



**GRUH
FINANCE
LIMITED**

We help you build homes

PART - I AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2015

(Rs. in crores)

Particulars	Quarter ended March 31, 2015	Quarter ended Dec 31, 2014	Quarter ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Income from Operations :					
a) Revenue from Operations	304.99	271.11	254.42	1,060.31	845.69
b) Other Income	0.00	0.00	0.00	0.01	0.47
Total Income	304.99	271.11	254.42	1,060.32	846.16
Expenditure :					
a) Finance Cost	182.74	173.62	147.93	677.73	543.63
b) Employee Benefit Expenses	6.18	8.16	5.96	35.19	31.73
c) Other Expenses	7.91	6.71	5.95	27.55	21.46
d) Depreciation	0.96	0.79	0.64	1.29	2.45
e) Bad Debts Written off	1.73	0.03	0.40	2.03	0.77
f) Provision for Contingencies	0.58	14.56	0.34	15.69	1.66
Total Expenditure	200.10	203.87	161.22	759.48	601.70
Profit Before Tax	104.89	67.24	93.20	300.84	244.46
Tax Expenses	25.50	17.40	19.60	77.71	67.50
Net Profit before adjustment of Deferred Tax on Special Reserve	79.39	49.84	73.60	223.13	176.96
DTL on Special Reserve	5.33	5.10	0.00	19.33	0.00
Net Profit After Tax	74.06	44.74	73.60	203.80	176.96
Earnings per Share (of Rs. 2 each)					
- Basic (Rs.)	1.987	1.232	2.049	5.571	4.930
- Diluted (Rs.)	1.986	1.232	2.021	5.566	4.896
Debenture Redemption Reserve (*)				-	-
Debt Equity Ratio (*)				11.55	10.62
Debt Service Coverage Ratio (*)				0.67	0.63
Interest Service Coverage Ratio (*)				1.48	1.46
Paid-up Debt Capital (*)				35.00	35.00
Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	72.68	72.68	36.03	72.68	36.03
Reserves as at March 31				638.81	571.21

A subsidiary of HDFC Ltd

PART – II Selected information for the quarter / year ended March 31, 2015

A. Particulars of Share Holding	Quarter ended Mar 31, 2015	Quarter ended Dec 31, 2014	Quarter ended Mar 31, 2014	Year ended Mar 31, 2015	Year ended Mar 31, 2014
Public Shareholding					
- No. of Shares	150306730	150299500	147184450	150306730	147184450
- Percentage of Shareholding	41.36	41.36	40.85	41.36	40.85
Promoter and Promoter Group Shareholding					
a) Pledged / Encumbered					
- No. of Shares	-	-	-	-	-
- Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter group)	-	-	-	-	-
- Percentage of Shares (as a % of the total Share Capital of the Company)	-	-	-	-	-
b) Non – Encumbered					
-No. of Shares	213077850	213077850	213077850	213077850	213077850
-Percentage of Shares (as a % of the total Shareholding of Promoter and Promoter group)	100	100	100	100	100
-Percentage of Shares (as a % of the total Share Capital of the Company)	58.64	58.64	59.15	58.64	59.15

(* Information provided pursuant to Securities and Exchange Board of India circular dated May 11, 2009 in terms of Simplified Listing Agreement for Debt Securities.

(* ISCR = Cash Earnings Before Interest and Tax / Interest Expenses; DSCR = (Cash Earning Before Interest and Tax + Principal repayment of Loan Assets) / (Interest + Principal repayment of Borrowings).

B. Investor Complaints	Quarter ended Mar 31, 2015
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed off during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

Notes :

- 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 Accounting Standard on Segment Reporting (AS 17).
- Loan Assets have increased from Rs. 7,009 crores as on March 31, 2014 to Rs. 8,915 crores as on March 31, 2015 registering a growth of 27%.
- The aggregate NPAs of the Company are 0.28% of the Loan Assets as against 0.27% of the Loan Assets as on March 31, 2014. Net NPAs of the Company continued to be "Nil".



4. Pursuant to approval of share holders at the 28th Annual General Meeting (AGM) of the Company held on May 28, 2014, the Company allotted bonus equity shares of Rs. 2 each as fully paid up shares in proportion of 1:1 on June 11, 2014, to Shareholders as on June 10, 2014, being the record date fixed for the purpose. Accordingly, the number of shares and the Earnings Per Share of the previous periods/year have been restated to make them comparable.
5. During the year ended March 31, 2015, the Company has reviewed its policy of providing for depreciation on its fixed assets and has also reassessed their useful lives. On and from April 1, 2014, the straight line method is being used to depreciate all class of fixed assets. Previously, the straight line method was used for depreciating buildings while other fixed assets were being depreciated using reducing balance method. The revised useful lives, as assessed match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets other than Computer Hardware. Management believes that the revised useful lives of the assets reflect the period over which these assets are expected to be used.

As a result of the change, the charge on account of Depreciation for the year ended March 31, 2015 is higher by Rs. 1.55 crores and for the quarter ended March 31, 2015, is higher by Rs. 0.28 crore compared to the method used and useful lives estimated in earlier periods.

6. During the year, company has spent Rs. 1.93 crores towards Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 and rules thereon. As per clarification issued by the Institute of Chartered Accountants of India, CSR expenses have been appropriated from current year's profits.
7. During the quarter ended March 31, 2015, the Company has allotted 7,230 equity shares of Rs. 2 each pursuant to the exercise of the stock options by certain employees.
8. Vide circular NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014, the National Housing Bank ("NHB") has directed Housing Finance Companies (HFCs) to provide for a deferred tax liability in respect of amount transferred to "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961. As per above circular, NHB has advised HFCs to create deferred tax liability in respect of accumulated balance of Special Reserve as on April 1, 2014 from the reserves over a period of 3 years starting with current financial year, in a phased manner in the ratio of 25:25:50. Accordingly, the Company has created 25% of deferred tax liability of Rs. 19.20 crores on accumulated Special Reserve as on April 1, 2014 out of free reserves as on April 1, 2014.

Company has charged its Statement of Profit & Loss for the year ended March 31, 2015 with the deferred tax liability on additional amount appropriated towards Special Reserve out of current year's profits. An amount of Rs. 19.33 crores towards deferred tax liability for the year ended March 31, 2015 has been charged to the Statement of Profit & Loss and the same has been shown separately.

9. During the period under review, there are no transactions in the nature of exceptional or extraordinary items.



10. Audited Statement showing Assets and Liabilities :

(Rs. in crores)

Particulars	As At March 31,	
	2015	2014
Equity and Liabilities		
Shareholders' Funds		
Share Capital	72.68	36.03
Reserves and Surplus	638.81	571.21
	711.49	607.24
Non-Current Liabilities		
Long-Term Borrowings	6,624.14	5,054.33
Deferred Tax Liability (Net)	18.78	0.00
Other Long - Term Liabilities	35.94	15.52
Long-Term Provisions	66.43	52.87
	6,745.29	5,122.72
Current Liabilities		
Short-Term Borrowings	973.18	472.99
Trade Payables	0.92	0.80
Other Current Liabilities	661.50	974.35
Short-Term Provisions	89.14	65.12
	1,724.74	1,513.26
	9,181.52	7,243.22
Assets		
Non-Current Assets		
Tangible Assets	12.73	11.03
Intangible Assets	1.00	0.00
Non-Current Investments	50.50	43.28
Deferred Tax Assets (Net)	0.00	16.90
Long-Term Loans and Advances		
Loans	8,380.31	6,579.62
Others	31.87	26.82
Other Non-Current Assets	21.20	0.00
	8,497.61	6,677.65
Current Assets		
Current Investments	29.32	9.68
Cash and Bank Balances	74.07	83.17
Short-Term Loans and Advances	39.06	37.09
Other Current Assets		
Loans	535.04	429.42
Others	6.42	6.21
	683.91	565.57
	9,181.52	7,243.22

The Classification of Assets and Liabilities into Current and Non-Current is carried out based on their residual maturity profile as per the requirement of Schedule III to the Companies Act, 2013.

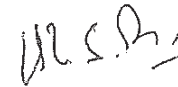
The estimates and assumptions regarding prepayments and renewals as prescribed by the National Housing Bank (NHB) (which are taken into account for ALM purpose) are not considered while classifying the assets and liabilities into current and non-current.



11. The Board of Directors have recommended a dividend of Rs. 2 Per Share of face value of Rs. 2 each. The dividend recommended will also be applicable for the full year in respect of Equity Shares issued during the year.
12. Figures of the quarter ended March 31, 2015 and March 31, 2014 are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year.
13. Previous period/year figures have been regrouped and reclassified, where necessary, to make them comparable with current quarter figures.

The above audited results were reviewed and recommended by the Audit Committee of Directors and subsequently approved by the Board of Directors at the meeting held on April 16, 2015.

For GRUH Finance Limited



Sudhin Choksey
Managing Director

April 16, 2015
Mumbai



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We help you build homes

FORM A

Sr. No.	Particulars	Details
1.	Name of the Company	GRUH Finance Limited
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified Audit Report
4.	Frequency of observation	Not Applicable

Sudhin Choksey
Managing Director and CEO

Hitesh Agrawal
Chief Financial Officer

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

CA N. D. Anklesaria
Partner
Membership No. 10250

S. M. Palia
Chairman - Audit Committee
GRUH Finance Limited

A subsidiary of HDFC Ltd.

Registered Office: "GRUH", Netaji Marg, Near Mithakhali Six Roads, El Isbridge, Ahmedabad-380006.

Tel. (91)(79)3290 1222/23, 2642 1671-74 Fax: (91)(79)2656 0649 Website: www.gruh.com

CIN : L65923GJ1986PLC008809

SORAB S. ENGINEER & CO. (Regd.)

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRUH Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of GRUH Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SORAB S. ENGINEER & CO. (Regd.)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

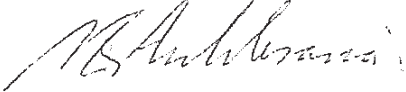


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- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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, 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 in its financial statements - Refer Note 27.1 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts 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.

M. S. S.

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



CA. N. D. Anklesaria
Partner
Membership No. 10250

Mumbai
April 16, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Re : GRUH Finance Limited

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
- (ii) (a) The stocks of acquired and/or developed properties have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of stock of acquired and/or developed properties followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of acquired and developed properties. No discrepancy was noticed on verification between the physical properties and the book records.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii,a) and (iii,b) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to acquisition of properties, fixed assets and with regard to the sale of properties and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 of the Act and the Housing Finance Companies (NHB) Directions, 2010 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

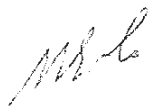
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- (vi) The Company is not engaged in production, processing, manufacturing or mining activities Therefore, the provisions of clause (vi) of paragraph 3 of the order are not applicable.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, following amounts have not been deposited as on March 31, 2015 on account of any dispute :

Nature of Statute	Nature of the dues	Rs. in crore	Period to which the matter pertains	Forum where matter is pending
Income Tax Act	Income Tax	0.24	2007-2008	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	0.66	2010-2011	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	0.52	2008-2009	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	0.77	2011-2012	Commissioner of Income Tax (Appeals)

- (c) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

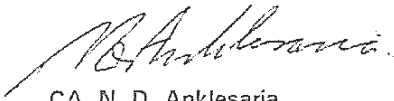


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- (viii) The Company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or debenture holders.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial Institutions.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, *prima facie*, applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context and size of the Company and the nature of its business and which have been provided for.



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



CA. N. D. Anklesaria
Partner
Membership No. 10250

Mumbai
April 16, 2015