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.

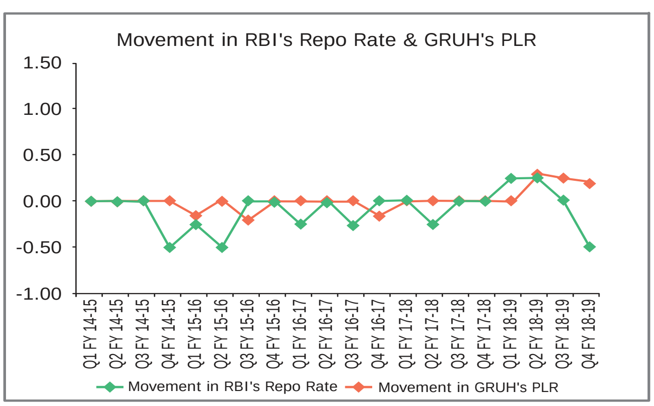
Midway during the year, RBI revised housing loan limits for priority sector eligibility for banks which further intensified competition at the market place with marginal cost based pricing for home loans by the banks. RBI also cautioned that the levels of NPAs for small ticket size loans were rising 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)

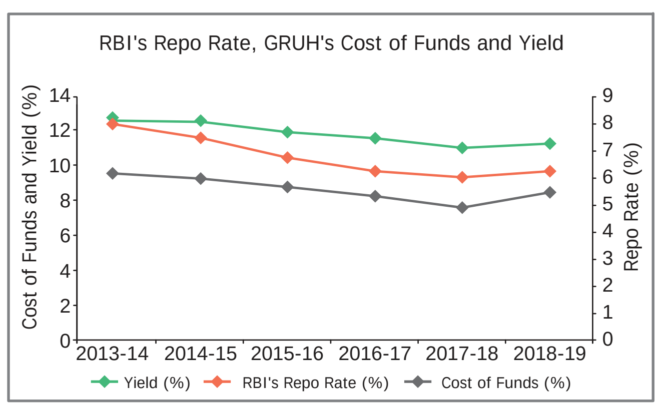
The Ministry of Corporate Affairs (MCA), based on its notification in the Official Gazette vide Notification G.S.R. 111(E) and G.S.R. 365(E) dated February 16, 2015 and March 30, 2016 respectively, notified the Indian Accounting Standards (Ind AS) applicable to certain class of companies. Ind AS has 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.

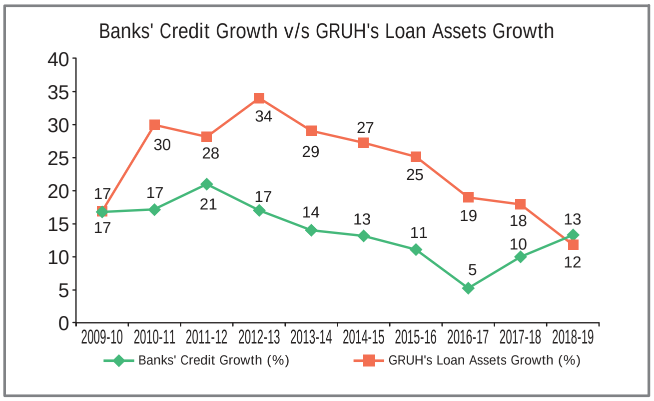
GRUH has an arrangement with three Life Insurance service providers viz HDFC Life Insurance Co. Ltd., Bharti AXA Life Insurance Co. Ltd. and Kotak Mahindra Life Insurance Co. Ltd. GRUH continued to persuade its customers to take insurance cover on the life of the principal income earner as the collateral 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.

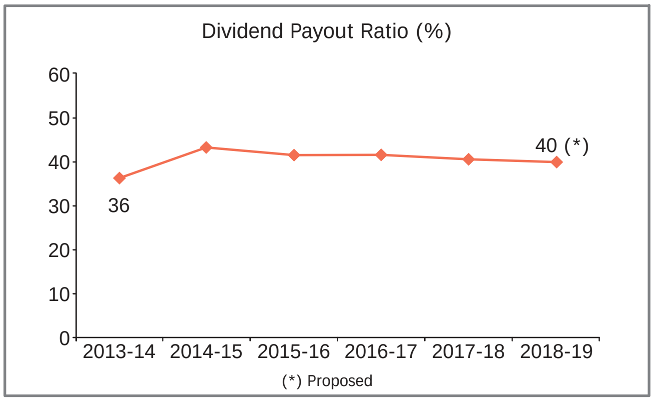
Loans

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.

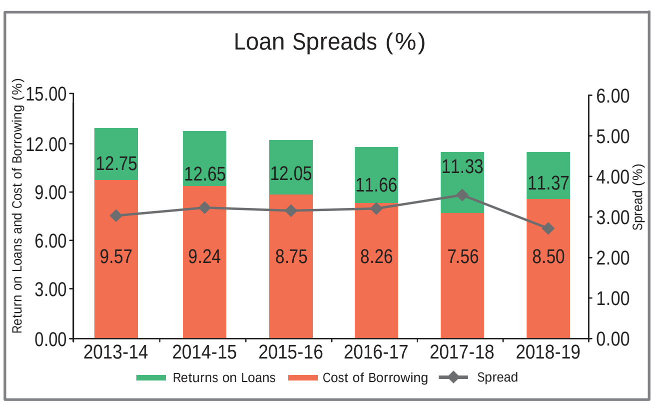
Accordingly, GRUH is required to carry total provision of ₹ 51.48 crore on Standard Loan Assets comprising Individual Home Loans, Individual NRP Loans and Developer Loans, aggregating to ₹ 17,263 crore. This provision includes provision of ₹ 0.14 crore towards Standard Assets in respect of instalments 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.

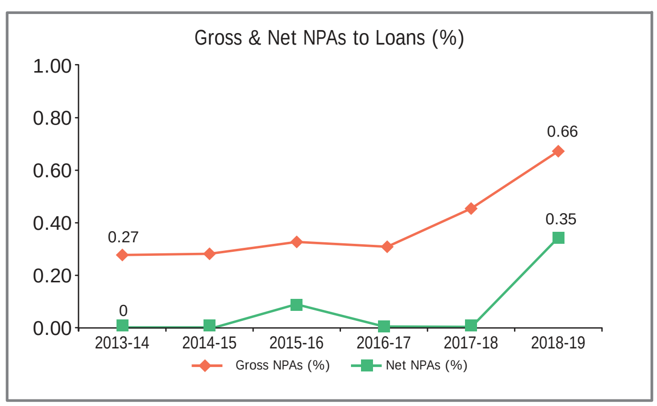
NHB, vide its notification dated August 2, 2017, reduced the provisioning requirement on Standard Individual Home Loans from 0.40% to 0.25%. However, as per the said notification, excess provision on account of reduction in provisioning requirement is to be carried forward. GRUH carries a provision of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

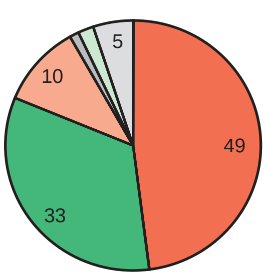
The above is evident from the fact that the borrowings which have original maturity of upto twelve months as at the end of the year, constituted 19.97% (previous year 39.12%) of the total borrowings of ₹ 16,584 crore (previous year ₹ 14,046 crore). The outstanding borrowings at fixed rate stood at ₹ 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.

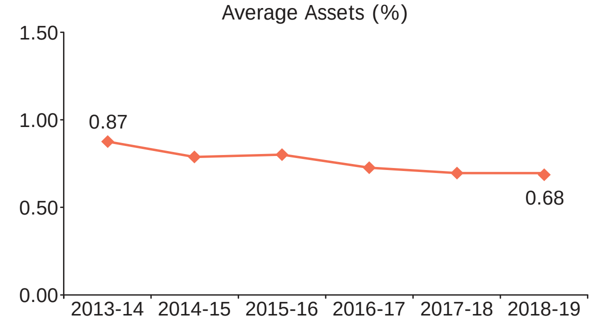
GRUH raised ₹ 1,230 crore through issuance of NCDs during the year. The outstanding balance of NCDs as at March 31, 2019 was

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.

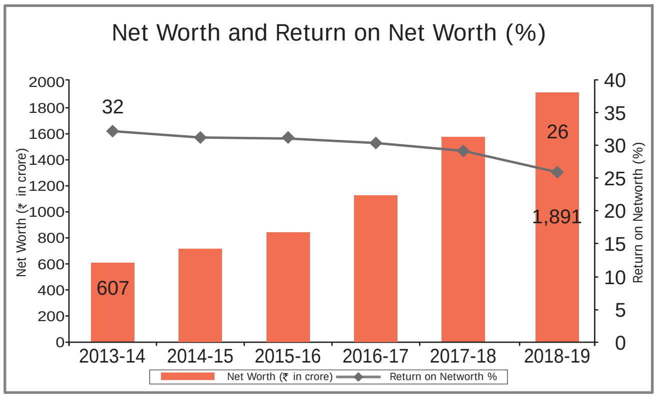
GRUH's total borrowings as at March 31, 2019 of ₹ 16,584 crore were within the permissible limit of 16 times of the net owned funds. Of this, the public deposits of ₹ 1,562 crore were also within the limit of 5 times of the net owned funds as prescribed by NHB. GRUH has complied with the guidelines issued by NHB regarding the ceiling on interest rates offered on deposits and brokerage paid to the deposit referral associates.

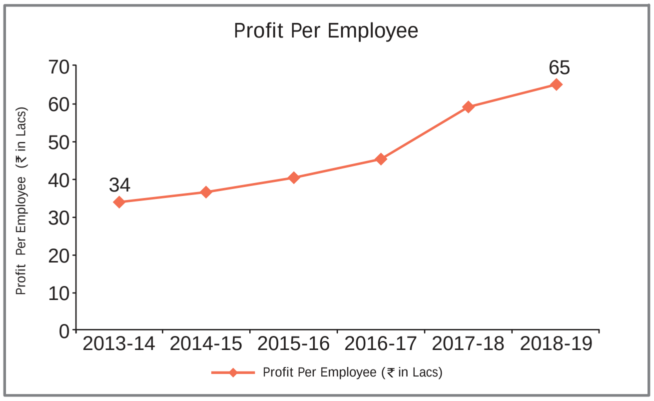
GRUH's CAR as at March 31, 2019 was 20.30% as against NHB's prescribed limit of 12%. The Capital Adequacy on account of Tier I Capital was 19.26% while the Capital Adequacy on account of the Tier II Capital was 1.04%.

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.





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.