

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF GRUH FINANCE LIMITED WILL BE HELD AT 10.30 A.M., ON MONDAY, THE 18TH DAY OF JUNE, 2012 AT H.T. PAREKH CONVENTION CENTRE, AHMEDABAD MANAGEMENT ASSOCIATION (AMA), ATIRA CAMPUS, DR. VIKRAM SARABHAI MARG, AHMEDABAD 380 015 TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statement of Profit and Loss for the year ended March 31, 2012, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Prafull Anubhai, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. G. Krishnamurthy, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To re-appoint the Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Sorab S. Engineer & Co., (Firm Registration No 110417W), Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and re-imbursment of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof and the provisions of the Articles of Association of the Company and subject to requisite approvals, consents and sanctions as may be

necessary from the appropriate authorities or bodies, each equity share of the Company having nominal face value of Rs. 10 (Rupees Ten) be sub-divided into 5 (five) equity shares having nominal face value of Rs. 2 (Rupees Two) and accordingly thereby the equity share capital of the Company be sub-divided from Rs. 50,00,00,000 divided into 5,00,00,000 equity shares of Rs.10 each to Rs. 50,00,00,000 divided into 25,00,00,000 equity shares of Rs. 2 each and the relevant Capital Clause in the Memorandum of Association of the Company be accordingly altered as proposed in the resolutions as set out at Item No. 7 of the Notice convening this Annual General Meeting."

"RESOLVED FURTHER THAT consequent upon the sub-division of the equity shares of the Company having nominal face value of Rs. 10 each into 5 equity shares having nominal face value of Rs. 2 each, the employees of the Company eligible for equity shares under the Employees Stock Option Schemes be also entitled to 5 equity shares having nominal face value of Rs. 2 each on exercise of each option under the said Schemes.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things including issue of fresh share certificates of the nominal face value of Rs. 2 (Rupees Two) per equity share and execute all such agreements, documents, instruments and writings as may be required in the said connection, with power to settle all questions, difficulties or doubts that may arise in regard to this resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any committee of directors and/or director(s) and/or officer(s) of the Company, to give effect to this resolution."

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

"RESOLVED THAT on the resolution for sub-division of the nominal face value of equity shares being duly passed and becoming effective as stated in the resolution as set out at Item No. 6 of the Notice convening this Annual General Meeting, the existing Clause V of the Memorandum of Association of the Company be deleted and in place thereof the following new Clause V be substituted -

"The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crore only) divided into 25,00,00,000 (Twenty Five Crore) Equity Shares of Rs. 2 (Rupees Two) each."

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 6 & 7

Currently the nominal face value of the equity shares of the Company is Rs. 10 per equity share. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

In order to increase the affordability of the Company's equity shares to retail investors, which could lead to their greater participation and increase the liquidity of the Company's equity shares in the stock market, the Board of Directors of the Company at its meeting held on April 24, 2012 proposed the sub-division of the nominal face value of the equity shares of the Company from Rs. 10 (Rupees Ten) per equity share to Rs. 2 (Rupees Two) per equity share.

With a view to adjust the entitlement of eligible employees under GRUH Employees Stock Option Schemes (ESOS), the right to get equity shares on exercise of option under ESOS shall stand proportionately increased and the resolution to that effect is proposed as a part of item No 6 of the accompanying notice.

The resolution as set out in Item No. 7 of this Notice is to reflect the alterations to the Capital Clauses in the Memorandum of the Company and the consequential change in the nominal face value of the equity shares of the Company from Rs. 10 (Rupees Ten) per equity share to Rs. 2 (Rupees Two) per equity share.

The Board recommends the passing of the resolutions as set out at Item Nos. 6 and 7 of this Notice, for the approval of the Members.

None of the Directors of the Company are in any way concerned or interested in the said resolution, except to the extent of their shareholding in the Company.

April 24, 2012

By Order of the Board

Registered Office:
"GRUH"
Netaji Marg,
Nr. Mithakhali Six Roads,
Ellisbridge, Ahmedabad 380 006.

Marcus Lobo
Company Secretary

Notes:

- (A) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form duly completed and signed, should be lodged with the Company, at its registered office at least 48 hours before the time of the meeting.
- (B) The relative Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business under item No. 6 and 7 are annexed hereto.
- (C) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, June 8, 2012 to Monday, June 18, 2012 (both days inclusive).
- (D) Subject to the provisions of section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be dispatched/remitted commencing from the day after the annual general meeting to those members whose names appear in the register of members of the Company/ statement of beneficial ownership maintained by the depositories as on close of business on June 7, 2012.
- (E) All documents referred to in the notice and the explanatory statement are open for inspection at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the annual general meeting.
- (F) In terms of the provisions of Section 205A of the Companies Act, 1956, dividends not encashed or claimed within seven years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government. Accordingly, unclaimed dividend in respect of financial year 2004-2005 is due for transfer to the said Fund in July 2012. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund after the said transfer.
- (G) Members who have either not received or have not encashed their dividend warrant(s) for the financial years 2004-2005 to 2010-2011 are requested to write to the Company mentioning the relevant Folio No(s) or the depository account number(s), for issuance of duplicate/revalidated dividend warrant(s).

- (H) Members holding shares in physical form are requested to promptly notify any change in their address/bank account details to the Company. Members holding shares in the dematerialised form are requested to notify the aforesaid changes to their depository participant(s).
- (I) Equity shares of the Company are under compulsory demat trading by all investors. Considering the advantage of scripless trading, members are encouraged to consider dematerialisation of their shareholding so as to avoid inconvenience in future.

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

Mr. Prafull Anubhai, is a Corporate Advisor. He is associated with educational and research institutions like Indian Institute of Management (IIMA), Ahmedabad Education Society (AES), Ahmedabad University, CSTEP (Centre for Science Technology and Policy), ATIRA etc. He is the Chairman of the Board of Management of the Ahmedabad University. He is the member of the Governing Board of Ahmedabad Education Society. He is also the Hon. Director of Saptak Archives, an institution dedicated to the preservation and dissemination of Indian Classical Music. He has done his B.Sc.(Econ.) from the London School of Economics and attended PMD at Harvard Business School. He has 30 years of experience as a Chief Executive of Textile Manufacturing Operations and presently he is a Director in companies like Unichem Laboratories Ltd., Vardhman Textiles Ltd., Birla Sun Life Trustee Co. Pvt. Ltd, Torrent Cables Ltd, EMSAF (Emerging Market South Asia Fund) – Mauritius, etc. He has been on the board of GRUH since 1987. He is a member of the Audit Committee and the Shareholders'/ Investors' Grievance Committee of GRUH. As on March 31, 2012, Mr Prafull Anubhai holds 10,000 shares of the Company.

Mr. K.G. Krishnamurthy, is the Managing Director & CEO of HDFC Property Ventures Limited (HPVL). Prior to that, he was employed with HDFC as Senior General Manager – Technical Services. He played a major role in HPVL's successful closure of India's first real estate venture fund scheme, HDFC India Real Estate Fund with a corpus of 1.20 billion dollars. He is a graduate from IIT Kharagpur with a management degree from Jamnalal Bajaj Institute of Management, Mumbai. He has vast experience of over two decades in real estate and has been widely consulted by the industry on real estate matters. He has offered his services to the Asian Development Bank - to develop a housing package for Project Affected Persons under Karnataka Urban Infrastructure Project, and to the US AID to build-up a mortgage market in Sri Lanka. Besides his responsibilities within the HDFC group, he is on the board of several companies, including Vascon Engineers Ltd., HDFC Venture Capital Limited, New Consolidated Construction Co. Ltd., the Indian Association for Savings and Credit, etc. He has been on the board of GRUH since 2004. As on March 31, 2012, Mr K. G. Krishnamurthy holds 21,165 shares of the Company.

April 24, 2012

By Order of the Board

Registered Office:
"GRUH"
Netaji Marg,
Nr. Mithakhali Six Roads,
Ellisbridge, Ahmedabad 380 006.

Marcus Lobo
Company Secretary

GRUH FINANCE LIMITED

Regd. Office: "GRUH", Netaji Marg, Nr. Mithakhali Six Roads,
Ellisbridge, Ahmedabad 380 006



PROXY FORM

Folio No. DP ID No. Client ID No.
No. of Shares held

I/ We
of
being a Member/Members of GRUH Finance Limited, hereby appoint
of or failing him
of as my / our Proxy to attend and vote for me / us on my / our behalf
at the Twenty Sixth Annual General Meeting of the Company, to be held on Monday, June 18, 2012 at 10.30 a.m. and at any
adjournment thereof.

Affix
Revenue
Stamp

Signed this day 2012. Signature

NOTE : The proxy form duly completed and signed must be deposited at the Registered Office of the Company, at "GRUH", Netaji Marg, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad 380 006 not less than FORTY-EIGHT HOURS before the meeting.

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GRUH FINANCE LIMITED

Regd. Office: "GRUH", Netaji Marg, Nr. Mithakhali Six Roads,
Ellisbridge, Ahmedabad 380 006



ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)
26th Annual General Meeting - June 18, 2012

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company at H. T. Parekh Convention Centre, Ahmedabd Management Association (AMA), ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad 380 015 on Monday, June 18, 2012 at 10.30 a.m.

Full name of the member (In BLOCK LETTERS) :

Folio No. DP ID No. Client ID No.

No. of Shares held

Full name of proxy (In BLOCK LETTERS) :

Member's/Proxy's Signature :

GRUH Finance Limited

Regd. Office : "GRUH", Netaji Marg, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad 380 006

April 24, 2012

Dear Shareholder,

Sub : Green Initiative in Corporate Governance

We value your relationship with GRUH Finance Limited and thank you for all your support.

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular on April 21, 2011 stating that the service of document by a company can be made through electronic mode.

As an enlightened corporate citizen, we propose to send all future shareholders' communications like Notices, Company's Annual Report, etc through electronic mode. This will also ensure prompt receipt of communication, reduce paper consumption and save trees as well as avoid loss in postal transit.

We request you to register your e-mail address with your Depository Participant, in case you have not already registered the same. You are not required to re-register unless there is a change in your e-mail address.

Kindly note that if we donot hear from you, the existing e-mail id registered with your Depository Participant will be used by us for sending you the communication(s).

Please note, as a member of the Company, you will be entitled to be furnished, free of cost, with a printed copy of the balance sheet of the company and all other documents required by law to be attached thereto including the profit and loss account and auditors' report, and all other communication that may be sent to you, upon receipt of a communication from you to this effect.

The Company shall also be hosting its Annual Report at its website www.gruh.com.

We are sure you would appreciate the "Green Initiative" taken by MCA and your company's desire to participate in such initiatives. Soliciting your co-operation and continued patronage.

Thanking you,
For GRUH Finance Limited

Marcus Lobo
Company Secretary

Registration of E-mail id with the Company
(only for shareholders holding shares in physical form)

The Company Secretary
GRUH Finance Limited
"GRUH", Netaji Marg,
Nr Mithakhali Six Roads,
Ellisbridge, Ahmedabad 380 006

Date _____

Please register my/our email id with the company as mentioned here in below for serving documents through electronic mode to me/us. If there is a change in the email id, I/we will promptly communicate the same to you.

Folio No. : _____

E-mail id : _____

Name of First/Sole shareholder : _____

Signature of shareholder* : _____

*(If shares are held jointly, the first shareholder's sign on the aforesaid slip is essential)