial statements for the year ended March 31, 2018 included in these Ind AS financial statements, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS. The application of mandatory and optional transitional adjustment involves significant level of judgment by the management and there is a significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

- Obtained an understanding of the management's process and tested internal controls in respect of identification and application of the differences between the existing accounting policies and the requirements under Ind AS.
- Evaluated the completeness of the adjustments identified by the management in terms of requirements of Ind AS.

Verified the basis and calculations of the material adjustments viz. fair valuation of employee stock options, application of expected credit loss model and application of effective interest rate method.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including the Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The comparative financial information of the Company for the year ended March 31, 2018 and the related transition date opening balance sheet as at April 1, 2017 included in these financial statements, have been prepared after adjusting the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued financial statements were audited by the predecessor auditor whose report for the year ended March 31, 2017 dated April 17, 2017 expressed an unmodified opinionon those financial statements. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

Our opinion on the financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on its financial position as at the year-end in its financial statements;

ii. The Company did not have any long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses.

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

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

Gaurav J. Shah
Partner
Membership No. 35701

Mumbai
April 30, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GRUH Finance Limited (the "Company") as at March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

Gaurav J. Shah
Partner
Membership No. 35701

Mumbai
April 30, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets :

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

  (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

  (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable property of land whose title deed has been pledged as security for non-convertible debentures is held in the name of the Company based on the confirmation directly received by us from Debenture Trustees.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) As per the Ministry of Corporate Affairs notification dated March 31, 2014 the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company.

(vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of the services rendered by the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues :

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Goods and Service Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount relates	Amount Involved (₹ in crore)	Amount Unpaid (₹ in crore)
Income Tax Act, 1961	Tax and Interest	CIT (Appeals)	2016-17	2.28	2.28

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken loans or borrowings from government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

Gaurav J. Shah
Partner
Membership No. 35701

Mumbai
April 30, 2019

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in crore)

	Note	March 31, 2019	March 31, 2018	April 1, 2017
ASSETS				
Financial Assets				
Cash and Cash Equivalents	5	1,052.84	17.47	11.01
Bank Balances other than above	6	85.28	59.38	63.37
Loans	7	17,288.28	15,451.57	13,138.74
Investments	8	148.27	157.94	162.94
Other Financial Assets	9	5.69	4.80	5.86
Total Financial Assets		18,580.36	15,691.16	13,381.92
Non-Financial Assets				
Current Tax Assets (Net)	10	28.14	30.40	29.69
Deferred Tax Assets (Net)	11	37.61	45.66	43.95
Property, Plant and Equipment	12	12.81	14.12	13.12
Intangible Assets	13	2.33	1.30	0.58
Other Non-Financial Assets	14	4.72	2.53	3.39
Total Non-Financial Assets		85.61	94.01	90.73
Total Assets		18,665.97	15,785.17	13,472.65
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables	15			
(A) Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2.83	2.87	5.18
(B) Other Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Debt Securities	16	4,496.85	4,809.03	2,382.20
Borrowings (Other than Debt Securities)	17	10,481.20	7,685.69	8,091.24
Deposits	18	1,494.25	1,439.40	1,468.83
Subordinated Liabilities	19	34.85	34.82	34.79
Other Financial Liabilities	20	214.81	215.68	215.38
Total Financial Liabilities		16,724.79	14,187.49	12,197.62
Non-Financial Liabilities				
Provisions	21	7.80	6.53	6.27
Other Non-Financial Liabilities	22	41.94	35.91	27.44
Total Non-Financial Liabilities		49.74	42.44	33.71
Total Liabilities		16,774.53	14,229.93	12,231.33
EQUITY				
Equity	23	146.74	73.14	72.91
Other Equity	24	1,744.70	1,482.10	1,168.41
Total Equity		1,891.44	1,555.24	1,241.32
Total Liabilities and Equity		18,665.97	15,785.17	13,472.65
Significant Accounting Policies	3			

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

Directors

For **Deloitte Haskins & Sells LLP**
Firm Registration No. 117366W/W-100018
Chartered Accountants

Gaurav J Shah
Partner
Membership No. 35701

Mumbai
April 30, 2019

Keki M. Mistry
Chairman
DIN : 00008886

Sudhin Choksey
Managing Director
DIN : 00036085

Hitesh Agrawal
Chief Financial Officer
FCA : 124222

K. G. Krishnamurthy
DIN : 00012579

Biswamohan Mahapatra
DIN : 06990345

Kamlesh Shah
DIN : 03092230

Marcus Lobo
Company Secretary
FCS : 4256

S. G. Mankad
DIN : 00086077

Bhavna Doshi
DIN : 00400508

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	Note	Year Ended March 31, 2019 Current Year	Year Ended March 31, 2018 Previous Year
Revenue from Operations			
Interest Income	25	1,972.17	1,642.59
Fees Income		54.02	50.86
Bad Debts Recovered		0.46	0.29
Total Revenue from Operations		2,026.65	1,693.74
Expenses			
Finance Costs	26	1,301.20	984.80
Impairment of Financial Instruments	27	(16.63)	32.49
Employee Benefit Expenses	28	64.76	57.57
Depreciation and Amortisation	12 & 13	3.40	3.09
Establishment Expenses	29	13.06	11.44
Other Expenses	30	45.82	37.20
Total Expenses		1,411.61	1,126.59
Profit Before Tax		615.04	567.15
Tax Expense	31		
Current Tax		159.79	166.11
Deferred Tax (Net)		8.05	(1.71)
Total Tax Expense		167.84	164.40
Net Profit After Tax		447.20	402.75
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or (loss)		(0.82)	(0.30)
(ii) Income tax relating to items that will not be reclassified to profit or (loss)		0.29	0.11
Subtotal (A)		(0.53)	(0.19)
(B) (i) Items that will be reclassified to profit or (loss)		-	-
(ii) Income tax relating to items that will be reclassified to profit or (loss)		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		(0.53)	(0.19)
Total Comprehensive Income		446.67	402.56
Earnings Per Equity Share (Face value of ₹ 2 per Share)	33		
Basic (₹)		6.10	5.51
Diluted (₹)		6.09	5.49
Significant Accounting Policies	3		

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

Directors

For **Deloitte Haskins & Sells LLP**
Firm Registration No. 117366W/W-100018
Chartered Accountants

Gaurav J Shah
Partner
Membership No. 35701

Mumbai
April 30, 2019

Keki M. Mistry
Chairman
DIN : 00008886

Sudhin Choksey
Managing Director
DIN : 00036085

Hitesh Agrawal
Chief Financial Officer
FCA : 124222

K. G. Krishnamurthy
DIN : 00012579

Biswamohan Mahapatra
DIN : 06990345

Kamlesh Shah
DIN : 03092230

Marcus Lobo
Company Secretary
FCS : 4256

S. G. Mankad
DIN : 00086077

Bhavna Doshi
DIN : 00400508

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in crore)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	615.04	567.15
Adjustments for :		
Depreciation and Amortisation	3.40	3.09
Allowance of credit loss on Financial Assets	(16.63)	32.49
Interest Expenses	1,301.20	984.80
Employee Share Based Payments	5.47	3.36
Bad Debts Written off	0.86	1.08
Interest Income	(1,919.94)	(1,632.84)
Surplus from cash management schemes of Mutual Funds	(52.23)	(9.75)
	(677.87)	(617.77)
Operating Profit Before working Capital Changes	(62.83)	(50.62)
Adjustment for :		
Other Financial and Non-Financial Assets	(28.98)	5.91
Payables, Other Financial and Non-Financial Liabilities	53.72	28.08
Net Investment	8.53	5.00
	33.27	38.99
Cash Generated from Operations	(29.56)	(11.63)
Interest received	1,903.71	1,621.29
Interest paid	(1,344.88)	(1,002.87)
Taxes paid	(157.82)	(165.13)
Net Cash from Operations	371.45	441.66
Loans Disbursed (Net)	(1,803.60)	(2,335.32)
Net Cash used in Operating Activities	(1,432.15)	(1,893.66)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment / Intangible Assets	(3.13)	(4.81)
Sale of Property, Plant & Equipment / Intangible Assets	0.01	-
Investment in cash management schemes of Mutual funds	(5,669.00)	(5,139.73)
Sale of Mutual Funds including surplus from cash management schemes of Mutual Funds	5,721.23	5,149.46
Net Cash used in Investing Activities	49.11	4.92
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Allotment of shares under Employee Stock Option Scheme	0.46	0.23
Securities Premium	28.79	30.77
Proceeds from Debt Securities	19,426.07	24,501.87
Repayment of Debt Securities	(19,742.00)	(22,080.00)
Proceeds from Borrowings	13,814.50	11,403.00
Repayment of Borrowings	(11,018.99)	(11,808.55)
Proceeds from Deposits	541.36	494.22
Repayment of Deposits	(486.50)	(523.65)
Dividends Paid	(120.47)	(101.89)
Tax on Dividend	(24.81)	(20.80)
Net Cash from Financing Activities	2,418.41	1,895.20
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	1,035.37	6.46

	Current Year	Previous Year
Cash and Cash Equivalents at the beginning of the year	17.47	11.01
Cash and Cash Equivalents at the end of the year [Note (b)]	1,052.84	17.47

Note (a) :
The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 'Statement of Cash Flows' specified under section 133 of Companies Act, 2013.

(₹ in crore)

Note (b) :

Particulars	Current Year	Previous Year
Cash and Cash Equivalents comprises of :		
Cash on Hand	0.03	0.03
Collection from customers pending deposition	0.46	0.31
Cheques on Hand	5.08	5.49
Balances with Banks :		
Current Accounts	146.19	11.64
Deposit Accounts with original maturity of 3 months or less	901.08	-
	1,052.84	17.47

Note (c) :

Change in Liabilities arising from Financing Activities

(₹ in crore)

Particulars	April 1, 2018	Cash flows	Others	March 31, 2019
Debt Securities	4,809.03	(315.94)	3.76	4,496.85
Borrowings other than Debt Securities	7,685.69	2,795.51	-	10,481.20
Deposits	1,439.40	54.85	-	1,494.25
Subordinated Liabilities	34.82	-	0.03	34.85
Total Liabilities from Financing Activities	13,968.94	2,534.42	3.79	16,507.15

Particulars	April 1, 2017	Cash flows	Others	March 31, 2018
Debt Securities	2,382.20	2,421.87	4.96	4,809.03
Borrowings other than Debt Securities	8,091.24	(405.55)	-	7,685.69
Deposits	1,468.83	(29.43)	-	1,439.40
Subordinated Liabilities	34.79	-	0.03	34.82
Total Liabilities from Financing Activities	11,977.06	1,986.89	4.99	13,968.94

Significant Accounting Policies 3

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

Directors

For **Deloitte Haskins & Sells LLP**
Firm Registration No. 117366W/W-100018
Chartered Accountants

Gaurav J Shah
Partner
Membership No. 35701

Keki M. Mistry
Chairman
DIN : 00008886

Sudhin Choksey
Managing Director
DIN : 00036085

K. G. Krishnamurthy
DIN : 00012579

Biswamohan Mahapatra
DIN : 06990345

Kamlesh Shah
DIN : 03092230

S. G. Mankad
DIN : 00086077

Bhavna Doshi
DIN : 00400508

Hitesh Agrawal
Chief Financial Officer
FCA : 124222

Marcus Lobo
Company Secretary
FCS : 4256

Mumbai
April 30, 2019

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL (Note 23)

(₹ in crore)

Particulars	Amount
As At April 1, 2017	72.91
Equity Share Capital issued pursuant to exercise of stock options	0.23
As At March 31, 2018	73.14
Equity Share Capital issued pursuant to exercise of stock options	0.46
Equity Share Capital issued as fully paid Bonus Shares	73.14
As At March 31, 2019	146.74

B. OTHER EQUITY (Note 24)

(₹ in crore)

Particulars	Reserves and Surplus						Total
	Securities Premium	Retained Earnings	General Reserve	Statutory Reserve (As per section 29C of NHB Act and section 36 (1)(viii) of Income Tax Act, 1961)	Additional Reserve (Created in addition to minimum required u/s 29C of NHB Act)	Employee Stock Option Reserve	
Balance As At April 1, 2017	89.07	447.33	154.95	439.93	27.74	9.39	1,168.41
Profit for the year transferred to Retained Earnings	-	402.75	-	-	-	-	402.75
Remeasurement of Defined Benefit Plans	-	(0.19)	-	-	-	-	(0.19)
Transfer from Retained Earnings	-	(186.25)	80.00	106.25	-	-	-
Received during the year	30.77	-	-	-	-	-	30.77
Options vested during the year	-	-	-	-	-	3.36	3.36
Dividend pertaining to Previous year paid during the year	-	(102.20)	-	-	-	-	(102.20)
Tax on Proposed Dividend	-	(20.80)	-	-	-	-	(20.80)
Balance As At March 31, 2018	119.84	540.64	234.95	546.18	27.74	12.75	1,482.10

(₹ in crore)

Particulars	Reserves and Surplus						Total
	Securities Premium	Retained Earnings	General Reserve	Statutory Reserve (As per section 29C of NHB Act and section 36 (1)(viii) of Income Tax Act, 1961)	Additional Reserve (Created in addition to minimum required u/s 29C of NHB Act)	Employee Stock Option Reserve	
Balance As At April 1, 2018	119.84	540.64	234.95	546.18	27.74	12.75	1,482.10
Profit for the year transferred to retained earnings	-	447.20	-	-	-	-	447.20
Remeasurement of Defined Benefit Plans	-	(0.53)	-	-	-	-	(0.53)
Transfer from Retained Earnings	-	(190.00)	85.00	105.00	-	-	-
Received during the year	29.69	-	-	-	-	-	29.69
Utilised during the Year for Bonus Shares	(73.14)	-	-	-	-	-	(73.14)
Utilised during the Year for Bonus Issue Expenses	(0.59)	-	-	-	-	-	(0.59)
Options vested during the year	-	-	-	-	-	5.47	5.47
Dividend pertaining to Previous year paid during the year	-	(120.69)	-	-	-	-	(120.69)
Tax on Proposed Dividend	-	(24.81)	-	-	-	-	(24.81)
Transferred from Employee Stock Option Reserve pursuant to Stock Options Lapsed	-	-	0.44	-	-	(0.44)	-
Transferred from Employee Stock Option Reserve pursuant to Stock Options Exercised	7.27	-	-	-	-	(7.27)	-
Balance As At March 31, 2019	83.07	651.81	320.39	651.18	27.74	10.51	1,744.70

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 COMPANY OVERVIEW

GRUH Finance Limited ('GRUH' or 'the Company') incorporated in 1986 as a specialised Housing Finance Company domiciled in India as a limited company having its registered office at Ahmedabad. The principal business is to provide loans for purchase or construction of residential houses. The business is conducted through its branches in India and is supported by a network of Referral Associates for sourcing loans as well as deposits. The Company is a public limited company and its shares are listed in India on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

2 SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

2.1 Critical accounting Judgments

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.2 Expected Credit Loss

When determining whether the risk of default on other loans (i.e. developer loans) portfolio has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk has been detailed in note to accounts on Impairment.

2.3 Fair Valuation of Investments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 37.

2.4 Income Taxes

The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Preparation and Presentation

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below, the relevant provisions of the Companies Act, 2013 (the Act) (to the extent notified) and the guidelines issued by the National Housing Bank (NHB) to the extent applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The financial statements are presented in Indian Rupees (₹) which is the functional and the presentation currency and all values are rounded to the nearest crore, except when otherwise indicated.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued Ind AS is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows :

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

3.2 Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed in Note 2.1. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3.3 Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared on accrual basis and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”.

Amounts in the financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

3.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

3.4.1 Interest and Dividend Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Repayments of loans are by way of Equated Monthly Instalments (EMIs) comprising principal and interest. Interest on loans is computed either on annual rest, monthly rest or on a daily rest basis depending upon loan product. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at Fair Value through Profit or Loss (FVTPL), transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets [i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)].

Dividend income is recognised when the Company’s right to receive dividend is established by the reporting date.

3.4.2 Fees Income

Feesincome include fees other than those that are an integral part of EIR.

3.4.3 Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.4.4 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

3.5 Property, Plant and Equipment (PPE)

Land and buildings held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost less accumulated depreciation and cumulative impairment, if any, Cost includes professional fees related to the acquisition of PPE.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2017.

PPE not ready for the intended uses on the date of the Balance Sheet are disclosed as “capital work-in-progress”.

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to the Act, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset (“asset component”) is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Freehold land is not depreciated. The useful life of the property, plant and equipment held by the Company is as follows :

Class of Assets	Useful life
Buildings	60 years
Computer Hardware*	4 years
Furniture & Fittings	10 years
Office Equipment	5 years
Vehicles*	8 years
Application Software*	4 years

* For the above class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.6 Intangible Assets

Intangible assets comprising application software are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life of 4 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3.7 Impairment of Assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.8 Employee Benefits

3.8.1 Share-based payment arrangements

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within other equity.

3.8.2 Defined Contribution Plans

3.8.2.1 Superannuation Fund

Company's superannuation fund is administered through a trust which is recognised by the Income Tax Authorities and the contribution thereto is charged as an expense based on the amount of contribution required to be made.

3.8.3 Defined Benefit Plans

3.8.3.1 Provident Fundand State Pension Scheme

All employees of the Company are entitled to receive benefits under the Provident Fund. The Company makes a contribution to provident fund and the schemes thereunder, as recognised by the Income-tax authorities and administered by various trustees. The contributions are recognised as an expense in the year in which they are incurred. The Rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees is 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. The guidance on implementing Ind AS-19, Employee Benefits issued by the ICAI, states that benefits involving employer established provident funds, which require interest shortfalls to be provided, are to be considered as defined benefit plans.

Company's Contribution to State Plans namely Employee's Pension Scheme is charged as an expense based on the amount of contribution required to be made.

3.8.3.2 Gratuity Benefits

For defined benefit plans in the form of gratuity fund and post retirement pension scheme for employees, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

3.8.3.3 Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

3.8.3.4 Long-Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date, based on actuarial valuation.

3.9 Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

3.9.1 Operating Leases

Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.10 Financial Instruments

3.10.1 Financial instruments – initial recognition

3.10.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when disbursed to the customers. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

3.10.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below.

3.10.1.3 Day 1 Profit or Loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

3.10.2 Measurement categories of Financial Assets and Liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either :

- Amortised cost
- FVOCI (Fair Value Through Other Comprehensive Income),
- FVTPL (Fair Value Through Profit & Loss Account)

The Company classifies and measures Mutual Fund Investments at FVTPL. The Company may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments are measured at FVTPL when the fair value designation is applied.

3.10.3 Financial Assets and Liabilities

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows :

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

3.10.3.1 Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically :

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

  However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis :
- The Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

3.10.3.1.1 Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

3.10.3.1.2 Business Model Test for Financial Assets

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as :

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- How employees of the business are compensated (e.g. whether the compensation is based on the fair value of mutual funds of the assets managed or on the contractual cash flows collected of loans).

  At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

  When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

  Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

3.10.3.1.3 Financial assets at FVTPL

Financial assets at FVTPL are :

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- Assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

3.10.3.1.4 Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and de-recognition of financial assets described below.

3.10.3.1.5 Impairment

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL :

- loans and advances to customers;
- debt investment securities;
- Loan commitments issue; and

ECLs are required to be measured through a loss allowance at an amount equal to :

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

  A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

  ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down;

  The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

3.10.3.1.5.1 Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events :

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

3.10.3.1.6 Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default :

- the borrower is past due more than 30 days on any material credit obligation to the Company, in case of retail loans which are EMI-based; or
- the borrower is past the due date on any material credit obligation to the Company, in case of other loans i.e. loan to the party other than individual (developer loans/others); or
- The borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in other loans a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

3.10.3.1.7 Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Company monitors all financial assets, issued loan commitments that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default (PD) at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For other loans, forward-looking information includes the future prospects of the industries in which the Company's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail lending forward looking information includes the same economic forecasts as other loans with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour. The Company allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing :

- the remaining lifetime PD at the reporting date;
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

  The PDs used are forward looking and the Company uses the same methodologies and data used to measure the loss allowance for ECL.

  The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However the Company still considers separately some qualitative factors to assess if credit risk has increased significantly. For other loans there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending the Company considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when an asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

3.10.3.1.8 Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in de-recognition. In accordance with the

Company's policy a modification results in de-recognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following :

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;

A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original EIR. If the difference in present value is greater than an acceptable %, the Company deems the arrangement is substantially different leading to de-recognition.

In the case where the financial asset is derecognised the loss allowances for ECL is remeasured at the date of de-recognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on de-recognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in de-recognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing :

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms;
- The remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in de-recognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to de-recognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.10.3.1.9 Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows :

- for financial assets measured at amortised cost : as a deduction from the gross carrying amount of the assets;
- for loan commitments as a provision;

Where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component : the Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

3.10.4 Financial Liabilities and Equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

3.10.4.1 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

When there is a repurchase of the Company's own equity instruments, it is recognised and deducted directly from equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.10.4.2 Transfer and servicing of assets

When the Company transfers loans through securitisation and direct assignment transactions, the transferred loans are de-recognised and gains/losses are accounted for, only if the Company surrenders the risks and rewards specified in the underlying securitised loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under securitisation transactions, the difference between the carrying amount and the consideration received shall be recognised in the Statement of profit and loss.

3.10.4.3 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'at amortised cost'.

3.10.4.3.1 De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.11 Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

3.12 Securities Premium Account

The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

Equity-settled share-based payments to employees are measured by reference to the fair value of the options at the grant date using Black Scholes Model.

The fair value determined at the grant date of the equity-settled share-based payments, is charged to Profit and Loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses.

3.13 Borrowing Costs

Borrowing costs include interest expense calculated using the EIR.

3.14 Segments

The Company's main business is financing by way of loans for the purchase or construction of residential houses in India. All other activities of the Company revolve around the main business. This in the context of Ind AS 108 – "Operating Segments" specified under section 133 of the Companies Act, 2013, is considered to constitute one reportable segment.

3.15 Earnings Per Share

Basic earnings per share have been computed by dividing net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

3.16 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.17 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

3.18 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when :

(i) An entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) A reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent liability is disclosed by way of note in case of :

(i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) A present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets :

Contingent assets are not recognised in the financial statements.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.19 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows :

a) Estimated amount of contracts remaining to be executed on capital account and not provided for;

b) Funding related loan commitment.

3.20 Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

3.21 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of :

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

3.22 Standards issued but not effective

Ind AS 116 Leases

The Company has not applied Ind AS 116 that has been issued but is effective from April 1, 2019.

(a) On 18 July 2017, the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India (ICAI) issued an Exposure Draft (ED) of Ind AS 116 Leases. Ind AS 116 is largely converged with IFRS 16.

Ind AS 116 is expected to replace Ind AS 17 from its proposed effective date, being annual periods beginning on or after 1 April 2019.

(b) The application of Ind AS 116 is not likely to have material impact on the Company's financial statements.

4 FIRST TIME ADOPTION OF IND AS (IND AS 101)

The Company has prepared financial statements for the year ended March 31, 2019, in accordance with Ind AS for the first time. For the periods upto and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with the Companies (Accounting Standards) Rules, 2006, as amended (Previous GAAP). Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2019, together with comparative information as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2017 i.e. the transition date to Ind AS for the Company. Previous GAAP financials statements as on April 1, 2017 being transition date and for previous year ended March 31, 2018 have been restated as per Ind AS.

This note explains the principal adjustment made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2017, and the financial statements as at and for the year ended March 31, 2018.

4.1 Exemptions availed :

4.1.1 Deemed Cost for Property, Plant and Equipment and Intangible Assets :

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2017 (the transition date), measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

4.1.2 Classification and Measurement of Financial Assets :

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

4.1.3 Fair Value of Financials Assets and Liabilities :

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

Reconciliation of Total Comprehensive Income for the year ended March 31, 2018 (₹ in crore)

Particulars	Note	Year ended March 31, 2018		
		Previous GAAP*	Adjustments	Ind AS
Revenue from Operations				
Interest Income	4.1.6	1,631.03	11.56	1,642.59
Fees Income		50.86	-	50.86
Bad Debts Recovered		0.29	-	0.29
Total Revenue from Operations		1,682.18	11.56	1,693.74
Expenses				
Finance Costs	4.1.6	981.37	3.43	984.80
Impairment on Financial Instruments (Expected Credit Loss)		32.49	-	32.49
Employee Benefit Expenses	4.1.7 & 4.1.8	54.52	3.05	57.57
Depreciation and Amortisation		3.09	-	3.09
Establishment Expenses		11.44	-	11.44
Other Expenses		37.20	-	37.20
Total Expenses		1,120.11	6.48	1,126.59
Profit Before Tax		562.07	5.08	567.15
Tax Expense				
Current Tax	4.1.8	166.00	0.11	166.11
Deferred Tax (Net)	4.1.5	33.39	(35.10)	(1.71)
Total Tax Expense		199.39	(34.99)	164.40
Profit for the period		362.68	40.07	402.75
Other Comprehensive Income				
(A) Items that will not be reclassified to Profit or (Loss)				
(i) Re-measurements of defined benefit plans	4.1.8 & 4.1.9	-	(0.30)	(0.30)
(ii) Income Tax relating to items that will not be reclassified to Profit or (Loss)	4.1.8 & 4.1.9	-	0.11	0.11
Other Comprehensive Income		-	(0.19)	(0.19)
Total Comprehensive Income for the period		362.68	39.88	402.56

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

Reconciliation of Equity

(₹ in crore)

Particulars	Note	Balance Sheet As At March 31, 2018			Opening Balance Sheet As At April 1, 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
ASSETS							
Financial Assets							
Cash and Cash Equivalents		17.47	-	17.47	11.01	-	11.01
Bank Balances other than above		59.38	-	59.38	63.37	-	63.37
Loans	4.1.6	15,483.70	(32.13)	15,451.57	13,182.43	(43.69)	13,138.74
Investments	4.1.4	158.15	(0.21)	157.94	163.12	(0.18)	162.94
Other Financial Assets		4.80	-	4.80	5.86	-	5.86
Total Financial Assets		15,723.50	(32.34)	15,691.16	13,425.79	(43.87)	13,381.92
Non-Financial Assets							
Current Tax Assets (Net)		30.40	-	30.40	29.69	-	29.69
Deferred Tax Assets (Net)	4.1.5	(156.41)	202.07	45.66	(123.02)	166.97	43.95
Property, Plant and Equipment		14.12	-	14.12	13.12	-	13.12
Other Intangible Assets		1.30	-	1.30	0.58	-	0.58
Other Non-Financial Assets		2.53	-	2.53	3.39	-	3.39
Total Non-Financial Assets		(108.06)	202.07	94.01	(76.24)	166.97	90.73
Total Assets		15,615.44	169.73	15,785.17	13,349.55	123.10	13,472.65
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Payables							
(A) Trade Payables							
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2.87	-	2.87	5.18	-	5.18
(B) Other Payables							
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-
Debt Securities	4.1.6	4,813.44	(4.41)	4,809.03	2,387.00	(4.80)	2,382.20
Borrowings (Other than Debt Securities)		7,685.69	-	7,685.69	8,091.24	-	8,091.24
Deposits		1,439.40	-	1,439.40	1,468.83	-	1,468.83
Subordinated Liabilities	4.1.6	35.00	(0.18)	34.82	35.00	(0.21)	34.79
Other Financial Liabilities		215.68	-	215.68	215.38	-	215.38
Total Financial Liabilities		14,192.08	(4.59)	14,187.49	12,202.63	(5.01)	12,197.62
Non-Financial Liabilities							
Provisions		6.53	-	6.53	6.27	-	6.27
Other Non-Financial Liabilities		35.91	-	35.91	27.44	-	27.44
Total Non-Financial Liabilities		42.44	-	42.44	33.71	-	33.71
Total Liabilities		14,234.52	(4.59)	14,229.93	12,236.34	(5.01)	12,231.33
EQUITY							
Equity		73.14	-	73.14	72.91	-	72.91
Other Equity		1,307.78	174.32	1,482.10	1,040.30	128.11	1,168.41
Total Equity		1,380.92	174.32	1,555.24	1,113.21	128.11	1,241.32
Total Liabilities and Equity		15,615.44	169.73	15,785.17	13,349.55	123.10	13,472.65

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

4.1.4 Investments :

Under Previous GAAP, the transaction cost incurred on acquisition, of Investments in Government Securities, were valued at Amortised Cost on Straight Line Method while under Ind AS such cost are included in the initial recognition amount of Investments in Government Securities and recognised against Interest Income using Effective Interest Method. Consequently, Investment in Government Securities on the date of transition has decreased by ₹ 0.17 crore and for the year ended March 31, 2018 has decreased by ₹ 0.03 crore.

Further, for the Investments in Mutual Funds the fair value changes are recognised in the Statement of Profit and Loss. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per Previous GAAP. Consequently, Investments in Mutual Funds on the date of transition has increased by ₹ 0.01 crore and for year ended March 31, 2018 has increased by ₹ 2,600.00.

Above has led to decrease in profit before tax of ₹ 0.03 crore and profit after tax of ₹ 0.02 crore for the year ended March 31, 2018.

4.1.5 Deferred Tax :

The Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base.

The application of Ind AS 12 approach has resulted in the various transitional adjustments being temporary differences. Accordingly, the Company has accounted for such differences. These adjustments are recognised in co-relation to the underlying transaction either in retained earnings, OCI or profit and loss respectively.

4.1.6 Effective Interest Rate (EIR) :

a. Under Previous GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently loan to customers on date of transition have decreased by ₹ 43.68 crore and interest income for the year ended March 31, 2018 has increases by ₹ 11.56 crore and consequently Loan Assets has been increased by ₹ 11.56 crore.

b. Under Previous GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss/securities premium upfront while under Ind AS, such costs are included in the initial recognition amount of financial liabilities and recognised as interest expense using the effective interest method. Consequently, Non-Convertible Debentures and Subordinated Liabilities on date of transition date have decreased by ₹ 4.80 crore and ₹ 0.21 crore respectively and interest expense for the year ended March 31, 2018 has increased by ₹ 3.43 crore. Non-Convertible Debentures as at March 31, 2018 has been increased by ₹ 0.39 crore and Subordinated Liabilities has been increased by ₹ 0.03 crore.

4.1.7 Share-Based Payments :

Under Previous GAAP, the cost of equity-settled employee share-based payments was recognised using the intrinsic value method.

Under Ind AS, the cost of equity-settled employee share-based payments is recognised based on the fair value of the options as on the grant date. The change does not affect total equity, but there is a decrease in profit before tax as well as profit after tax for the year ended March 31, 2018 by ₹ 3.36 crore and ₹ 2.18 crore respectively.

4.1.8 Defined Benefit Obligation :

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gain and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of assets ceiling, excluding amounts included in net interest on the net defined benefit liability and return on plan assets excluding amount included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income (OCI). Thus, employee benefit expense is reduced by ₹ 0.30 crore and is recognised in OCI during the year ended March 31,2018.

The current tax amounting to ₹ 0.11 crore is also regrouped from profit or loss to OCI for the year ended March 31, 2018. The above change does not affect total equity as at March 31, 2018. However, profit before tax and profit for the year ended March 31, 2018, is increased by ₹ 0.30 crore and ₹ 0.19 crore respectively.

4.1.9 Other Comprehensive Income (OCI) :

Under Previous GAAP, there was no concept of OCI. Re-measurement of defined benefit plan liability is recognised in OCI.

5 CASH & CASH EQUIVALENTS

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
(i) Cash Balance			
Cash on Hand	0.03	0.03	0.04
Collection from customers pending deposition	0.46	0.31	0.07
(ii) Balances with banks			
In Current Accounts	146.19	11.64	5.77
In Deposit Accounts with original maturity of 3 months or less	901.08	-	-
(iii) Cheques on Hand	5.08	5.49	5.13
Total	1,052.84	17.47	11.01

Short-term deposits are made for varying periods of upto three months, depending on the requirements of the Company, and earn interest at the respective short-term deposit rates.

6 BANK BALANCES OTHER THAN (5) ABOVE

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
(i) In other Deposit Accounts			
- Original Maturity more than 3 months	83.20	57.52	61.82
(ii) Earmarked balances with Banks			
- Unclaimed Dividend Accounts	2.08	1.86	1.55
Total	85.28	59.38	63.37

Fixed deposit earns interest at fixed rate.

7 LOANS

At Amortised Cost

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
(A) Loans			
Home Loans			
Individual	16,187.88	14,546.60	12,230.06
Others	335.55	320.12	390.71
	16,523.43	14,866.72	12,620.77
Other Loans			
Individual	343.49	373.08	416.72
Others	540.94	347.97	204.96
	884.43	721.05	621.68
Total - Gross (A)	17407.86	15,587.77	13,242.45
Less : Provision for Expected Credit Losses	119.58	136.20	103.71
Total - Net (A)	17,288.28	15,451.57	13,138.74
(B) (i) Secured by Tangible Assets	17,407.43	15,587.77	13,242.45
(ii) Unsecured	0.43	-	-
Total - Gross (B)	17,407.86	15,587.77	13,242.45

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Less : Provision for Expected Credit Losses	119.58	136.20	103.71
Total - Net (B)	17,288.28	15,451.57	13,138.74
(C) (I) Loans in India			
(i) Public Sector	-	-	-
(ii) Private Sector	17,407.86	15,587.77	13,242.45
Total - Gross (C)	17,407.86	15,587.77	13,242.45
Less : Provision for Expected Credit Losses	119.58	136.20	103.71
Total (I) - Net (C)	17,288.28	15,451.57	13,138.74
(II) Loans outside India	-	-	-
Less : Provision for Expected Credit Losses	-	-	-
Total (II) - Net (C)	-	-	-

7.1 Loans includes ₹ 44.30 crore (Previous Year ₹ 36.70 crore) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

7.2 Loans includes ₹ 0.23 crore (Previous Year ₹ 0.25 crore) given to the related party of GRUH under the Staff Loan Scheme.

7.3 Collateral and Other Credit Enhancements :

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

Loans granted by GRUH are secured or partly secured by one or combination of following securities :

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.

The Company monitors the value of collateral and will request additional collateral in accordance with the loan agreement.

In its normal course of business, the Company does not physically repossess properties or other assets. Property acquisition is a last recourse which company exercise in case recovery become very difficult. Any surplus funds after settlement of outstanding loan are returned to the customers. As a result of this practice, the residential properties under legal repossession processes are not treated as non–current assets held for sale.

The tables below is the most informative and includes the total value of all collateral, any surplus collateral (i.e. the extent to which the value of collateral held is greater than the exposure to which it relates) and the net exposure to credit risk.

(₹ in crore)

As At March 31, 2019	Maximum Exposure To Credit Risk	Associated ECLs	Total Maximum Exposure To Credit Risk Net of ECL	Fair Value of Collaterals and Credit Enhancements held				
				Land and Building	Book debts, Inventory and other working capital items	Surplus Collateral	Total Collateral	Net Exposure
	A	B	C=A-B	D	E	F	G=D+E+F	H=C-G
Financial Assets								
Cash and Cash Equivalent and other Bank Balances	1,138.12	-	1,138.12	-	-	-	-	1,138.12
Loans - Gross								
Individual	16,531.37	101.77	16,429.60	32,162.72	-	-	32,162.72	(15,733.12)
Others	876.49	17.81	858.68	3,054.29	256.23	66.76	3,377.28	(2,518.60)
Debt Instruments at Amortised Cost - SLR	146.26	-	146.26	-	-	-	-	146.26
Other Financial Assets	5.69	-	5.69	-	-	-	-	5.69
Total Financial Assets at Amortised Cost (i)	18,697.93	119.58	18,578.35	35,217.01	256.23	66.76	35,540.00	(16,961.65)
Financial Assets at FVTPL	2.01	-	2.01	-	-	-	-	2.01
Total Financial Instruments at FVTPL (ii)	2.01	-	2.01	-	-	-	-	2.01
Total (i + ii)	18,699.94	119.58	18,580.36	35,217.01	256.23	66.76	35,540.00	(16,959.64)

(₹ in crore)

As At March 31, 2018	Maximum Exposure To Credit Risk	Associated ECLs	Total Maximum Exposure To Credit Risk Net of ECL	Fair Value of Collaterals and Credit Enhancements held				
				Land and Building	Book debts, Inventory and other working capital items	Surplus Collateral	Total Collateral	Net Exposure
	A	B	C=A-B	D	E	F	G=D+E+F	H=C-G
Financial Assets								
Cash and Cash Equivalent and other Bank Balances	76.85	-	76.85	-	-	-	-	76.85
Loans - Gross								
Individual	14,919.68	121.69	14,797.99	28,884.48	-	-	28,884.48	(14,086.49)
Others	668.09	14.51	653.58	2,566.90	269.20	30.53	2,866.63	(2,213.05)
Debt Instruments at Amortised Cost - SLR	155.93	-	155.93	-	-	-	-	155.93
Other Financial Assets	4.80	-	4.80	-	-	-	-	4.80
Total Financial Assets at Amortised Cost (i)	15,825.35	136.20	15,689.15	31,451.38	269.20	30.53	31,751.11	(16,061.96)
Financial Assets at FVTPL	2.01	-	2.01	-	-	-	-	2.01
Total Financial Instruments at FVTPL (ii)	2.01	-	2.01	-	-	-	-	2.01
Total (i + ii)	15,827.36	136.20	15,691.16	31,451.38	269.20	30.53	31,751.11	(16,059.95)

(₹ in crore)

As At April 1, 2017	Maximum Exposure To Credit Risk	Associated ECLs	Total Maximum Exposure To Credit Risk Net of ECL	Fair Value of Collaterals and Credit Enhancements held				
				Land and Building	Book debts, Inventory and other working capital items	Surplus Collateral	Total Collateral	Net Exposure
	A	B	C=A-B	D	E	F	G=D+E+F	H=C-G
Financial Assets								
Cash and Cash Equivalent and other Bank Balances	74.38	-	74.38	-	-	-	-	74.38
Loans - Gross								
Individual	12,646.78	92.01	12,554.77	24,601.07	-	-	24,601.07	(12,046.30)
Others	595.67	11.70	583.97	2,058.30	132.57	43.90	2,234.77	(1,650.80)
Debt Instruments at Amortised Cost - SLR	160.93	-	160.93	-	-	-	-	160.93
Other Financial Assets	5.86	-	5.86	-	-	-	-	5.86
Total Financial Assets at Amortised Cost (i)	13,483.62	103.71	13,379.91	26,659.37	132.57	43.90	26,835.84	(13,455.93)
Financial Assets at FVTPL	2.01	-	2.01	-	-	-	-	2.01
Total Financial Instruments at FVTPL (ii)	2.01	-	2.01	-	-	-	-	2.01
Total (i + ii)	13,485.63	103.71	13,381.92	26,659.37	132.57	43.90	26,835.84	(13,453.92)

Individual Loans

7.4 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows :

(₹ in crore)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount Opening Balance	14,059.30	790.29	70.09	14,919.68	12,037.19	569.04	40.58	12,646.81
New Assets Originated	4,196.06	16.48	0.43	4,212.97	4,604.74	39.17	0.73	4,644.64
Assets derecognised or repaid (excluding write offs)	(2,573.31)	(23.06)	(4.05)	(2,600.42)	(2,335.87)	(31.98)	(2.84)	(2,370.69)
Transfers to/(from) Stage 1	-	(76.03)	(4.02)	(80.05)	-	242.60	4.16	246.76
Transfers to/(from) Stage 2	76.03	-	52.85	128.88	(242.60)	-	28.54	(214.06)
Transfers to/(from) Stage 3	4.02	(52.85)	-	(48.83)	(4.16)	(28.54)	-	(32.70)
Amount written off	-	-	(0.86)	(0.86)	-	-	(1.08)	(1.08)
Gross Carrying amount Closing Balance	15,762.10	654.83	114.44	16,531.37	14,059.30	790.29	70.09	14,919.68

Reconciliation of Expected Credit Loss allowances balance is given below :

(₹ in crore)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance -								
Opening Balance	1.95	14.90	104.84	121.69	1.40	10.36	80.25	92.01
New Assets Originated	0.62	2.07	0.03	2.72	1.26	0.80	0.06	2.12
Assets derecognised or repaid (excluding write offs)	(0.38)	(0.17)	(0.30)	(0.85)	(0.64)	(0.65)	(0.25)	(1.54)
Transfers to/(from) Stage 1	-	(0.55)	(0.29)	(0.84)	-	4.98	0.36	5.34
Transfers to/(from) Stage 2	0.01	-	3.83	3.84	(0.07)	-	2.48	2.41
Transfers to/(from) Stage 3	-	(0.38)	-	(0.38)	-	(0.59)	-	(0.59)
Amount written off	-	-	(0.04)	(0.04)	-	-	(0.09)	(0.09)
Excess Provision/(reversed)	-	-	(24.37)	(24.37)	-	-	22.03	22.03
ECL Allowance - Closing Balance	2.20	15.87	83.70	101.77	1.95	14.90	104.84	121.69

Stage 3 allowance includes excess provision of ₹ 74.42 crore as at March 31, 2019 (₹ 98.78 crore as at March 31, 2018 and ₹ 76.75 crore as at April 1, 2017).

Other Loans

7.5 An analysis of changes in the gross carrying amount and the corresponding Expected credit loss allowances is as follows :

(₹ in crore)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount								
Opening Balance	668.09	-	-	668.09	595.64	-	-	595.64
New Assets Originated	722.75	-	-	722.75	614.05	-	-	614.05
Assets derecognised or repaid	(514.35)	-	-	(514.35)	(541.60)	-	-	(541.60)
Gross carrying amount Closing Balance	876.49	-	-	876.49	668.09	-	-	668.09

Reconciliation of Expected credit loss allowances balance is given below :

(₹ in crore)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance -								
Opening Balance	14.51	-	-	14.51	11.70	-	-	11.70
New Assets Originated	11.45	-	-	11.45	23.83	-	-	23.83
Assets derecognised or repaid	(8.15)	-	-	(8.15)	(21.02)	-	-	(21.02)
ECL Allowance - Closing Balance	17.81	-	-	17.81	14.51	-	-	14.51

8 INVESTMENTS

(₹ in crore)

Particulars	As At March 31, 2019		
	Amortised Cost	At Fair Value through Profit or Loss	Total
	(1)	(2)	(3)=(1)+(2)
Government Securities - SLR	146.26	-	146.26
Mutual Funds	-	2.01	2.01
Total - (A)	146.26	2.01	148.27
(i) Investments outside India	-	-	-
(ii) Investments in India	146.26	2.01	148.27
Total - (B)	146.26	2.01	148.27

(₹ in crore)

Particulars	As At March 31, 2018		
	Amortised Cost	At Fair Value through Profit or Loss	Total
	(1)	(2)	(3)=(1)+(2)
Government Securities - SLR	155.93	-	155.93
Mutual Funds	-	2.01	2.01
Total - (A)	155.93	2.01	157.94
(i) Investments outside India	-	-	-
(ii) Investments in India	155.93	2.01	157.94
Total - (B)	155.93	2.01	157.94

(₹ in crore)

Particulars	As At April 1, 2017		
	Amortised Cost	At Fair Value through Profit or Loss	Total
	(1)	(2)	(3)=(1)+(2)
Government Securities - SLR	160.93	-	160.93
Mutual Funds	-	2.01	2.01
Total - (A)	160.93	2.01	162.94
(i) Investments outside India	-	-	-
(ii) Investments in India	160.93	2.01	162.94
Total - (B)	160.93	2.01	162.94

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

9 OTHER FINANCIAL ASSETS

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Rent Deposits - Unsecured; considered good	2.00	1.95	1.86
Security Deposits - Unsecured; considered good			
To Related Party	0.05	0.05	0.05
To Others	2.20	2.19	1.43
Other Advances - Unsecured; considered good	1.44	0.61	2.52
Total	5.69	4.80	5.86

Other Advances as at March 31, 2019 includes payment made during the year for merger related services amounting to ₹ 0.83 crore which shall be adjusted in combined merged entity on effective date.

10 CURRENT TAX ASSETS (NET)

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Advance Tax [Net of Provision for Taxation of ₹ 913.37 crore (₹ 754.18 crore As At March 31, 2018 and ₹ 589.76 crore As At April 1, 2017)]	28.14	30.40	29.69
Total	28.14	30.40	29.69

As At March 31, 2019 includes excess income tax refund received amounting to ₹ 1.07 crore.

11 DEFERRED TAX ASSETS (NET)

The major components of Deferred Tax Assets and Liabilities are :

(₹ in crore)

Particulars	As At March 31, 2019		As At March 31, 2018		As At April 1, 2017	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
a) Depreciation	-	0.12	-	0.31	-	0.57
b) Provision for Expected Credit Loss	28.13	-	33.41	-	30.56	-
c) Provision for Employee Benefits	1.92	-	1.66	-	1.50	-
d) Brokerage and Incentive on Deposits	-	3.67	-	3.26	-	3.36
e) Tax on Ind AS adjustments as per EIR method	5.23	-	11.24	-	13.69	-
f) Others	6.12	-	2.92	-	2.13	-
Total	41.40	3.79	49.23	3.57	47.88	3.93
Net Deferred Tax Asset	37.61		45.66		43.95	

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Property, Plant and Equipment	ECL on Loans	Brokerage and Incentive on Deposits	Provision for Employee Benefits	Others	Tax on Ind AS adjust ments as per EIR method	Total
As At April 1, 2017	(0.57)	30.56	(3.36)	1.50	2.13	13.69	43.95
(Charged)/Credited							
To Profit or Loss	0.26	2.85	0.10	0.16	0.79	(2.45)	1.71
To Other Comprehensive Income	-	-	-	-	-	-	-
As At March 31, 2018	(0.31)	33.41	(3.26)	1.66	2.92	11.24	45.66
(Charged)/Credited							
To Profit or Loss	0.19	(5.28)	(0.41)	0.26	3.20	(6.01)	(8.05)
To Other Comprehensive Income	-	-	-	-	-	-	-
As At March 31, 2019	(0.12)	28.13	(3.67)	1.92	6.12	5.23	37.61

12 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

Particulars	Gross Block				Depreciation				Net Block	
	As At 1.4.2018	Additions	Deductions	As At 31.3.2019	As At 1.4.2018	For the year	Deductions	As At 31.3.2019	As At 31.3.2019	As At 31.3.2018
Own Assets Freehold Land	0.97	-	-	0.97	-	-	-	-	0.97	0.97
Office Building	3.30	-	-	3.30	0.08	0.08	-	0.16	3.14	3.22
Furniture and Fixtures	6.35	0.74	-	7.09	0.81	0.88	-	1.69	5.40	5.54
Vehicles	0.22	-	-	0.22	0.05	0.03	-	0.08	0.14	0.17
Office Equipments	2.79	0.29	0.01	3.07	0.74	0.72	(₹ 4,510)	1.46	1.61	2.05
Electrical Installation	1.14	0.09	-	1.23	0.20	0.22	-	0.42	0.81	0.94
Computers	1.98	0.17	-	2.15	0.75	0.66	-	1.41	0.74	1.23
Total	16.75	1.29	0.01	18.03	2.63	2.59	(₹ 4,510)	5.22	12.81	14.12

PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

Particulars	Gross Block				Depreciation				Net Block	
	As At 1.4.2017	Additions	Deductions	As At 31.3.2018	As At 1.4.2017	For the year	Deductions	As At 31.3.2018	As At 31.3.2018	As At 31.3.2017
Own Assets Freehold Land	0.97	-	-	0.97	-	-	-	-	0.97	0.97
Office Building	3.30	-	-	3.30	-	0.08	-	0.08	3.22	3.30
Furniture and Fixtures	4.88	1.47	-	6.35	-	0.81	-	0.81	5.54	4.88
Vehicles	0.22	-	-	0.22	-	0.05	-	0.05	0.17	0.22
Office Equipments	1.59	1.20	-	2.79	-	0.74	-	0.74	2.05	1.59
Electrical Installation	0.84	0.30	-	1.14	-	0.20	-	0.20	0.94	0.84
Computers	1.32	0.66	-	1.98	-	0.75	-	0.75	1.23	1.32
Total	13.12	3.63	-	16.75	-	2.63	-	2.63	14.12	13.12

12.1 Redeemable Non-Convertible Debentures are secured by the mortgage of specific immovable property created in favour of Debenture Trustees.

13 INTANGIBLE ASSETS

(₹ in crore)

Particulars	Gross Block				Amortisation				Net Block	
	As At 1.4.2018	Additions	Deductions	As At 31.3.2019	As At 1.4.2018	For the year	Deductions	As At 31.3.2019	As At 31.3.2019	As At 31.3.2018
Own Assets Application Software	1.76	1.84	-	3.60	0.46	0.81	-	1.27	2.33	1.30
Total	1.76	1.84	-	3.60	0.46	0.81	-	1.27	2.33	1.30

INTANGIBLE ASSETS

(₹ in crore)

Particulars	Gross Block				Amortisation				Net Block	
	As At 1.4.2017	Additions	Deductions	As At 31.3.2018	As At 1.4.2017	For the year	Deductions	As At 31.3.2018	As At 31.3.2018	As At 31.3.2017
Own Assets										
Application Software	0.58	1.18	-	1.76	-	0.46	-	0.46	1.30	0.58
Total	0.58	1.18	-	1.76	-	0.46	-	0.46	1.30	0.58

PROPERTY, PLANT AND EQUIPMENT AS AT APRIL 1, 2017

(₹ in crore)

Particulars	Gross Block	Accumulated Depreciation	Net Block
Own Assets			
Freehold Land	0.97	-	0.97
Office Building	4.86	1.56	3.30
Furniture and Fixtures	11.42	6.54	4.88
Vehicles	0.28	0.06	0.22
Office Equipments	5.57	3.98	1.59
Electrical Installation	1.64	0.80	0.84
Computers	8.95	7.63	1.32
Total	33.69	20.57	13.12

INTANGIBLE ASSETS AS AT APRIL 1, 2017

(₹ in crore)

Particulars	Gross Block	Accumulated Amortisation	Net Block
Own Assets			
Application Software	1.57	0.99	0.58
Total	1.57	0.99	0.58

14 OTHER NON-FINANCIAL ASSETS

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Capital Advances - Unsecured; considered good	0.14	0.87	0.99
Prepaid Expenses - Unsecured; considered good	4.58	1.66	2.40
Total	4.72	2.53	3.39

15 PAYABLES

A) Trade Payables

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.83	2.87	5.18

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below.

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
a) Amount outstanding but not due as at year end	-	-	-
b) Amount due but unpaid as at the year end	-	-	-
c) Amount paid after appointed date during the year	-	-	-
d) Amount of interest accrued and unpaid as at year end	-	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-	-
Total	-	-	-

B) Other Payables

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-

16 DEBT SECURITIES - AT AMORTISED COST

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Secured			
Non Convertible Debentures (Note 16.1, 16.2 and 16.3)	4,299.53	4,092.59	2,382.20
Unsecured			
Commercial Papers (Note 16.3)	197.32	716.44	-
Total (A)	4,496.85	4,809.03	2,382.20
Debt Securities in India	4,496.85	4,809.03	2,382.20
Debt Securities outside India	-	-	-
Total (B)	4,496.85	4,809.03	2,382.20

16.1 Non-Convertible Debentures includes ₹ 1,314.42 crore (As At March 31, 2018 ₹ 1,313.75 crore and As At April 1, 2017 ₹ 1,313.08 crore) from a related party.

16.2 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.

16.3 Terms of repayment, nature of security & rate of interest in case of Debt Securities.

Nature of Security : 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.

NCDs are not listed on any stock exchange.

Non-Convertible Debentures (NCDs) at Face Value repayable at par : (₹ in crore)

Rate of Interest	Maturity Date	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
9.15	12-Apr-18	-	150.00	150.00
9.07	8-Jun-18	-	150.00	150.00
9.05	15-Mar-18	-	-	100.00
8.39	1-Nov-18	-	47.00	47.00
8.40	1-Jan-18	-	-	250.00
7.57	17-Nov-19	500.00	500.00	500.00
7.58	20-Mar-20	500.00	500.00	500.00
7.68	23-Mar-20	690.00	690.00	690.00
7.54	15-Mar-19	-	300.00	-
7.45	27-Mar-19	-	375.00	-
7.48	10-Jun-19	565.00	565.00	-
7.40	30-Sep-20	342.00	342.00	-
7.49	31-Oct-22	478.00	478.00	-
9.50	30-Oct-28	230.00	-	-
9.35	6-Apr-22	137.60	-	-
9.35	28-Apr-22	105.00	-	-
9.18	29-Mar-22	492.50	-	-
9.35	31-Oct-23	265.00	-	-
Total		*4,305.10	*4,097.00	*2,387.00

* Gross amount i.e. without considering the impact of unamortised expenses.

Nature of Security : Unsecured

Commercial Paper at Face Value repayable at par : (₹ in crore)

Rate of Interest	Maturity Date	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
7.77	15-Mar-19	-	215.00	-
7.77	18-Mar-19	-	325.00	-
7.77	21-Mar-19	-	230.00	-
8.65	29-May-19	200.00	-	-
Total		*200.00	*770.00	-

* Gross amount i.e. without considering the impact of unamortised expenses.

17 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Secured			
(a) Term Loans			
- National Housing Bank (Note 17.1)	3,706.20	2,048.19	3,771.24
- Banks (Note 17.1)	3,775.00	987.50	4,320.00
(b) Other Loans			
- Cash Credit	3,000.00	4,650.00	-
Total (A)	10,481.20	7,685.69	8,091.24
Borrowings in India	10,481.20	7,685.69	8,091.24
Borrowings outside India	-	-	-
Total (B)	10,481.20	7,685.69	8,091.24

17.1 Terms of repayment, nature of security & rate of interest in case of Borrowings (Other than Debt Securities)

NHB Refinance : (₹ in crore)

Name of Security	Terms of repayment	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
-Secured by negative lien on	60 Quarterly Repayment from 01/04/2019	1,228.50	-	-
the assets of the company	60 Quarterly Repayment from 01/01/2019	724.40	-	-
except :	40 Quarterly Repayment from 01/04/2017	121.64	137.86	154.08
a) charge on the specific	40 Quarterly Repayment from 01/04/2017	115.35	130.75	146.15
immovable property, created	40 Quarterly Repayment from 01/01/2017	132.13	150.37	168.61
favouring the Debenture Trustees	40 Quarterly Repayment from 01/10/2016	20.68	23.63	26.58
to secure the NCDs and	60 Quarterly Repayment from 01/07/2016	13.92	15.10	16.29
b) the charge created on the	60 Quarterly Repayment from 01/07/2016	-	-	186.90
Statutory Liquid Assets (SLA)	60 Quarterly Repayment from 01/07/2016	-	-	466.08
maintained to comply with the	60 Quarterly Repayment from 01/07/2016	116.50	126.42	136.34
requirement of SLR on the	40 Quarterly Repayment from 01/07/2016	51.91	59.61	67.30
public deposits raised by GRUH.	40 Quarterly Repayment from 01/07/2016	37.70	43.29	48.87
- Interest rates are ranging	40 Quarterly Repayment from 01/07/2016	19.66	22.62	25.58
between 6.00% to 9.65%	8 Quarterly Repayment from 01/04/2016	-	-	114.49
	40 Quarterly Repayment from 01/04/2016	33.23	38.39	43.55

We help you build homes

	40 Quarterly Repayment from 01/04/2016	16.64	19.20	21.76
	40 Quarterly Repayment from 01/04/2016	15.47	17.87	20.27
	40 Quarterly Repayment from 01/04/2016	33.30	38.44	43.58
	40 Quarterly Repayment from 01/10/2015	46.05	53.77	61.49
	40 Quarterly Repayment from 01/07/2015	11.79	13.84	15.90
	40 Quarterly Repayment from 01/07/2015	48.14	56.54	64.94
	40 Quarterly Repayment from 01/07/2015	0.56	0.66	0.75
	56 Quarterly Repayment from 01/07/2015	5.28	5.83	6.37
	52 Quarterly Repayment from 01/07/2015	3.43	3.82	4.22
	60 Quarterly Repayment from 01/04/2015	13.22	14.78	16.34
	60 Quarterly Repayment from 01/04/2015	124.73	136.73	148.73
	28 Quarterly Repayment from 01/04/2015	2.86	4.01	5.16
	28 Quarterly Repayment from 01/04/2015	1.65	2.30	2.97
	56 Quarterly Repayment from 01/04/2015	1.20	1.33	1.45
	28 Quarterly Repayment from 01/04/2015	2.05	2.89	3.73
	28 Quarterly Repayment from 01/04/2015	1.19	1.67	2.15
	28 Quarterly Repayment from 01/04/2015	2.51	3.55	4.59
	60 Quarterly Repayment from 01/10/2014	-	-	81.30
	60 Quarterly Repayment from 01/10/2014	-	-	138.69
	60 Quarterly Repayment from 01/10/2014	1.36	1.50	1.63
	60 Quarterly Repayment from 01/10/2014	78.83	86.75	94.67
	48 Quarterly Repayment from 01/10/2014	3.12	3.57	4.01
	56 Quarterly Repayment from 01/10/2014	134.43	149.39	164.35
	60 Quarterly Repayment from 01/07/2014	73.99	81.59	89.19
	60 Quarterly Repayment from 01/07/2014	-	-	83.03
	56 Quarterly Repayment from 01/07/2014	0.61	0.68	0.75
	44 Quarterly Repayment from 01/07/2014	2.94	3.45	3.96
	56 Quarterly Repayment from 01/07/2014	1.86	2.08	2.29
	56 Quarterly Repayment from 01/04/2014	-	-	133.84
	60 Quarterly Repayment from 01/04/2014	7.75	8.57	9.38
	48 Quarterly Repayment from 01/04/2014	14.91	17.21	19.50
	48 Quarterly Repayment from 01/04/2014	42.64	49.20	55.76
	48 Quarterly Repayment from 01/01/2014	0.70	0.81	0.92
	52 Quarterly Repayment from 01/01/2014	0.42	0.48	0.53
	48 Quarterly Repayment from 01/10/2013	0.38	0.44	0.50
	48 Quarterly Repayment from 01/10/2013	0.17	0.20	0.22
	28 Quarterly Repayment from 01/10/2013	0.01	0.02	0.04
	28 Quarterly Repayment from 01/10/2013	0.02	0.04	0.06
	28 Quarterly Repayment from 01/10/2013	0.34	0.68	1.03
	28 Quarterly Repayment from 01/10/2013	0.46	0.92	1.38
	28 Quarterly Repayment from 01/10/2013	0.27	0.54	0.81
	28 Quarterly Repayment from 01/10/2013	0.47	0.93	1.40
	48 Quarterly Repayment from 01/10/2013	0.52	0.61	0.70
	48 Quarterly Repayment from 01/10/2013	0.11	0.13	0.15

	28 Quarterly Repayment from 01/10/2013	0.06	0.13	0.19
	28 Quarterly Repayment from 01/10/2013	0.41	0.81	1.22
	28 Quarterly Repayment from 01/10/2013	0.87	1.73	2.60
	28 Quarterly Repayment from 01/10/2013	0.40	0.80	1.20
	28 Quarterly Repayment from 01/10/2013	0.75	1.50	2.25
	48 Quarterly Repayment from 01/07/2013	0.52	0.61	0.71
	48 Quarterly Repayment from 01/07/2013	0.12	0.14	0.16
	28 Quarterly Repayment from 01/07/2013	0.39	0.91	1.43
	28 Quarterly Repayment from 01/07/2013	0.30	0.70	1.10
	28 Quarterly Repayment from 01/07/2013	0.68	1.59	2.51
	28 Quarterly Repayment from 01/07/2013	0.37	0.86	1.35
	28 Quarterly Repayment from 01/07/2013	0.03	0.07	0.11
	28 Quarterly Repayment from 01/07/2013	0.01	0.03	0.05
	28 Quarterly Repayment from 01/07/2013	0.04	0.10	0.16
	28 Quarterly Repayment from 01/07/2013	0.16	0.37	0.58
	28 Quarterly Repayment from 01/07/2013	0.37	0.87	1.37
	28 Quarterly Repayment from 01/07/2013	0.15	0.35	0.55
	28 Quarterly Repayment from 01/07/2013	0.31	0.72	1.13
	56 Quarterly Repayment from 01/07/2013	0.51	0.57	0.64
	56 Quarterly Repayment from 01/07/2013	0.19	0.21	0.23
	52 Quarterly Repayment from 01/07/2013	1.51	1.73	1.96
	52 Quarterly Repayment from 01/07/2013	1.16	1.33	1.50
	28 Quarterly Repayment from 01/07/2013	0.37	0.86	1.35
	28 Quarterly Repayment from 01/07/2013	0.18	0.42	0.66
	28 Quarterly Repayment from 01/07/2013	0.29	0.69	1.08
	28 Quarterly Repayment from 01/07/2013	0.29	0.69	1.08
	28 Quarterly Repayment from 01/07/2013	0.02	0.05	0.09
	28 Quarterly Repayment from 01/07/2013	0.02	0.04	0.06
	28 Quarterly Repayment from 01/04/2013	0.02	0.07	0.11
	28 Quarterly Repayment from 01/04/2013	0.18	0.53	0.89
	28 Quarterly Repayment from 01/04/2013	0.21	0.64	1.07
	28 Quarterly Repayment from 01/04/2013	0.14	0.41	0.69
	28 Quarterly Repayment from 01/04/2013	0.22	0.67	1.12
	60 Quarterly Repayment from 01/04/2013	124.63	139.29	153.95
	54 Quarterly Repayment from 01/04/2013	96.00	109.72	123.44
	28 Quarterly Repayment from 01/04/2013	0.03	0.10	0.17
	28 Quarterly Repayment from 01/04/2013	0.04	0.12	0.20
	28 Quarterly Repayment from 01/04/2013	0.77	2.31	3.85
	28 Quarterly Repayment from 01/04/2013	0.47	1.41	2.35
	28 Quarterly Repayment from 01/04/2013	0.23	0.70	1.17
	28 Quarterly Repayment from 01/04/2013	0.40	1.19	1.99
	52 Quarterly Repayment from 01/04/2013	1.93	2.22	2.52
	52 Quarterly Repayment from 01/04/2013	0.35	0.40	0.45
	28 Quarterly Repayment from 01/04/2013	0.04	0.12	0.21

	28 Quarterly Repayment from 01/04/2013	0.39	1.19	1.99
	28 Quarterly Repayment from 01/04/2013	0.48	1.43	2.38
	28 Quarterly Repayment from 01/01/2013	0.05	0.26	0.46
	28 Quarterly Repayment from 01/01/2013	0.61	3.05	5.49
	28 Quarterly Repayment from 01/01/2013	0.37	1.87	3.37
	40 Quarterly Repayment from 01/01/2013	0.50	0.66	0.81
	40 Quarterly Repayment from 01/01/2013	2.50	3.27	4.04
	40 Quarterly Repayment from 01/01/2013	55.01	71.94	88.88
	40 Quarterly Repayment from 01/01/2013	98.17	128.38	158.58
	28 Quarterly Repayment from 01/10/2012	-	5.24	10.56
	28 Quarterly Repayment from 01/10/2012	-	2.91	5.87
	40 Quarterly Repayment from 01/10/2012	-	-	8.26
	40 Quarterly Repayment from 01/10/2012	-	-	137.21
	40 Quarterly Repayment from 01/10/2012	-	0.04	0.14
	40 Quarterly Repayment from 01/10/2012	-	0.53	1.89
	40 Quarterly Repayment from 01/10/2012	-	0.37	1.25
	28 Quarterly Repayment from 01/10/2012	-	-	43.56
	28 Quarterly Repayment from 01/10/2012	-	8.41	25.33
	28 Quarterly Repayment from 01/10/2012	-	0.05	0.15
	28 Quarterly Repayment from 01/10/2012	-	0.27	1.19
	28 Quarterly Repayment from 01/10/2012	-	0.58	1.98
	28 Quarterly Repayment from 01/10/2012	-	0.66	2.26
	28 Quarterly Repayment from 01/10/2012	-	0.31	1.26
	28 Quarterly Repayment from 01/10/2012	-	0.06	0.20
	28 Quarterly Repayment from 01/10/2012	-	0.66	1.99
	28 Quarterly Repayment from 01/10/2012	-	0.04	0.11
	28 Quarterly Repayment from 01/10/2012	-	0.31	0.93
	28 Quarterly Repayment from 01/01/2012	-	0.09	0.46
	28 Quarterly Repayment from 01/01/2012	-	1.09	5.47
	28 Quarterly Repayment from 01/01/2012	-	0.54	2.90
	28 Quarterly Repayment from 01/10/2011	-	-	4.44
	28 Quarterly Repayment from 01/10/2011	-	-	2.77
	28 Quarterly Repayment from 01/10/2011	-	-	0.34
	28 Quarterly Repayment from 01/07/2011	-	-	0.06
	28 Quarterly Repayment from 01/07/2011	-	-	3.84
	28 Quarterly Repayment from 01/07/2011	-	-	0.34
	28 Quarterly Repayment from 01/04/2011	-	-	1.75
	28 Quarterly Repayment from 01/04/2011	-	-	0.35
	28 Quarterly Repayment from 01/04/2011	-	-	0.06
	28 Quarterly Repayment from 01/04/2011	-	-	0.44
	28 Quarterly Repayment from 01/01/2011	-	-	0.17
	28 Quarterly Repayment from 01/01/2011	-	-	0.30
	60 Quarterly Repayment from 01/04/2006	-	0.14	0.60
Total		3,706.20	2,048.19	3,771.24

Banks :

(₹ in crore)

Name of Security	Terms of repayment	As At March 31, 2019
-Secured by negative lien on the assets of the company except : a) charge on the specific immovable property, created favouring the Debenture Trustees to secure the NCDs and b) the charge created on the Statutory Liquid Assets (SLA) maintained to comply with the requirement of SLR on the public deposits raised by GRUH. - Interest rates are ranging between 7.50% to 9.25%	Quarterly Repayment of ₹ 15.625 crore from June 2017 over 5 years	125.00
	Bullet repayment at the end of 6th year from Sept 2017	300.00
	Annual Repayment of ₹ 100 crore from Oct 2019 over 5 years	500.00
	Annual Repayment of ₹ 100 crore from Dec 2019 over 5 years	500.00
	Half yearly repayment of ₹ 25 crore from Dec 2019 over 5 years	250.00
	Half yearly repayment of ₹ 25 crore from Dec 2019 over 5 years	100.00
	Annual repayment of ₹ 100 crore from Dec 2019 over 5 years	500.00
	Annual repayment of ₹ 100 crore from Jan 2020 over 5 years	500.00
	Annual repayment of ₹ 100 crore from Mar 2020 over 5 years	500.00
	Annual repayment of ₹ 100 crore from Mar 2020 over 5 years	500.00
Total Secured		3,775.00

(₹ in crore)

Name of Security	Terms of repayment	As At March 31, 2018
-Secured by negative lien on the assets of the company except : a) charge on the specific immovable property, created favouring the Debenture Trustees to secure the NCDs and b) the charge created on the Statutory Liquid Assets (SLA) maintained to comply with the requirement of SLR on the public deposits raised by GRUH. - Interest rates are ranging between 7.35% to 8.05%	Quarterly Repayment of ₹ 15.625 crore from June 2017 over 5 years	187.50
	Annual Repayment of ₹ 100 crore from March 2019 over 5 years	500.00
	Bullet repayment at the end of 6th year from Sept 2017	300.00
Total Secured		987.50

(₹ in crore)

Name of Security	Terms of repayment	As At April 1, 2017
-Secured by negative lien on the assets of the company except : a) charge on the specific immovable property, created favouring the Debenture Trustees to secure the NCDs and b) the charge created on the Statutory Liquid Assets (SLA) maintained to comply with the requirement of SLR on the public deposits raised by GRUH. - Interest rates are ranging between 8.40% to 9.00%	Quarterly Repayment of ₹ 15.625 crore from June 2017 over 4 years	250.00
	Bullet repayment at the end of 1 year from Nov'2016	2,500.00
	Bullet repayment at the end of 1 year from March'2017	682.00
	Bullet repayment at the end of 1 year from March'2017	182.00
	Bullet repayment at the end of 1 year from March'2017	241.00
	Bullet repayment at the end of 1 year from March'2017	465.00
Total Secured		4,320.00

18 DEPOSITS

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
At Amortised Cost			
Public Deposits (Note 18.1)	1,494.25	1,439.40	1,468.83
Total	1,494.25	1,439.40	1,468.83

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

19 SUBORDINATED LIABILITIES

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Unsecured			
Non Convertible Subordinated Debentures (Note 19.1 & 19.2)			
- From Related Party	11.94	11.93	11.92
- From Others	22.91	22.89	22.87
Total (A)	34.85	34.82	34.79
Subordinated Liabilities in India	34.85	34.82	34.79
Subordinated Liabilities outside India	-	-	-
Total (B)	34.85	34.82	34.79

19.1 Unsecured Non-Convertible Subordinated Debentures

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

19.2 Maturity Profile

Subordinated Liabilities repayable at par :

(₹ in crore)

Rate of Interest	Maturity date	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
9.75	22-Mar-23	10.00	10.00	10.00
9.75	25-Mar-23	25.00	25.00	25.00
Total		*35.00	*35.00	*35.00

* Gross amount i.e. without considering the impact of unamortised expenses.

These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank's (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2019, 60% (Previous Year 80%) of the face value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

20 OTHER FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Interest Accrued but not due on Borrowings	59.57	107.11	128.78
Unclaimed Dividend	2.08	1.86	1.55
Unclaimed Matured Deposits	57.52	9.52	26.39
Book Overdraft	-	37.37	38.02
Security Deposits received	0.43	0.40	0.38
Others	95.21	59.42	20.26
Total	214.81	215.68	215.38

As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 0.20 crore (Previous Year ₹ 0.16 crore) to the Investor Education and Protection Fund (IEPF) during the year. As of March 31, 2019, no amount was due for transfer to the IEPF.

21 PROVISIONS

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Provision for Employee Benefits	7.80	6.53	6.27
Total	7.80	6.53	6.27

22 OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Instalment Received in Advance	21.47	18.01	16.66
Statutory Remittances	15.67	14.46	8.16
Others	4.80	3.44	2.62
Total	41.94	35.91	27.44

23 EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Authorised			
100,00,00,000 Equity Shares of ₹ 2 each (Previous Year 50,00,00,000 Equity Shares of ₹ 2 each)	200.00	100.00	100.00
	200.00	100.00	100.00
Issued, Subscribed And Fully Paid Up			
73,36,87,512 Equity Shares of ₹ 2 each (Previous Year 36,57,20,011 Equity Shares of ₹ 2 each)	146.74	73.14	72.91
	146.74	73.14	72.91

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As At March 31, 2019		As At March 31, 2018		As At April 1, 2017	
	Number	₹ in crore	Number	₹ in crore	Number	₹ in crore
Equity shares outstanding as at the beginning of the year	36,57,20,011	73.14	36,45,64,484	72.91	36,36,81,740	72.74
Shares issued as fully paid-up Bonus Shares	36,57,20,011	73.14	-	-	-	-
Shares allotted pursuant to exercise of stock options	22,47,490	0.46	11,55,527	0.23	8,82,744	0.17
Equity shares outstanding as at the end of the year	73,36,87,512	146.74	36,57,20,011	73.14	36,45,64,484	72.91

Aggregate number of shares allotted as fully paid-up by way of Bonus Shares (During 5 years immediately preceding March 31, 2019) :

During the year 2018-19, pursuant to approval of shareholders at the 32nd Annual General Meeting (AGM) of GRUH held on May 30, 2018, GRUH allotted 36,57,20,011 Bonus Equity Shares of ₹ 2 each as fully paid-up shares in the proportion of 1 : 1. In order to facilitate issue of bonus shares, the authorised share capital of the Company has been increased from ₹ 100 crore to ₹ 200 crore.

During the year 2014-15, pursuant to approval of shareholders at the 28th Annual General Meeting (AGM) of GRUH held on May 28, 2014, GRUH allotted 18,01,31,150 Bonus Equity Shares of ₹ 2 each as fully paid-up shares in the proportion of 1 : 1. In order to facilitate issue of bonus shares, the authorised share capital of the Company has been increased from ₹ 50 crore to ₹ 100 crore.

Terms/Rights attached to Equity Shares :

GRUH has one class of share referred to as equity shares having a face value of ₹ 2 each. Each shareholder is entitled to one vote per share held and dividends, if any, proposed by the Board of Directors subject to the approval of the shareholders at the ensuing Annual General Meeting.

Details of shareholders holding more than 5 percent shares in the Company are given below :

Particulars	As At March 31, 2019		As At March 31, 2018		As At April 1, 2017	
	Number	₹ in crore	Number	₹ in crore	Number	₹ in crore
Holding Company - HDFC Limited	41,15,55,700	82.31	21,18,77,850	42.38	21,30,77,850	42.62
% of Shareholding	56.09	-	57.93	-	58.45	-
Axis Mutual Fund (Various Schemes)	4,91,53,207	9.83	1,83,89,796	3.68	1,20,78,611	2.42
% of Shareholding	6.70	-	5.03	-	3.31	-

Previous Years figures are pre-bonus.

Shares reserved for issue under option :

During the year, GRUH has issued 22,47,490 (Previous Year 11,55,527) shares on exercise of options granted to its employees and Directors under ESOS Scheme.

As at March 31, 2019, GRUH has following Employee Stock Option Schemes, the features of the same are as follows :

Scheme	ESOS - 2011 - Tranche II	ESOS - 2015 - Tranche I	ESOS - 2015 - Tranche II
Date of grant	October 25, 2011	January 30, 2015	April 14, 2018
Number of options granted	51,050	45,00,000	6,26,000
Exercise price per option	₹ 548.80	₹ 268.20	₹ 612.55
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 January 30, 2016 35% on January 30, 2017 35% on January 30, 2018	The vesting will be as under : 30% on April 14, 2019 35% on April 14, 2020 35% on January 14, 2021
Exercise Period	Within 3 years from the date of respective vesting.	Within 3 years from the date of respective vesting.	Within 3 years from the date of respective vesting.
Method of settlement	Through allotment of Ten Equity Share for each option granted.	Through allotment of Two Equity Share for each option granted.	Through allotment of Two Equity Share for each option granted.

Further details of the stock option plan are as follows :

Particulars	ESOS - 2015 Tranche I	ESOS - 2015 Tranche II
Options Outstanding at start of the year	16,63,449	Nil
Options granted during the year	Nil	6,26,000
Options not vested at the start of the year	Nil	Nil
Options Lapsed during the year	83,630	70,300
Options Exercised during the year	11,23,745	Nil
Options vested but not exercised at end of the year	4,56,074	Nil
Options not vested at end of the year	Nil	5,55,700
Weighted Average Exercise Price per Option	₹ 268.20	₹ 612.55

The Board of Directors at its meeting held on March 14, 2019, upon the recommendation of the Nomination and Remuneration Committee of Directors of the Company, approved the issue of additional 90,00,000 equity shares of ₹ 2 each of the Company to eligible employees under existing Employee Stock Option Scheme 2015, in terms of SEBI (Share Based Employee Benefits) Regulations, 2014 and amendment of the Employee Stock Option Scheme 2015 by increasing the number of stock options to be granted to eligible employees. Subsequently, members of the Company with requisite majority have, on April 22, 2019, passed the said special resolution through postal ballot/e-voting.

The fair value of options have been estimated on the date of grant using Black-Scholes Model. The key assumptions used for calculating fair value are as follows :

Particulars	ESOS - 2015 Tranche I Vesting on			ESOS - 2015 Tranche II Vesting on		
	Jan 30, 2016	Jan 30, 2017	Jan 30, 2018	April 14, 2019	April 14, 2020	Jan 14, 2021
Estimated Value of Stock Option (₹)	79.00	88.00	98.00	140.00	196.00	227.00
Share Price at Grant Date (₹)	268.20	268.20	268.20	612.55	612.55	612.55
Exercise Price (₹)	268.20	268.20	268.20	612.55	612.55	612.55
Expected Volatility of Share Price (%)	37.00	33.00	32.00	25.00	32.00	33.00
Dividend Yield Rate (%)	0.80	1.00	1.10	0.60	0.80	0.90
Expected Life of Options (in days)	455	821	1,186	455	821	1,186
Risk Free Rate of Interest (%)	7.89	7.84	7.78	7.14	7.38	7.47

Proposed Dividend

The final dividend proposed for the year is as follows :

Particulars	2018-19*	2017-18**
On Equity Shares of ₹ 2 each		
Dividend Per Equity Share (₹)	2.00	1.65
Dividend Proposed (%)	100.00	165.00

* Proposed by the Board of Directors at their meeting held on April 30, 2019. As per the Companies (Accounting Standard) Amendment Rules, 2016, the same will be recorded after approval of shareholders at their ensuing Annual General Meeting to be held on July 19, 2019.

** Dividend has been adjusted to give impact of Bonus Shares issued during June'2018.

Amount remitted during the year in foreign currency towards dividend paid to non-resident shareholders are as under :

Particulars	Current Year	Previous Year
Year to which the dividend relates	2017-18	2016-17
Number of non-resident shareholders	1	1
Number of shares held by them	12,50,000	12,50,000
Gross amount of dividend (₹ in crore)	0.41	0.35

24 OTHER EQUITY

(₹ in crore)

Particulars	Note	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Securities Premium	24.1	83.07	119.84	89.07
General Reserve	24.2	320.39	234.95	154.95
Statutory Reserve	24.3	651.18	546.18	439.93
Additional Reserve	24.4	27.74	27.74	27.74
Employee Stock Option Reserve	24.5	10.51	12.75	9.39
Retained Earnings		651.81	540.64	447.33
Total		1,744.70	1,482.10	1,168.41

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31,2018
Securities Premium		
Opening Balance	119.84	89.07
Add : Received during the year	29.69	30.77
Add : Transferred from Employee Stock Option Reserve pursuant to Stock Options Exercised	7.27	-
Less : Utilised for issue of fully paid-up Bonus Shares	73.14	-
Less : Utilised during the year for Bonus Issue Expenses	0.59	-
[Net of tax effect of ₹ 0.32 crore (Previous Year ₹ Nil)]		
	83.07	119.84
Securities Premium is used to record the premium on issue of shares.		
The reserve is utilised in accordance with the Provisions of the Act		
General Reserve		
Opening Balance	234.95	154.95
Add : Transferred from Employee Stock Option Reserve pursuant to Stock Options Lapsed	0.44	-
Add : Transfer from Statement of Profit and Loss Account	85.00	80.00
	320.39	234.95
Statutory Reserve (Note 24.3 and Note 41.2)		
(As per Section 29C of the National Housing Bank Act, 1987 and section 36(1)(viii) of Income tax Act, 1961)		
Opening Balance	546.18	439.93
Add : Transfer from Retained Earnings	105.00	106.25
Less : Utilised during the Year	-	-
	651.18	546.18
Additional Reserve (Note 24.4 and 41.2)		
(created in addition to minimum required u/s 29C of NHB Act, 1987)		
Opening Balance	27.74	27.74
Add : Transfer from Retained Earnings	-	-
Less : Utilised during the Year	-	-
	27.74	27.74
Employee Stock Option Reserve		
Opening Balance	12.75	9.39
Add : Charge for the Year	5.47	3.36
Less : Transferred to Security Premium pursuant to Stock Options Exercised	7.27	-
Less : Transferred to General Reserve pursuant to Stock Options Lapsed	0.44	-
	10.51	12.75
Retained Earnings		
Opening Balance	540.64	447.33
Add : Profit for the year	447.20	402.75
Amount available for Appropriations	987.84	850.08
Less : Appropriations		
General Reserve	85.00	80.00
Statutory Reserve (As per section 29C of the NHB Act, 1987 and section 36(1)(viii) of Income Tax Act, 1961)	105.00	106.25
Dividend pertaining to Previous Year paid during the year	120.69	102.20
Tax on dividend pertaining to Previous Year paid during the year	24.81	20.80
Remeasurement of Defined Benefit Plans	0.53	0.19
Balance carried forward to Balance Sheet	651.81	540.64

24.1 Securities Premium Reserve : Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

24.2 General Reserve : It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

24.3 As per section 29C of the National Housing Bank Act, 1987, GRUH is required to transfer at least 20% of its net profit every year to reserve before any dividend is declared. For this purpose any Special Reserve created by GRUH under section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. GRUH has transferred an amount of ₹ 105.00 crore (Previous Year ₹ 106.25 crore) to Statutory Reserve in terms of section 36 (1)(viii) of the Income Tax Act, 1961. GRUH doesn't anticipate any withdrawal from Statutory Reserve in foreseeable future.

24.4 Additional Reserve has been created over the years in terms of section 29C of the NHB Act, 1987 out of the distributable profits of the Company.

24.5 Employee Stock Option Reserve : The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to employees including key management personnel. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration.

25 INTEREST INCOME

(₹ in crore)

Particulars	Current Year			Previous Year		
	On Financial Assets Measured at Amortised Cost	Interest Income on Financial Assets classified at Fair Value through Profit or Loss	Total	On Financial Assets Measured at Amortised Cost	Interest Income on Financial Assets classified at Fair Value through Profit or Loss	Total
Interest on Loans	1,854.50	-	1,854.50	1,617.23	-	1,617.23
Interest income from Investments (Note 25.1)	12.77	-	12.77	11.27	-	11.27
Interest on Bank Deposits	47.37	-	47.37	4.34	-	4.34
Interest Income on Income Tax Refund	5.30	-	5.30	-	-	-
Surplus from deployment in Cash Management Schemes of Mutual Funds (Note 25.2)	-	52.23	52.23	-	9.75	9.75
Total	1,919.94	52.23	1,972.17	1,632.84	9.75	1,642.59

25.1 Interest Income on Investments are Interest on Long-Term SLR Investments which are held-to-maturity.

25.2 Surplus from deployment in Cash Management Schemes of Mutual Funds is in respect of Investments held as Current Investments.

26 FINANCE COSTS

On Financial Liabilities Measured at Amortised Cost

(₹ in crore)

Particulars	Current Year	Previous Year
Interest On		
Loans	526.48	296.73
Non-Convertible Debentures	335.24	300.71
Subordinated Liabilities	3.45	3.45
Commercial Papers	303.66	252.79
Deposits	132.37	131.12
Total	1,301.20	984.80

27 IMPAIRMENT OF FINANCIAL INSTRUMENTS

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage :

(₹ in crore)

Particulars	Current Year				Previous Year			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	3.55	0.97	(21.15)	(16.63)	3.36	4.54	24.59	32.49
Total Impairment Loss	3.55	0.97	(21.15)	(16.63)	3.36	4.54	24.59	32.49

28 EMPLOYEE BENEFIT EXPENSES (Note 41)

(₹ in crore)

Particulars	Current Year	Previous Year
Salaries and Bonus	54.12	49.45
Contribution to Provident Fund and Other Funds	3.26	2.89
Staff Training and Welfare Expenses	1.91	1.87
Share Based Payments to Employees	5.47	3.36
Total	64.76	57.57

29 ESTABLISHMENT EXPENSES

(₹ in crore)

Particulars	Current Year	Previous Year
Rent (Note 29.1)	7.31	6.50
Rates and Taxes	0.14	0.21
Electricity Charges	1.45	1.38
Repairs and Maintenance - Building	0.22	0.01
Office Maintenance	3.77	3.18
Insurance Charges	0.17	0.16
Total	13.06	11.44

29.1 In accordance with the Indian Accounting Standard on ‘Leases’ (Ind AS 17), the following disclosure in respect of operating leases are made :

GRUH has taken office premises under operating lease for a period ranging from 11 months to 180 months. These are cancellable and have no specific obligation for renewal. The total lease payments for current year amounts to ₹ 7.31 crore (Previous year ₹ 6.50 crore) which is recognised in the Statement of Profit and Loss under ‘Rent Expenses’.

30 OTHER EXPENSES

(₹ in crore)

Particulars	Current Year	Previous Year
Travelling and Conveyance	2.51	2.19
Printing and Stationery	1.87	2.07
Postage, Telephone and Fax	1.57	1.56
Data Centre and Data Communication Expenses	5.14	2.76
Advertising and Business Promotion	3.98	4.87
Legal and Professional Charges	9.22	9.18
Repairs and Maintenance - Other than Building	1.77	1.41
Staff Recruitment Expenses	0.03	0.16
Bad Debt written off	0.86	1.08
Expenses for Recovery	1.89	1.05
Directors’ Fees and Commission (Note 36)	1.40	1.07
Auditor’s Remuneration (Note 30.1)	0.73	0.43
Miscellaneous Expenses (Note 30.2)	14.85	9.37
Total	45.82	37.20

30.1 Payments to Auditors (₹ in crore)

Nature of Service	Current Year	Previous Year
a) Statutory Audit Fees	0.19	0.14
b) Tax Audit Fees	0.04	0.04
c) For Other services	0.45	0.23
d) For reimbursement of expenses	0.00	0.02
e) Payments made to a firm in which some of the partners of the audit firm are partners - Income Tax Service	0.05	-
Total	0.73	0.43

30.2 Expenditure incurred for Corporate Social Responsibility are ₹ 6.23 crore (Previous Year ₹ 4.37 crore)

Disclosure on Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013 is as under :

(a) Gross amount required to be spent by GRUH during the year : ₹ 9.11 crore (Previous year ₹ 7.36 crore)

(b) Amount spent, utilised and charged during the year on :

(₹ in crore)

Particulars	Current Year			Previous Year		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
(i) Construction / acquisition of any Asset	-	-	-	-	-	-
(ii) On purposes other than (i) above :						
a) Contribution to various Trusts / NGOs / Societies / Agencies and utilisation thereon	5.99	-	5.99	4.27	-	4.27
b) Expenditure on Administrative Overheads for CSR	0.24	-	0.24	0.10	-	0.10
Total	6.23	-	6.23	4.37	-	4.37

31 TAX EXPENSE

1. Income Tax recognised in Profit or Loss (₹ in crore)

Particulars	Current Year	Previous Year
Current Tax		
In respect of the current year	159.79	166.11
Deferred Tax (Net)		
In respect of the current year	8.05	(1.71)
Total Tax Expense recognised in the current year relating to Continuing Operations	167.84	164.40

2. Reconciliation of Income Tax Expense of the year can be reconcilied to the accounting Profit as follows : (₹ in crore)

Particulars	Current Year	Previous Year
Profit Before Tax	615.04	567.15
Income Tax Expense	214.92	196.28
Effect of Expenses for which deduction under tax laws is allowed	(45.73)	(32.51)
Others	(1.35)	0.63
Income Tax Expense recognised in Statement of Profit and Loss	167.84	164.40

The tax rate used for the reconciliations above is the corporate tax rate of 34.944% for the year 2018-19 and 34.608% for the year 2017-18 payable by the Company in India on taxable profit under tax law in Indian jurisdiction.

32 The Board of Directors of the Company, at its meeting held on January 7, 2019, approved a Scheme of Amalgamation, for the merger of GRUH Finance Limited with Bandhan Bank Limited with effect from proposed Appointed Date of January 1, 2019. In this regards, Competition Commission of India, BSE and NSE have approved proposed scheme of merger. The scheme remains subject to receipt of approvals of National Company Law Tribunal, Shareholders and Creditors of the Company. The effective date shall be based on the receipt of the aforesaid approvals. Pending the same, the proposed transaction does not have any impact on the current financial statements of the Company as at and for the year ended March 31, 2019.

33 EARNINGS PER SHARE

In accordance with the Indian Accounting Standard (Ind AS 33) on 'Earnings Per Share' :

The reconciliation between the Basic and the Diluted Earnings Per Share is as follows : (Amount in ₹)

Particulars	Current Year	Previous Year
Basic Earnings Per Share	6.10	5.51
Effect of outstanding Stock Options	0.01	0.02
Diluted Earnings Per Share	6.09	5.49

The Basic Earnings Per Share has been computed by dividing the adjusted Profit After Tax by the weighted average number of equity shares for the respective periods; whereas the Diluted Earnings Per Share has been computed by dividing the adjusted Profit After Tax by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock Options for the respective periods. The relevant details as described above are as follows :

Particulars	Current Year	Previous Year
Weighted Average number of shares for computation of Basic Earnings Per Share	73,22,51,622	73,06,11,864
Diluted effect of outstanding Stock Options	5,05,273	15,30,002
Weighted Average number of shares for computation of Diluted Earnings Per Share	73,27,56,895	73,21,41,866

The number of equity shares considered in the above computation includes 36,57,20,011 equity shares allotted as fully paid-up Bonus Shares during the year. The figures for the previous year have been adjusted for the Bonus Shares.

34 SEGMENT REPORTING

The Company's main business is to provide loans for purchase or construction of residential houses. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Ind AS 108 "Operating Segments" specified under section 133 of the Companies Act, 2013.

35 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(₹ in crore)

ASSETS	As At March 31, 2019			As At March 31, 2018			As At April 1, 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	1,052.84	-	1,052.84	17.47	-	17.47	11.01	-	11.01
Bank Balances other than above	38.07	47.21	85.28	59.38	-	59.38	30.37	33.00	63.37
Loans	997.07	16,291.21	17,288.28	966.79	14,484.78	15,451.57	852.01	12,286.73	13,138.74
Investments	21.95	126.32	148.27	75.00	82.94	157.94	5.01	157.93	162.94
Other Financial Assets	-	5.69	5.69	-	4.80	4.80	-	5.86	5.86
Current Tax Asset	-	28.14	28.14	-	30.40	30.40	-	29.69	29.69
Deferred Tax Assets (Net)	-	37.61	37.61	-	45.66	45.66	-	43.95	43.95
Property, Plant and Equipment	-	12.81	12.81	-	14.12	14.12	-	13.12	13.12
Other Intangible Assets	-	2.33	2.33	-	1.30	1.30	-	0.58	0.58
Other Non-Financial Assets	1.84	2.88	4.72	1.54	0.99	2.53	2.27	1.12	3.39
Total Assets	2,111.77	16,554.20	18,665.97	1,120.18	14,664.99	15,785.17	900.67	12,571.98	13,472.65

(₹ in crore)

LIABILITIES	As At March 31, 2019			As At March 31, 2018			As At April 1, 2017		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Liabilities									
Trade Payables									
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	2.83	-	2.83	2.87	-	2.87	5.18	-	5.18
Debt Securities	2,451.94	2,044.91	4,496.85	1,737.94	3,071.09	4,809.03	349.79	2,032.41	2,382.20
Borrowings (Other than Debt Securities)	4,099.16	6,382.04	10,481.20	5,107.39	2,578.30	7,685.69	653.78	7,437.46	8,091.24
Deposits	525.15	969.10	1,494.25	466.90	972.50	1,439.40	491.78	977.05	1,468.83
Subordinated Liabilities	-	34.85	34.85	-	34.82	34.82	-	34.79	34.79
Other Financial Liabilities	173.01	41.80	214.81	199.59	16.09	215.68	149.95	65.43	215.38
Non-Financial Liabilities									
Provisions	4.20	3.60	7.80	3.09	3.44	6.53	3.13	3.14	6.27
Other Non Financial Liabilities	41.94	-	41.94	35.91	-	35.91	27.44	-	27.44
Total Liabilities	7,298.23	9,476.30	16,774.53	7,553.69	6,676.24	14,229.93	1,681.05	10,550.28	12,231.33

36 RELATED PARTY DISCLOSURES

As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), details of related parties, nature of the relationship, with whom company has entered transactions and the balances in related party accounts at year end, are as mentioned below. All these transactions with related parties were carried out in ordinary course of business and on arm's length basis.

(a) Holding Company

Housing Development Finance Corporation Limited (HDFC)

(b) Fellow Subsidiary Companies

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

(c) Fellow Associate Company

HDFC Bank Limited

(d) Chairman (Non-Executive and Non-Independent)

Mr. Keki M. Mistry

(e) Non-Executive and Non-Independent Director

(i) Ms. Renu S. Karnad (up to March 8, 2019)
(ii) Mr. K. G. Krishnamurthy

(f) Independent Directors

(i) Mr. Prafull Anubhai (up to March 31, 2019)
(ii) Mr. S. G. Mankad
(iii) Mr. Biswamohan Mahapatra
(iv) Mr. Pankaj Patel
(v) Mr. Rajesh Gupta
(vi) Ms. Bhavna Doshi

(g) Key Management Personnel

(i) Mr. Sudhin Choksey, Managing Director
(ii) Mr. Kamlesh Shah, Executive Director
(iii) Mr. Marcus Lobo, Company Secretary
(iv) Mr. Hitesh Agrawal, Chief Financial Officer

(h) Entity in which Independent Director exercise significant influence

M/s SNG & Partners, Advocates & Solicitors

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

(i) GRUH Finance Limited Employees' Provident Fund Trust
(ii) GRUH Finance Limited Employees' Gratuity Trust Fund
(iii) GRUH Finance Limited Officers' Superannuation Fund

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

(₹ in crore)

Name of Entity	Nature of transaction	Transactions for the year ended March 31, 2019	Receivable/ (Payable) As At March 31, 2019	Transactions for the year ended March 31, 2018	Receivable/ (Payable) As At March 31, 2018	Receivable/ (Payable) As At April 1, 2017
HDFC Limited	Dividend paid	69.92	Nil	59.66	Nil	Nil
HDFC Life Insurance Co. Limited	Staff Welfare Expenses	0.01	Nil	Nil	Nil	Nil
	Prepaid Expense	Nil	0.02	Nil	Nil	Nil
	Security Deposit	Nil	0.05	Nil	0.05	0.05
HDFC ERGO	Insurance premium paid	0.06	Nil	0.04	Nil	Nil
General Insurance Co. Limited	Prepaid Insurance premium	Nil	0.02	Nil	0.01	0.01
	Interest on Sub Debt*	1.17	(0.02)	1.17	(0.02)	(0.02)
	Subordinated Debt*	Nil	(12.00)	Nil	(12.00)	(12.00)
HDFC Bank Limited	Deposit Placed	600.00	Nil	Nil	Nil	Nil
	Deposit Matured	600.00	Nil	Nil	Nil	Nil
	Interest on Deposit	1.26	Nil	Nil	Nil	Nil
	Bank Charges	1.31	Nil	0.99	Nil	Nil
	Book Balance of Current A/cs	Nil	126.33	Nil	(37.37)	(38.02)
	NCDs*	Nil	(1,315.00)	Nil	(1,315.00)	(1,315.00)
	Interest on NCDs*	99.94	Nil	99.94	Nil	Nil
Key Management Personnel	Mr. Sudhin Choksey	4.21	Nil	3.77	Nil	Nil
Managerial Remuneration	Mr. Kamlesh Shah	1.44	Nil	1.31	Nil	Nil
	Mr. Marcus Lobo	0.54	Nil	0.48	Nil	Nil
	Mr. Hitesh Agrawal	0.29	Nil	0.23	Nil	Nil
Post Employment Benefit	Mr. Sudhin Choksey	0.94	(0.95)	0.84	(0.79)	(0.64)
	Mr. Kamlesh Shah	0.42	(0.44)	0.37	(0.38)	(0.33)
	Mr. Marcus Lobo	0.16	(0.16)	0.13	(0.14)	(0.12)
	Mr. Hitesh Agrawal	0.05	(0.04)	0.03	(0.03)	(0.02)
Exercise of Stock Option	Mr. Sudhin Choksey	2.82	Nil	3.30	Nil	Nil
	Mr. Kamlesh Shah	2.55	Nil	Nil	Nil	Nil
	Mr. Marcus Lobo	0.65	Nil	0.76	Nil	Nil
	Mr. Hitesh Agrawal	0.48	Nil	Nil	Nil	Nil
Share Based Payments	Mr. Sudhin Choksey	Nil	Nil	0.28	Nil	Nil
	Mr. Kamlesh Shah	Nil	Nil	0.12	Nil	Nil
	Mr. Marcus Lobo	Nil	Nil	0.07	Nil	Nil
	Mr. Hitesh Agrawal	Nil	Nil	0.05	Nil	Nil
Repayment of Loan	Mr. Hitesh Agrawal	0.02	Nil	0.02	Nil	Nil
Interest Income	Mr. Hitesh Agrawal	0.01	Nil	0.01	Nil	Nil
Loan (Secured)	Mr. Hitesh Agrawal	Nil	0.23	Nil	0.25	0.27
M/s SNG & Partners	Professional Service	0.04	Nil	0.04	Nil	Nil
Employees' Provident	Contribution	1.63	Nil	1.41	Nil	Nil
Fund Trust	Amount Receivable	Nil	Nil	Nil	Nil	0.78
	Advance Given	1.09	Nil	4.12	Nil	Nil
	Advance Received back	(1.09)	Nil	(4.90)	Nil	Nil
Employees' Gratuity	Contribution	1.37	Nil	0.88	Nil	Nil
Trust Fund	Advance Given	1.11	Nil	0.75	Nil	Nil
	Advance Received back	(1.11)	Nil	(0.75)	Nil	Nil
	Amount Payable	Nil	(1.37)	Nil	(0.88)	(1.44)
Officers' Superannuation	Contribution	1.07	Nil	0.89	Nil	Nil
Fund	Advance Given	1.03	Nil	1.39	Nil	Nil
	Advance Received back	(1.03)	Nil	(1.39)	Nil	Nil

* without Ind AS adjustment

There are no transactions other than sitting fees and commission paid to non-executive directors. During the year, total ₹ 1.40 crore (Previous year ₹ 1.07 crore) was paid to non-executive directors towards sitting fees and commission. Details are as under :

(₹ in crore)

Name of Directors	Current Year			Previous Year		
	Sitting Fees	Commission	Total	Sitting Fees	Commission	Total
Mr. Keki M. Mistry	0.08	-	0.08	0.04	-	0.04
Ms. Renu S. Karnad (up to March 8, 2019)	0.03	-	0.03	0.01	-	0.01
Mr. K. G. Krishnamurthy	0.07	-	0.07	0.04	-	0.04
Mr. Prafull Anubhai (up to March 31, 2019)	0.13	0.15	0.28	0.10	0.14	0.24
Mr. S. G. Mankad	0.06	0.15	0.21	0.06	0.14	0.20
Mr. Biswamohan Mahapatra	0.05	0.15	0.20	0.04	0.14	0.18
Mr. Pankaj Patel	0.02	0.15	0.17	0.02	0.03	0.05
Mr. Rajesh Gupta	0.08	0.15	0.23	0.03	-	0.03
Ms. Bhavna Doshi	0.09	0.04	0.13	(₹ 20,000)	-	(₹ 20,000)
Mr. S. M. Palia (up to March 31, 2017)	-	-	-	-	0.14	0.14
Mr. Rohit C. Mehta (up to March 31, 2017)	-	-	-	-	0.14	0.14
Total	0.61	0.79	1.40	0.34	0.73	1.07

37 FAIR VALUE MEASUREMENTS

Financial Instruments by Category

(₹ in crore)

Particulars	As At March 31, 2019			As At March 31, 2018			As At April 1, 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Investments									
- Mutual Funds	2.01	-	-	2.01	-	-	2.01	-	-
- Government Securities	-	-	146.26	-	-	155.93	-	-	160.93
Loans (Net of ECL)	-	-	17,288.28	-	-	15,451.57	-	-	13,138.74
Cash and Cash Equivalents	-	-	1,052.84	-	-	17.47	-	-	11.01
Bank Balance other than above	-	-	85.28	-	-	59.38	-	-	63.37
Other Financial Assets	-	-	5.69	-	-	4.80	-	-	5.86
Total Financial Assets	2.01	-	18,578.35	2.01	-	15,689.15	2.01	-	13,379.91
Financial Liabilities									
Trade Payables	-	-	2.83	-	-	2.87	-	-	5.18
Debt Securities	-	-	4,496.85	-	-	4,809.03	-	-	2,382.20
Borrowings (Other than Debt Securities)	-	-	10,481.20	-	-	7,685.69	-	-	8,091.24
Deposits	-	-	1,494.25	-	-	1,439.40	-	-	1,468.83
Subordinated Liabilities	-	-	34.85	-	-	34.82	-	-	34.79
Other Financial Liabilities	-	-	214.81	-	-	215.68	-	-	215.38
Total Financial Liabilities	-	-	16,724.79	-	-	14,187.49	-	-	12,197.62

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in crore)

Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements	Carrying Value	Level 1	Level 2	Level 3	Total
As At March 31, 2019					
Financial Assets at FVTPL					
Mutual Funds	2.01	2.01	-	-	2.01
Total Financial Assets at FVTPL	2.01	2.01	-	-	2.01

(₹ in crore)

Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements	Carrying Value	Level 1	Level 2	Level 3	Total
As At March 31, 2019					
Financial Assets					
Investments					
Government Securities	146.26	-	-	146.26	146.26
Loans (Net of ECL)	17,288.28	-	-	17,170.88	17,170.88
Cash and cash equivalents	1,052.84	-	-	1,052.84	1,052.84
Bank Balances other than above	85.28	-	-	85.28	85.28
Other Financial Assets	5.69	-	-	5.69	5.69
Total Financial Assets	18,578.35	-	-	18,460.95	18,460.95
Financial Liabilities					
Trade Payables	2.83	-	-	2.83	2.83
Debt Securities	4,496.85	-	-	4,460.98	4,460.98
Borrowings (Other than Debt Securities)	10,481.20	-	-	10,418.89	10,418.89
Deposits	1,494.25	-	-	1,474.14	1,474.14
Subordinated Liabilities	34.85	-	-	35.46	35.46
Other Financial Liabilities	214.81	-	-	214.81	214.81
Total Financial Liabilities	16,724.79	-	-	16,607.11	16,607.11

(₹ in crore)

Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements	Carrying Value	Level 1	Level 2	Level 3	Total
As At March 31, 2018					
Financial Assets at FVTPL					
Mutual Funds	2.01	2.01	-	-	2.01
Total Financial Assets at FVTPL	2.01	2.01	-	-	2.01

(₹ in crore)

Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements	Carrying Value	Level 1	Level 2	Level 3	Total
As At March 31, 2018					
Financial Assets					
Investments					
Government Securities	155.93	-	-	155.93	155.93
Loans (Net of ECL)	15,451.57	-	-	15,328.24	15,328.24
Cash and Cash Equivalents	17.47	-	-	17.47	17.47
Bank Balances other than above	59.38	-	-	59.38	59.38
Other Financial Assets	4.80	-	-	4.80	4.80
Total Financial Assets	15,689.15	-	-	15,565.82	15,565.82
Financial Liabilities					
Trade Payables	2.87	-	-	2.87	2.87
Debt Securities	4,809.03	-	-	4,709.22	4,709.22
Borrowings (Other than Debt Securities)	7,685.69	-	-	7,610.04	7,610.04
Deposits	1,439.40	-	-	1,418.56	1,418.56
Subordinated Liabilities	34.82	-	-	35.55	35.55
Other Financial Liabilities	215.68	-	-	215.68	215.68
Total Financial Liabilities	14,187.49	-	-	13,991.92	13,991.92

(₹ in crore)

Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements	Carrying Value	Level 1	Level 2	Level 3	Total
As At April 1, 2017					
Financial Assets at FVTPL					
Mutual Funds	2.01	2.01	-	-	2.01
Total Financial Assets at FVTPL	2.01	2.01	-	-	2.01

(₹ in crore)

Financial Assets and Liabilities measured at Fair Value - recurring Fair Value Measurements	Carrying Value	Level 1	Level 2	Level 3	Total
As At April 1, 2017					
Financial Assets					
Investments					
Government Securities	160.93	-	-	160.93	160.93
Loans (Net of ECL)	13,138.74	-	-	12,971.86	12,971.86
Cash and Cash Equivalents	11.01	-	-	11.01	11.01
Bank Balances other than above	63.37	-	-	63.37	63.37
Other Financial Assets	5.86	-	-	5.86	5.86
Total Financial Assets	13,379.91	-	-	13,213.03	13,213.03
Financial Liabilities					
Trade Payables	5.18	-	-	5.18	5.18
Debt Securities	2,382.20	-	-	2,326.07	2,326.07
Borrowings (Other than Debt Securities)	8,091.24	-	-	7,983.17	7,983.17
Deposits	1,468.83	-	-	1,440.43	1,440.43
Subordinated Liabilities	34.79	-	-	35.63	35.63
Other Financial Liabilities	215.38	-	-	215.38	215.38
Total Financial Liabilities	12,197.62	-	-	12,005.86	12,005.86

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

The carrying amounts of cash and cash equivalents, other bank balances, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, investment in government securities and other financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of debt securities, borrowings other than debt securities, deposits and subordinated liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

38 FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to company. In lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by various Product Policies. The Product Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for other borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and Non Home Loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk. The Company has additionally taken the following measures : -

- Borrower group exposure limits as per applicable regulations.
- Establishment of a team to enhance focus on monitoring of process implementation at the branches and to facilitate proactive action wherever required.
- Enhanced monitoring of retail product portfolios through periodic review.

Credit Approval Authorities

The Board of Directors has approved delegation of loan sanctioning powers to Managing Director and member of the management team on a graded level of the loan amount.

Credit Risk Assessment Methodology

Retail Loans

Company's customers for retail loans are primarily low, middle and high-income, salaried and self-employed individuals. All retail loans are also subjected to risk based pricing wherein the individual cases are graded on a credit score linked to multiple parameters of appraisal.

The Company's credit officers evaluate credit proposals on the basis of active credit policies as on the date of approval. The criteria typically include factors such as the borrower's income & obligations, the loan-to-value ratio, Fixed obligation to income ratio and demographic parameters subject to regulatory guidelines. Any deviations need to be approved at the designated levels.

The various process controls such as KYC check, Credit Bureau Report analysis are undertaken. Company's staff performs comprehensive due diligence process including visits to customer's business and residence premises.

Company analyses the portfolio performance of each product segment regularly, and use these as inputs in revising the product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality. The retail loans are fully secured and have full recourse against the borrower. The Company has a equitable mortgage over the collateral Immovable Properties. Whereever the state laws provide, the memorandum of deposit of title deeds are also registered.

Other Loans

The Company has a framework for the appraisal and execution of project finance transactions and it believes that such framework enables optimal risk identification, allocation and mitigation and helps minimize risk in the transaction.

The project finance approval process undertakes detailed evaluation of credit, technical, commercial and financial besides capacity and capability of developer/promoter. A credit scan by obtaining CIBIL and legal litigation reports of key developer/promotor further strengthens credit evaluation. As part of the appraisal process, a risk matrix is prepared to assess project risks in terms of its viability and implementation of projects and other risks associated with the project.

Project finance loans are fully secured by equitable mortgage with registered MOD of the prime property being land on which project is to be executed besides lien on constructed units. The Company creates lien on the receivables arising from sale of constructed units. Cash flows are being escrowed in favour of the company besides setting up the escrowing of sale proceeds as per the RERA Act. The Company also obtains personal guarantees of the developer/key promoters. Besides, monthly reports on progress of work, sales booking and sales proceeds are being collected from borrowers which are being monitored until loans are fully repaid.

Risk Management and Portfolio Review

The Company ensures effective monitoring of credit facilities through a risk-based asset review framework under which the frequency of asset review is determined depending on the risk associated with the product.

For both Retail and other borrowers, the company staff verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities.

The Company monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and compliance with regulatory guidelines.

The Company, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out is submitted to the concern teams.

The Company reviews adherence to policies and processes, carries out audit through internal auditor and briefs the Audit Committee and the Board periodically.

Expected Credit Loss

Expected Credit loss is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at both individual and portfolio level.

Probability of Default (PD)represents the likelihood of default over a defined time horizon, Exposure at Default (EAD) represents how much the counterparty is likely to be borrowing at the time of default, Loss Given Default (LGD)represents the proportion of EAD that is likely to be lost post-default.The definition of default is taken as 90 days or above past due for all retail and other loans.The ECL is computed as a product of PD, LGD and EAD.

Delinquency buckets have been considered as the basis for the staging of all loans with0-30 days past due loans classified as Stage 1, 31-89 days past due loans classified as Stage 2 and90 days or above past due loans classified as Stage 3.

For individual and other loans vintage analysis has been used to create PD terms structure which incorporates both 12 months PD for Stage 1 loans and life time PD for stage 2 and 3 loans. The vintage analysis captures a vintage default experience across a particular portfolio by tracking the yearly slippages from advances originating in a particular year. The vintage slippage experience/default rate is then used to build the PD term structure. This methodology has been used to create the LGD vintage which takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the interest rate.

Reconciliation of Loss Allowance

(₹ in crore)

Particulars	Loss Allowance measured at life-time expected losses		
	Loss Allowance measured at 12 month expected losses (Stage 1)	Financial Assets for which credit risk has increased significantly and not credit-impaired (Stage 2)	Financial Assets for which credit risk has increased significantly and credit impaired (Stage 3)
Loss allowance on April 1, 2017	13.10	10.36	80.25
Add (Less) : Changes in loss allowances	3.36	4.54	24.59
Loss allowance on March 31, 2018	16.46	14.90	104.84
Add (Less) : Changes in loss allowances	3.55	0.97	(21.15)
Loss allowance on March 31, 2019	20.01	15.87	83.70

Significant estimates and judgements

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Liquidity risk :

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period :

(₹ in crore)

Floating rate	March 31, 2019	March 31, 2018	April 1, 2017
- Expiring within one year	-	1,264.14	2,919.14
- Expiring beyond one year	-	-	-
Total	-	1,264.14	2,919.14

The facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the facilities may be drawn at any time in INR and have an average maturity of 12 months from sanction date.

(ii) Maturities of financial liabilities

The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for essential for an understanding of the timing of the cash flows.

The amounts disclosed in note 35 are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Market risk

(i) Cash flow and fair value interest rate risk

The Company's core business is borrowing and lending, deposit taking as permitted by the National Housing Bank. These activities expose the Company interest rate risk. Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/ behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. Company monitors interest rate risk through above measures on a regular basis.

(a) Interest rate risk exposure

The exposure of the Company's borrowing (including debt securities, deposits and subordined liabilities) at face value to interest rate changes at the end of the reporting period are as follows :

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Variable rate borrowings	7,005.86	5,959.97	5,526.44
Fixed rate borrowings	9,577.69	8,086.03	6,491.71
Total borrowings	16,583.55	14,046.00	12,018.15

(b) Sensitivity

Since 93% of the Company's Loan Assets are at variable rate of interest, the Company is in a position to pass on increase in cost of borrowings/benefit on reduction of cost of borrowings to its customers. As a result, the interest rate risk arising on account of movement in cost of borrowings is significantly low. However, for any reason, if the Company was not in a position to pass on cost/benefit to its customers, then an impact on profit could have been as under :

(₹ in crore)

Particulars	Impact on Profit Before Tax	
	Current Year	Previous Year
Interest rates – increase by 10 basis points (10 bps)*	(7.01)	(5.96)
Interest rates – decrease by 10 basis points (10 bps)*	7.01	5.96

* Holding all other variables constant

(ii) Price risk

(a) Exposure

The Company's exposure to price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss. The Company's exposure to Mutual Funds is not significant and hence the Company's exposure to price risk is insignificant.

39 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by NHB.

The Company has complied with the applicable capital requirements over the reported period.

39 (i) Risk management

The Company's objectives when managing capital are to :

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The Company's strategy is to maintain a gearing ratio within 16 times as stipulated by National Housing Bank. The gearing ratios were as follows :

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Net Debt	15,454.32	13,951.47	11,966.05
Total Equity	1,891.44	1,555.24	1,241.32
Net Debt to Equity Ratio (in times)	8.17	8.97	9.64

Loan covenants

Under the terms of the major borrowing facilities, the Company has complied with the covenants throughout the reporting period. As at March 31, 2019, the ratio of net finance cost to EBITDA was 67.78% (Previous Year – 63.33%).

40. Disclosure as required by National Housing Bank :

The following disclosures have been given in terms of National Housing Bank's notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010. Further, the disclosures which are for regulatory and supervisory purpose, have been made so as to comply with NHB's Policy Circular No. NHB(ND)/DRS/Policy Circular No. 89/2017-18 dated June 14, 2018 which requires Housing Finance Companies to continue to follow the extent provisions of National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions 2010 including framework on prudential norms and other related circulars issued in this regards by NHB from time to time and the same have been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act, read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).

40.1 Capital

Particulars	Current Year	Previous Year
(i) CRAR (%)	20.30	18.90
(ii) CRAR – Tier I Capital (%)	19.26	17.68
(iii) CRAR – Tier II Capital (%)	1.04	1.22
(iv) Amount of subordinated debt as Tier- II Capital (₹ in crore)*	35.00	35.00
(v) Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

* As per NHB master Directions, 2010, based on balance term to maturity as at March 31, 2019, ₹ 21 crore (previous year ₹ 28 crore) of the face value of subordinated debt is considered as Tier II capital for computation of Capital Adequacy Ratio.

40.2 Reserve Fund u/s 29C of National Housing Bank Act, 1987

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
	Balance at the beginning of the year		
(a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	27.74	27.74
(b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	546.18	439.93
		573.92	467.67
	Addition / Appropriation / Withdrawal during the year		
	Add :		
(a)	Amount transferred u/s 29C of the NHB Act, 1987	-	-
(b)	Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	105.00	106.25
	Less :		
(a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(b)	Amount withdrawn from the Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
	Balance at the end of the year	678.92	573.92
(a)	Statutory Reserve u/s 29C of the NHB Act, 1987	27.74	27.74
(b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	651.18	546.18
		678.92	573.92

40.3 Investments

(₹ in crore)

Particulars	Current Year	Previous Year
Value of Investments		
(i) Gross value of Investments*		
(a) In India	144.54	153.12
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	144.54	153.12
(b) Outside India	-	-

*Net of Provision for Loss to arise on redemption of Investments.

Movement of provisions held towards depreciation on investments	Current Year	Previous Year
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Provision written back for investment matured/redeemed during the year	-	-
(iv) Closing balance	-	-

No provision for diminution, other than temporary, in the value of investments is required.

40.4 During the year, GRUH has not entered into any a) derivative transaction, b) securitisation, assets reconstruction and assignment transaction, c) purchase/sale of Non-performing financial assets d) Capital market transaction and exposure, e) financing of Parent Company product, f) finance of any unsecured advances i.e. advances against intangible securities such as rights, licenses, authoritations etc. as collateral security except as disclosed in note 7 and g) transaction in foreign currency apart from dividend payment to Non-resident shareholder as per note 23.

40.5 GRUH has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SBL) and Group Borrower Limit (GBL).

40.6 GRUH do not have an exposure to teaser rate loans.

40.7 Assets liability Management (Note 40.24)

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

Maturity pattern of certain items of Assets and Liabilities As At March 31, 2019 : (₹ in crore)

Maturity Buckets	Liabilities				Assets			
	Deposits	Borrowings from Banks	Market Borrowings	Foreign currency Liability	Advances	Investments	Deposits with Banks	Foreign currency Asset
1 day to 30 days (one month)	100.13	-	-	-	80.40	-	750.00	-
Over one month up to 2 months	53.99	-	200.00	-	80.16	-	150.00	-
Over 2 months up to 3 months	31.69	116.04	565.00	-	82.53	-	-	-
Over 3 months up to 6 months	120.50	116.04	-	-	243.67	18.09	-	-
Over 6 months up to 1 year	281.08	3,867.08	1,690.00	-	465.23	-	34.96	-
Over 1 year up to 3 years	727.59	2,178.19	834.50	-	1,789.15	102.90	31.98	-
Over 3 years up to 5 years	199.83	2,325.47	1020.60	-	1,583.17	2.98	13.86	-
Over 5 years up to 7 years	31.89	668.70	-	-	1,719.77	-	-	-
Over 7 years up to 10 years	15.55	604.68	230.00	-	2,609.11	20.57	-	-
Over 10 years	-	605.00	-	-	8,723.43	-	-	-
Total	1,562.25	10,481.20	4,540.10	-	17,376.62	144.54	980.80	-

Maturity pattern of certain items of Assets and Liabilities as at March 31, 2018 (₹ in crore)

Maturity Buckets	Liabilities				Assets			
	Deposits	Borrowings from Banks	Market Borrowings	Foreign currency Liability	Advances	Investments	Deposits with Banks	Foreign currency Asset
1 day to 30 days (one month)	52.88	400.00	150.00	-	78.99	-	0.75	-
Over one month up to 2 months	20.87	-	-	-	79.32	-	8.18	-
Over 2 months up to 3 months	27.61	94.28	150.00	-	79.54	-	2.97	-
Over 3 months up to 6 months	59.45	91.56	-	-	231.19	-	29.89	-
Over 6 months up to 1 year	320.26	4,521.55	1,492.00	-	448.25	70.09	12.00	-
Over 1 year up to 3 years	783.22	841.24	2,597.00	-	1,715.04	29.68	-	-
Over 3 years up to 5 years	160.49	661.05	513.00	-	1,628.91	38.22	-	-
Over 5 years up to 7 years	20.58	695.83	-	-	1,758.93	3.02	-	-
Over 7 years up to 10 years	12.95	318.85	-	-	2,758.40	12.11	-	-
Over 10 years	-	61.33	-	-	6,789.82	-	-	-
Total	1,458.31	7,685.69	4,902.00	-	15,568.39	153.12	53.79	-

40.8 Exposure to Real Estate Sector

Sr. No.	Category	Current Year	Previous Year
1	Direct Exposure		
(a)	Residential Mortgages : Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented : (Individual Housing loans up to ₹ 15 lacs shown separately).	(i) Loans ≤ ₹ 15 Lacs : ₹ 12,935.78 crore (ii) Loans > ₹ 15 Lacs : ₹ 3,227.85 crore (iii) Total : ₹ 16,163.63 crore	(i) Loans ≤ ₹ 15 Lacs : ₹ 11,471.52 crore (ii) Loans >₹ 15 Lacs : ₹ 3,060.49 crore (iii) Total : ₹ 14,532.01 crore
(b)	Commercial Real Estate : Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits.	₹ 1,212.99 crore	₹ 1,036.38 crore
(c)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures - (i) Residential (ii) Commercial Real Estate	Nil	Nil
2	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

40.9 GRUH has not obtained registration from any other financial sector regulator.

40.10 National Housing Bank (NHB) has not raised any stricture or direction in their inspection carried out during the year. NHB has not imposed any penalty on GRUH during the year.

40.11 As per the Accounting Standard on 'Related Party Disclosures', details of the related parties, nature of the relationship with whom Company has entered transactions, remuneration of directores and balances in related party account at the year end, are given in Note no. 36. There were no material transaction with related parties and all these transactions with related parties were carried out in ordinary course of business at arm's length price.

40.12 GRUH carries following ratings from ICRA and CRISIL :

Instrument	ICRA	CRISIL
Long-term#	AAA*	AAA
Short-term	A1 (+)	A1 (+)
Fixed Deposits#	MAAA	FAAA

# indicates 'on watch with negative implications' post merger announcement on January 7, 2019.

40.13 During the year, a) no prior period items occurred which has impact on profit and loss account, b) no change in any accounting policy except implementation of Ind AS required by Ministry of Company Affairs, c) there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties, and d) there is no withdrawal from Reserve fund.

40.14 GRUH has no subsidiary company. Hence, requirement of consolidated financial statements is not applicable to GRUH.

40.15 Provisions and Contingencies charged under NHB norms as per Indian GAAP during the year in terms of NHB's Policy Circular No. NHB(ND)/DRS Policy Circular No. 89/2017-18 dated June 14, 2018 :

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for depreciation on Investment	-	-
2	Provision made towards Income tax	161.50	166.00
	Provision for Loan Assets		
3	Provision towards Non-Performing Assets	-	29.51
4	Provision for Standard Assets*	1.64	2.98
	Individual Home Loans	-	2.47
	Individual NRP Loans	(0.41)	(0.39)
	Commercial Real Estate – Residential-Housing	0.12	(0.53)
	Commercial Real Estate – Non-Housing	1.93	1.43
	Teaser rate loans	-	-
5	Provision for Contingencies	(16.63)	-

* includes provision require on Installment due from borrowers and Loan Against Deposits

The movement in Provision for Loan Assets during the year is as under :

Current Year : (₹ in crore)

Particulars	Standard Assets	NPAs	Prov. for Contingencies	Total
Opening Balance	66.10	53.47	16.63	136.20
Reversed during the year	(66.10)	(53.47)	(16.63)	(136.20)
Charged during the year	67.74	53.47	-	121.21
Net Charged during the year	1.64	-	(16.63)	(14.99)
Closing Balance	67.74	53.47	-	121.21

Previous Year : (₹ in crore)

Particulars	Standard Assets	NPAs	Prov. for Contingencies	Total
Opening Balance	63.12	23.96	16.63	103.71
Reversed during the year	(63.12)	(23.96)	-	(87.08)
Charged during the year	66.10	53.47	-	119.57
Net Charged during the year	2.98	29.51	-	32.49
Closing Balance	66.10	53.47	16.63	136.20

Break up of Provisions : (₹ in crore)

Provision for	As At March 31, 2019	As At March 31, 2018
Standard Assets	67.74	66.10
Non-Performing Assets	53.47	53.47
Contingencies	-	16.63
Total	121.21	136.20

Break up of Loans & Advances and Provisions thereon : (₹ in crore)

Sr. No.	Particulars	Housing		Non-Housing	
		Current Year	Previous Year	Current Year	Previous Year
	Standard Assets				
a)	Total Outstanding Amount*	16,438.26	14,832.18	870.06	717.62
b)	Provisions made	59.04	58.92	8.70	7.18
	Sub-Standard Assets				
a)	Total Outstanding Amount	50.08	40.04	5.85	2.48
b)	Provisions made	7.51	6.01	0.88	0.37
	Doubtful Assets - Category - I				
a)	Total Outstanding Amount	32.45	14.11	4.98	0.18
b)	Provisions made	8.11	3.53	1.25	0.04
	Doubtful Assets - Category-II				
a)	Total Outstanding Amount	12.32	8.05	0.95	0.85
b)	Provisions made	4.93	3.22	0.38	0.34
	Doubtful Assets - Category-III				
a)	Total Outstanding Amount	7.12	4.31	0.69	0.07
b)	Provisions made	7.12	4.31	0.69	0.07
	Loss Assets				
a)	Total Outstanding Amount	-	-	-	-
b)	Provisions made	-	-	-	-
	Total				
a)	Total Outstanding Amount	16,540.23	14,898.69	882.53	721.20
b)	Provisions made	86.71	75.99	11.90	8.00

* Standard Assets and total outstanding amount includes instalment due from borrowers and Loan Against Deposit alongwith interest accrued but not due and provision thereon. There are no teaser rate loans and hence no provision on same is required.

40.16 Concentration of Public Deposits

(₹ in crore)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	487.86	460.45
Percentage of Deposits of twenty largest depositors to Total Deposits of GRUH	31.23	31.57

40.17 Concentration of Loans & Advances

(₹ in crore)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	906.06	710.81
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of GRUH	5.20	4.57

40.18 Concentration of all exposure (including off-balance sheet exposure)

(₹ in crore)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers/customers	1,144.70	913.89
Percentage of exposures to twenty largest borrowers/customers to Total exposure of GRUH	6.58	5.58

40.19 Concentration of Non-Performing Assets (NPAs)

(₹ in crore)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	15.62	9.55

40.20 Sector-wise NPAs - Percentage of NPAs to total Advances in that sector

Sr. No.	Sector	Current Year		Previous Year	
		₹ in crore	%	₹ in crore	%
A	Housing Loans :				
1	Individuals	101.97	0.63	66.52	0.46
2	Builders/Project Loans	-	-	-	-
3	Corporates	-	-	-	-
4	Others	-	-	-	-
B	Non-Housing Loans :				
1	Individuals	12.47	3.71	3.57	0.97
2	Builders/Project Loans	-	-	-	-
3	Corporates	-	-	-	-
4	Others	-	-	-	-
	Total	114.44	0.66	70.09	0.45

40.21 Movement of NPAs

(₹ in crore)

Sr. No.	Sector	Current Year	Previous Year
I	Net NPAs to Net Advances (%)	0.35	-
II	Movement of NPAs (Gross)		
	a) Opening balance	70.09	40.58
	b) Additions during the year	68.03	44.72
	c) Reductions during the year	23.68	15.21
	d) Closing balance	114.44	70.09
III	Movement of Net NPAs		
	a) Opening balance	-	-
	b) Additions during the year	60.97	-
	c) Reductions during the year	-	-
	d) Closing balance	60.97	-
IV	Movement of provisions for NPAs and Contingencies (excluding provisions on standard assets)		
	a) Opening balance	70.09	40.58
	b) Additions during the year	53.47	70.09
	c) Write-back of provisions	70.09	40.58
	d) Closing balance	53.47	70.09

40.22 GRUH does not have any overseas assets and any off balance sheet Special Purpose Vehicle (SPV) which requires to be consolidated as per accounting norms.

40.23 Customer complaints

Sr. No.	Particulars	Current Year	Previous Year
1	No. of complaints pending at the beginning of the year	21	211
2	No. of complaints received during the year	3,849	4,009
3	No. of complaints redressed during the year	3,847	4,199
4	No. of complaints pending at the end of the year	23	21

40.24 CATEGORY-WISE SUMMARY OF BORROWINGS & LOANS

Borrowings Break up :

(₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Bonds and Debentures	4,340.10	4,132.00	2,422.00
Commercial Paper	200.00	770.00	-
Bank Borrowings	10,481.20	7,685.69	8,091.24
Public Deposits	1,562.25	1,458.31	1,504.91
Total	16,583.55	14,046.00	12,018.15

Loan Assets Break up : (₹ in crore)

Particulars	As At March 31, 2019	As At March 31, 2018	As At April 1, 2017
Individual Home Loans	16,163.63	14,532.01	12,243.45
Individual NRP Loans	336.64	368.34	405.23
Developer Loans	876.35	668.04	595.64
Total	17,376.62	15,568.39	13,244.32

41 In compliance with the Indian Accounting Standard on 'Employee Benefits' (Ind AS 19), following disclosures have been made :

41.1 Defined Contribution Plans

GRUH has recognised the following amounts in Statement of Profit and Loss which are included under Contribution to Provident Fund and Other Funds : (₹ in crore)

Particulars	Current Year	Previous Year
Superannuation Fund	1.07	0.89

41.2 State Plans

GRUH has recognised expenses of ₹ 0.56 crore (Previous Year ₹ 0.55 crore) in Statement of Profit and Loss for Contribution to State Plan namely Employees' Pension Scheme.

41.3 Defined Benefit Plans

(a) Contribution to Provident Fund :

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company.

The Company recognised ₹ 1.07 crore (Previous Year ₹ 0.86 crore) for provident fund contribution in the Statement of Profit and Loss which is included under Contribution to Provident Fund and Other Funds.

The Rules of GRUH'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 GRUH. Having regard to the assets of the fund and the return on the investments, GRUH does not expect any deficiency in the foreseeable future.

(b) Leave Encashment/Compensated Absences :

Salaries and Bonus includes ₹ 1.30 crore (Previous Year ₹ 1.05 crore) towards provision made as per actuarial valuation in respect of accumulated leave salary encashable on retirement.

(c) Contribution to Gratuity Fund :

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Company is exposed to the following risks :

Interest rate risk : A fall in the discount rate which is linked to the G-Sec rate will increase the present value of the liability requiring higher provision. Since Gratuity Trust's investments are carried at book value, they are generally not exposed to interest rate risk.

Salary Risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of employees. As such, an increase in the salary of the employees more than assumed level will increase the plan's liability.

Investment Risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk : Company's Gratuity fund is administered through a trust which is recognised by the Income Tax Authorities and the contribution thereto is charged as an expense based on the amount of contribution determined by actuary. Company's Gratuity trust faces insignificant ALM risk as to the matching cash flow. Since the trust invests in line of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk. Further, trust's more than 95% of funds are invested in securities/Fixed Deposit with banks with Interest frequency of Quarterly/Half-yearly/Annual which also reduced ALM risk. Trust has also invested in equity Mutual Funds and Fixed Deposit with banks which are easily redeemable.

Mortality risk : Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

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

(₹ in crore)

Particulars	Current Year	Previous Year
Change in the Benefit Obligations		
Present value of defined benefit obligation at the beginning of the year	10.57	9.23
Current Service Cost	0.49	0.47
Interest Cost	0.83	0.69
Benefits Paid	(0.47)	(0.48)
Actuarial Loss/(Gain)	0.87	0.66
Present value of defined benefit obligation at the end of the year	12.29	10.57
Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	9.69	7.79
Expected Return on Plan Assets	0.77	0.58
Contributions	0.88	1.44
Benefits Paid	(0.47)	(0.48)
Actuarial (Loss)/Gain on Plan Assets	0.05	0.36
Fair Value of Plan Assets at the end of the year	10.92	9.69
Total Actuarial Loss/(Gain) to be recognised	0.82	0.30
Actual Return on Plan Assets		
Expected Return on Plan Assets	0.77	0.58
Actuarial (Loss)/Gain on Plan Assets	0.05	0.36
Actuarial Return on Plan Assets	0.82	0.94
Amount Recognised in the Balance Sheet		
Present value of defined benefit obligation at the end of the year	12.29	10.57
Fair Value of Plan Assets at the end of the year	10.92	9.69
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	1.37	0.88
Expense Recognised in Statement of Profit and Loss		
Current Service Cost	0.49	0.47
Net Interest Cost	0.06	0.11
Expense recognised in Statement of Profit and Loss under "Employee Benefit Expenses"	0.55	0.58
Expense Recognised in Statement of Other Comprehensive Income (OCI)		
Actuarial (Gain)/Losses on Obligation for the period	0.87	0.66
Return on Plan Assests, Excluding Interest Income	(0.05)	(0.36)
Net (Income)/Expense For the Period Recognized in Statement of OCI	0.82	0.30
Reconciliation of the Liability Recognised in the Balance Sheet		
Opening Net Liability	0.88	1.44
Expense Recognised	1.37	0.88
Contribution by GRUH	(0.88)	(1.44)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	1.37	0.88

Investment Patternin (%) :

Particulars	As At March 31, 2019	As At March 31, 2018
Central Government Securities	30.44	18.94
State Government Securities / Securities guaranteed by State / Central Government	29.67	33.71
Public Sector / Financial Institutional Bonds	14.40	7.32
Private Sector Bonds	20.38	23.01
Special Deposit Scheme	0.11	0.12
Investment in Insurance Company Scheme	-	9.71
Equity Fund	4.45	3.77
Others (including bank balances)	0.55	3.42
Total	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 assumptionsat the Balance Sheet Date (expressed as weighted averages) :

Particulars	March 31, 2019	March 31, 2018
Discount Rate (%)	7.79	7.86
Expected Return on Plan Assets (%)	7.79	7.86
Attrition Rate (%)	2.00	2.00
Annual increase in Salary Cost (%)	3.00	3.00

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Amount for the current and previous periods are as follows : (₹ in crore)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Present value of Defined Benefit Obligation	12.29	10.57	9.23	7.47	6.22
Fair Value of Plan Assets	10.92	9.69	7.79	6.41	6.09
Surplus/(Deficit) in the Plan	(1.37)	(0.88)	(1.44)	(1.06)	(0.13)
Experience adjustments on plan Liabilities (loss)/Gain	(0.83)	(0.82)	(0.78)	(0.79)	(0.45)
Experience adjustments on plan assets (loss)/Gain	0.05	0.36	0.05	0.06	0.01

Sensitivity Analysis : (₹ in crore)

Change in Assumptions	Current Year	Previous Year
Impact on defined benefit obligation (in crore)		
100 basis points increase in discount rate	(0.24)	(0.22)
100 basis points decrease in discount rate	0.25	0.23
100 basis points increase in future salary	0.26	0.24
100 basis points decrease in future salary	(0.25)	(0.23)

The sensitivity analysis has been determined by holding other assumptions constant and hence the same presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Maturity Analysis of the Benefit Payments from the Gratuity Trust Fund : (₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	5.57	3.94
From 2 to 4 years	2.07	2.30
From 5 to 10 years	4.55	4.55
Beyond 10 years	6.67	6.01
Total expected payments	18.86	16.80

42 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 0.21 crore (Previous Year ₹ 0.69 crore).

43 Contingent liability in respect of Income-tax demands net of amounts provided for and disputed by GRUH amounts to ₹ 9.92 crore (Previous Year ₹ 7.87 crore). Out of this, ₹ 7.64 crore has been paid/adjusted and will be received as refund, if the matters are decided in favour of GRUH.

There has been a Supreme Court judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provident Act, 1952. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

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

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

Motivation

in trademark **GRUH** style!

Management experts say excellence is achieved only when a person takes pride in doing his or her best.
In March of this year selected GRUHites who were hand-picked as 'Stars of GRUH' received a personal letter of appreciation from the Managing Director recognizing their contribution for over a decade.
The letter was addressed to each individual commending his or her perseverance, dedication and outstanding performance.
The letter has become a treasured keepsake. It was a unique way of telling each of these torchbearers to autograph their work with their own brand of dedication and strive always to pursue exemplary excellence.


Mr. Kamlesh Shah


Mr. Suresh Iyer


Mr. Amit Chokshi


Mr. Marcus Lobo


Mr. Manish Gandhi


Mr. Jayesh Gangwani


Mr. Ajay Kumar


Mr. Venu Menon


Mr. Umesh Agrawal


Rupali Shelar


Mr. Rakesh Hardiya


Mr. Rakesh Chowdhary


Anita Srivastav


Mr. Francis D'souza


Mr. Sureskumar Nair


Mr. Paresh Patel


Mr. Amar Vyas


Mr. Ajay Soni


Mr. Jitendra Bhavsar


Dayabari A.


Mr. Appa Rao Adabala


Mr. Mehul Modi


Mr. Vijay Dusing


Mr. Deepak Sakalley


Mr. Ramchandra Kharpude


Mr. Babajan Mulla

Awards and accolades: silent testimony to the untiring zeal and outstanding performance of the GRUH team

GRUHinis and Aam Aadmi who complete the
GRUH Circle of Trust

GRUH
FINANCE
LIMITED

We help you build homes

(A subsidiary of HDFC Ltd)

Registered Office: "GRUH", Netaji Marg, Near Mithakhali Six Roads,
Ellisbridge, Ahmedabad - 380 006.
CIN : L65923GJ1986PLC008809
Phone: 91-79-2642 1671 to 75
www.gruh.com