



**GRUH  
FINANCE  
LIMITED**

*We help you build homes*

SEC: 2019  
May 1, 2019

The BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
26th Floor, Dalal Street  
Mumbai – 400 001

**BSE Code No: 511288**

**Kind Attn: General Manager - DSC**

National Stock Exchange of India Ltd.  
"Exchange Plaza",  
Bandra-Kurla Complex,  
Bandra (E ), Mumbai 400 051

**Symbol : GRUH**

**Kind Attn: Head - Listing**

Dear Sirs,

**Sub: Presentation on Financial Results – March 31, 2019**

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Please find enclosed a copy of Investor Presentation for the quarter / year ended March 31, 2019.

Kindly find the same in order and acknowledge receipt.

Thanking you,

Yours sincerely,  
For **GRUH FINANCE LIMITED**

**MARCUS LOBO**  
Company Secretary

Encl: a/a

A subsidiary of HDFC Ltd

Registered Office: "GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006.  
Tel. : (91) (79) 2642 1671-75, 2656 0649

CIN : L65923GJ1986PLC008809 - Website : www.gruh.com



# GRUH

## GRUH Finance Limited

(A Subsidiary of HDFC Limited)

MARCH 2019



# GRUH PROFILE



- Promoted by HDFC & AKFED on July 21, 1986
- Commenced operations in 1988 from Ahmedabad
- A subsidiary of HDFC LTD
- Regulated by National Housing Bank (NHB)
- Recognized by NHB for Refinance facility
- Retail Network of 195 offices across 11 States & one Union Territory
- Consistent track record of Dividend Payout

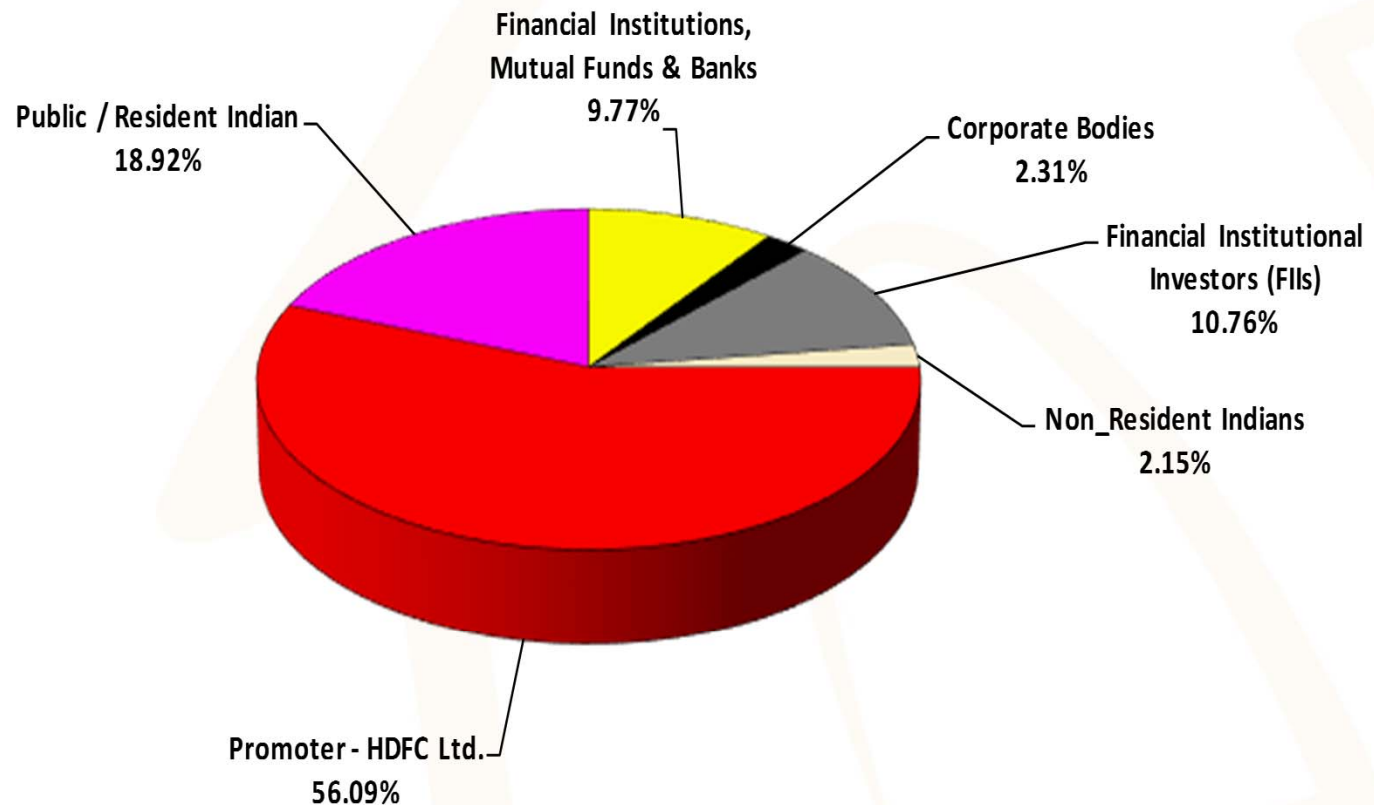


# Merger

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.



# Shareholding Pattern as on March 31, 2019



# Ratings

- Public Deposits :
  - ‘MAAA@’ by ICRA and
  - ‘FAAA’ by CRISIL
- Non-Convertible Debentures : ‘AAA@’ by ICRA and ‘AAA’ by CRISIL
- Subordinated NCD: ‘AAA@’ by ICRA and ‘AAA’ by CRISIL
- Commercial Paper : ‘A1+’ by ICRA and CRISIL

“These ratings indicate high safety with regard to timely payment of interest and principal”

@ indicates ‘on watch with negative implications’ post merger announcement on Jan 7, 2019.



## GRUH's contribution to Housing Stock

- Cumulative Housing Units Financed – 4,56,625
- Cumulative Disbursement of ₹ 33,391 Crore
- Cumulative Housing Units Financed in Rural Areas - 2,26,615
- Cumulative Disbursement in Rural Areas<sup>(\*)</sup> ₹ 13,442 Crore
- Cumulative Disbursement under Pradhan Mantri Awas Yojna (PMAY) since June'2015 ₹ 5,140 Crore for 53,490 Housing units
- Presence in 135 Districts of 11 States
- Servicing customers in 1,103 Taluka places in 11 States and 1 UT

<sup>(\*)</sup> Rural Areas are locations where populations is less than 50,000





# Ind AS Transition

- In line with direction issued from Ministry of Corporate Affairs and National Housing Bank, GRUH has adopted Indian Accounting Standards (Ind AS) with effect from 1<sup>st</sup> April 2018 and the effective date of such transition is April 1, 2017. The comparative figures of corresponding period have been restated to make them comparable. The financial statements are prepared in accordance with the Indian Accounting Standards (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 thereafter.



# Ind AS Transition

Key Changes	Impacted Line Item	IGAAP	IND AS
Mutual Fund	Income from operations	Cash basis	Fair value method
SLR	Income from operations	Premium is amortised over residual tenure	Net present Value discounted under Goal seek method is followed.
Fee Income	Fees Income	Booked upfront	Amortized based on Effective Int. Rate
Referral Fees	Fees Income	Booked as exp. upfront	Amortized based on Effective Int. Rate
Credit cost	Credit cost	As Specified by Regulator	Expected Credit Loss (ECL) Model
ESOP valuation	Employee cost	Intrinsic Value method No charge to P&L	Black & Scholes pricing model Charged to P&L



# Ind AS Transition

Key Changes	Impacted Line Item	IGAAP	IND AS
Interest Income on NPAs	Income from Operations	Not recognised	As on April 1, 2017, credited to reserve. There after incremental amount is recognised in P&L.
NCD issue expenses	Finance cost	Adjusted in securities premium	Amortised through P&L based on Effective Interest Rate
Gratuity provision	Staff Expenses	Fully charged to P&L	Charged to P&L to the extent of increase in staff and salary. Charge on account of assumptions used by actuary is charged to Other Comprehensive Income

# Performance Highlights



## PERFORMANCE HIGHLIGHTS

(₹ in crore)

	<b>Q4 FY 18 19</b>	<b>Q3 FY 18 19</b>	<b>Growth %</b>
Net Interest Margin	171	151	13
Operating Profit	153	138	10
Profit After Tax	129	97	34
Disbursements	1,332	866	54

	<b>FY 18-19</b>	<b>FY 17-18</b>	<b>Growth %</b>
Total Income	2,027	1,694	20
Non-Interest Expenses	114	100	14
Profit After Tax	447	403	11
Loan Assets #	17,408	15,588	12
Proposed Dividend %	100	*165	21

# 95% of the Loans are Retail and 45% of the loans are at location where population is less than 50,000

\*Pre-Bonus of 1:1



## Key Financial Ratio

Key Ratios	As At March'19	As At Dec'18	As At March'18
Net Interest Margin to ATA (%)	<b>4.00</b>	3.94	4.50
Yield on Average Loans (%)	<b>11.37</b>	11.31	11.33
Cost of Borrowings (%)	<b>8.50</b>	8.23	7.56
Cost to Income Ratio (%)	<b>15.79</b>	16.17	14.18
Non-Interest Expense to ATA (%)	<b>0.68</b>	0.70	0.69
Loans to Total Assets (%)	<b>93</b>	83	98
Gross NPAs (%)	<b>0.66</b>	0.87	0.45
Credit Cost to Loan Assets (%)	<b>0.26</b>	0.28	0.24
Return on Assets (%)	<b>2.66</b>	2.50	2.75
Return on Equity (%)	<b>25.92</b>	25.42	28.79



# Balance Sheet

(₹ in Crore)

	March 2019	March 2018	Growth (%)
<u>Sources of Funds</u>			
Share Capital	146.74	73.14	101
Reserves & Surplus	1744.70	1482.10	18
Borrowings	16507.16	13968.93	18
Current Liabilities & Provisions	386.95	397.19	(3)
	18785.55	15921.36	18
<u>Application of Funds</u>			
Loan Assets	17407.86	15587.77	12
Investments	148.27	157.94	(6)
Current Assets	* 1176.67	114.58	927
Fixed Assets	15.14	15.42	(2)
Deferred Tax Assets (Net)	37.61	45.65	(18)
	18785.55	15921.36	18

(\* Includes Liquid Bank Deposits of Rs. 900 Crore)



# Income Statement

(₹ in Crore)

Particulars	March 2019	March 2018	Growth (%)
Interest income	1972.17	1642.59	20
Interest expenses	1301.20	984.80	32
Net interest Margin	670.97	657.79	2
Non-Interest Income	54.49	51.15	7
Non-Interest Expenses	114.49	100.49	14
Provisions for Expected Credit Loss and Write Offs	(15.77)	33.57	(147)
CSR & ESOP Expenses	11.70	7.73	51
Profit Before Tax	615.04	567.15	8
Provision for Taxation and Other Comprehensive Income	168.37	164.59	2
Profit After Tax	446.67	402.56	11





## Reconciliation of Net profit as reported under erstwhile Indian GAAP and Ind AS

(₹ in Crore)

Particulars	Q4 FY 17-18	FY17-18
Net Profit reported as per previous Indian GAAP	<b>130.51</b>	<b>362.68</b>
Add/(Less) : Adjustments for GAAP difference		
Increase in interest income pursuant to application of effective interest rate method	(1.13)	11.56
Increase in borrowing cost pursuant to application of effective interest rate method	(1.58)	(3.43)
Decrease in provision due to expected credit loss	(14.84)	-
Increase in employee benefit expense due to fair valuation of employee stock options	(0.35)	(3.36)
Reclassification of net actual loss on Employee defined obligations	(0.34)	0.19
Deferred tax	15.83	35.11
Net profit before other comprehensive income as per Ind AS	<b>128.10</b>	<b>402.75</b>
Other comprehensive income after tax	0.34	(0.19)
Total comprehensive income as per Ind AS	<b>128.44</b>	<b>402.56</b>



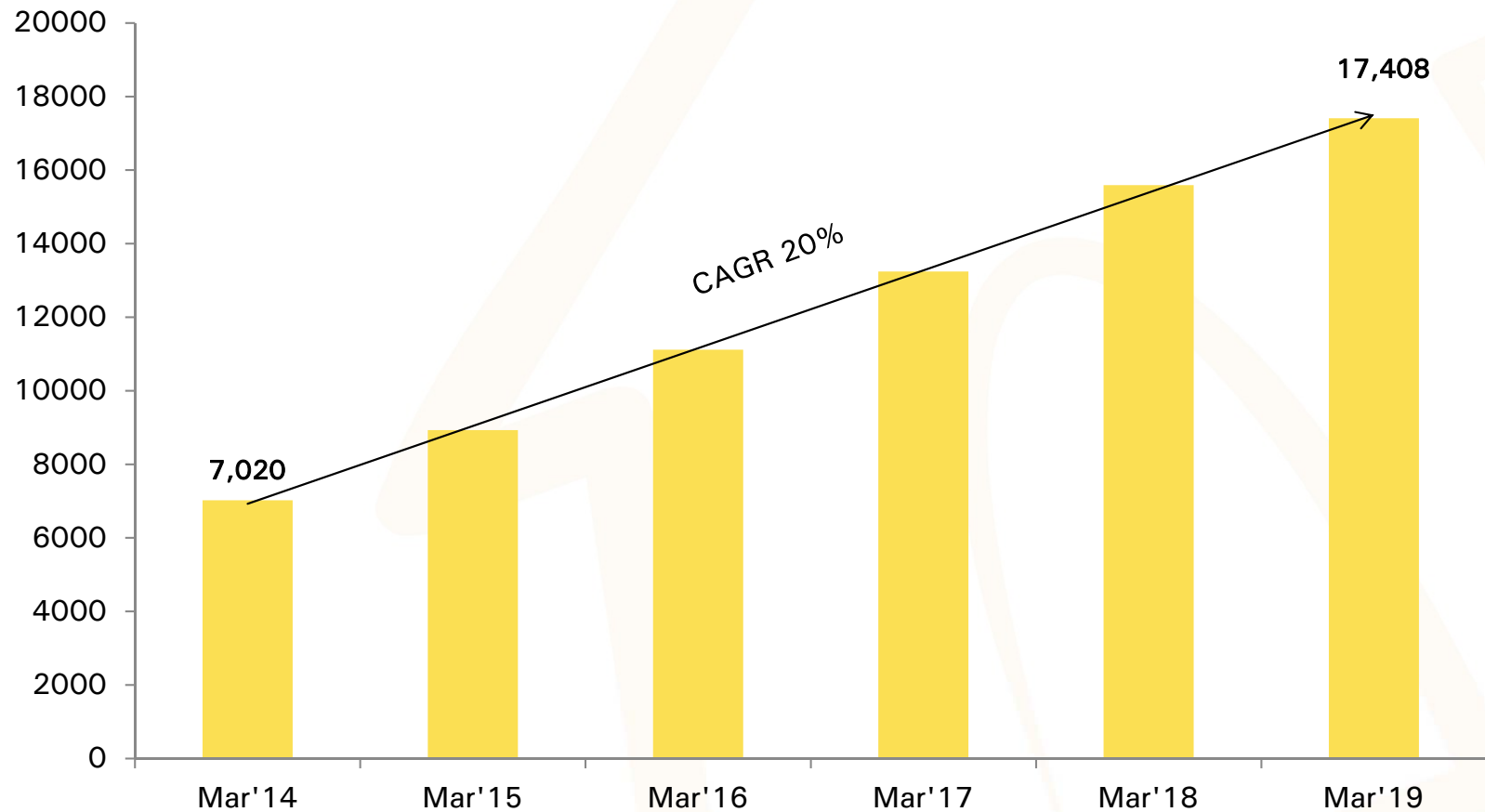
## Reconciliation of equity attributable to shareholders of the Company as on March 31, 2018

(₹ in Crore)

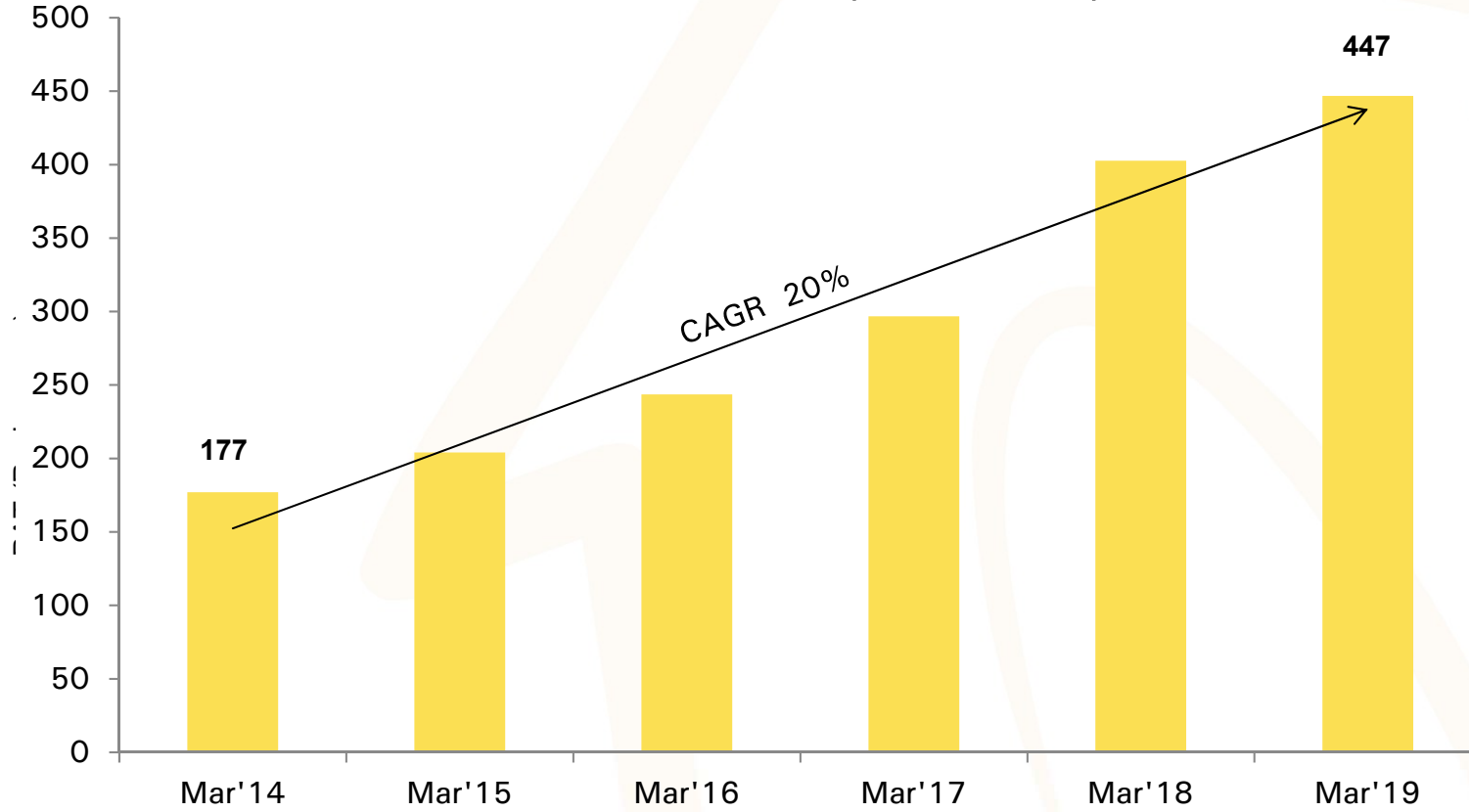
Equity under previous Indian GAAP	1,380.92
Impact on Loans and advances using effective rate of interest	(32.13)
Increase in employee benefit expenses due to fair valuation of employee stock option	(12.75)
Impact on borrowing using effective rate of interest	1.33
Effect of measuring Investment at fair value	(0.21)
Reclassification of net actuarial loss on employee defined benefit obligation to other comprehensive income	0.53
Tax on Ind AS adjustments	205.33
Reclassification of ESOP Reserves	12.75
Net Equity Reserve before Other Comprehensive Income as per Ind AS	1,555.77
Other Comprehensive Income after tax	(0.53)
Equity under Ind AS	1,555.24



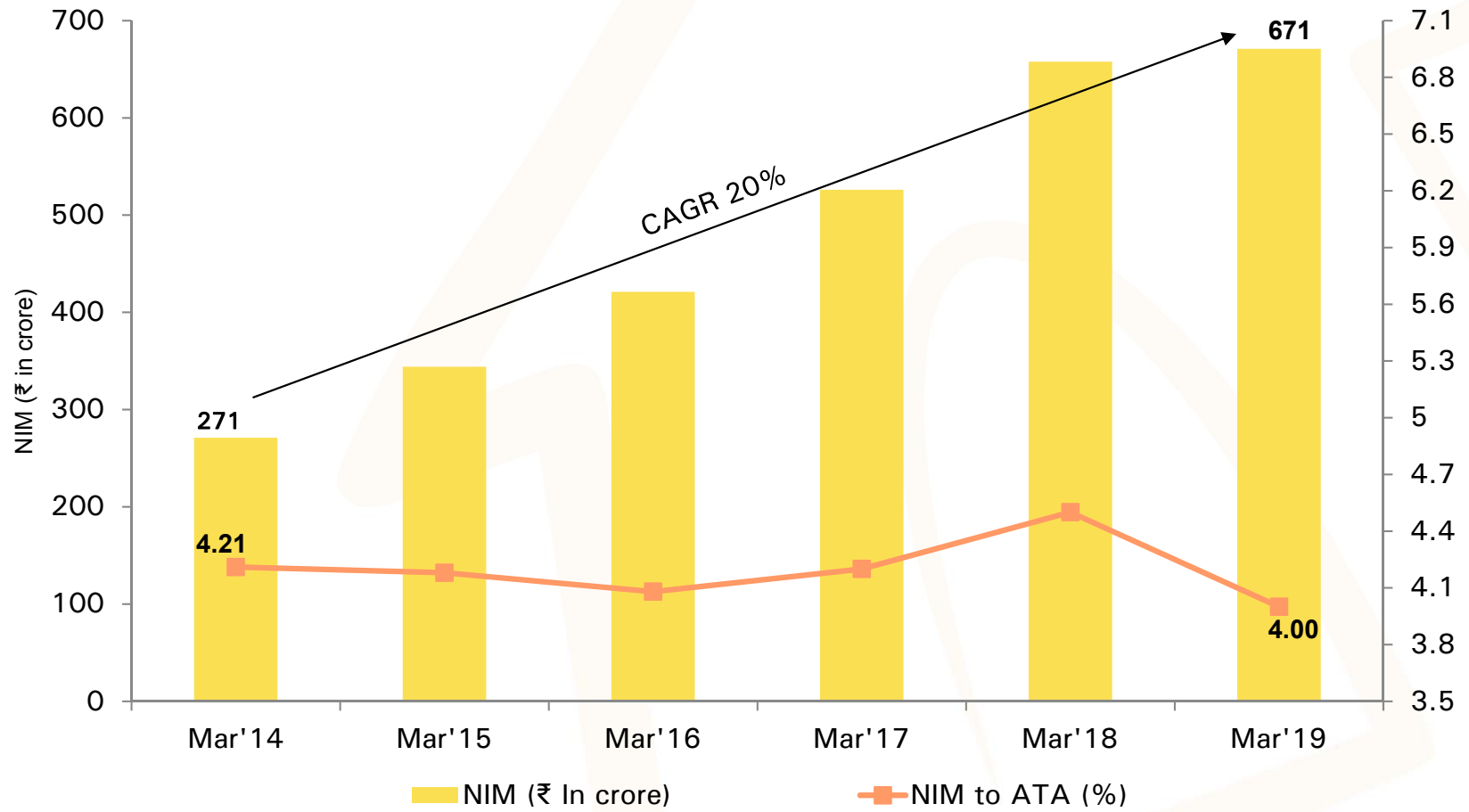
## Loan Assets (₹ in crore)



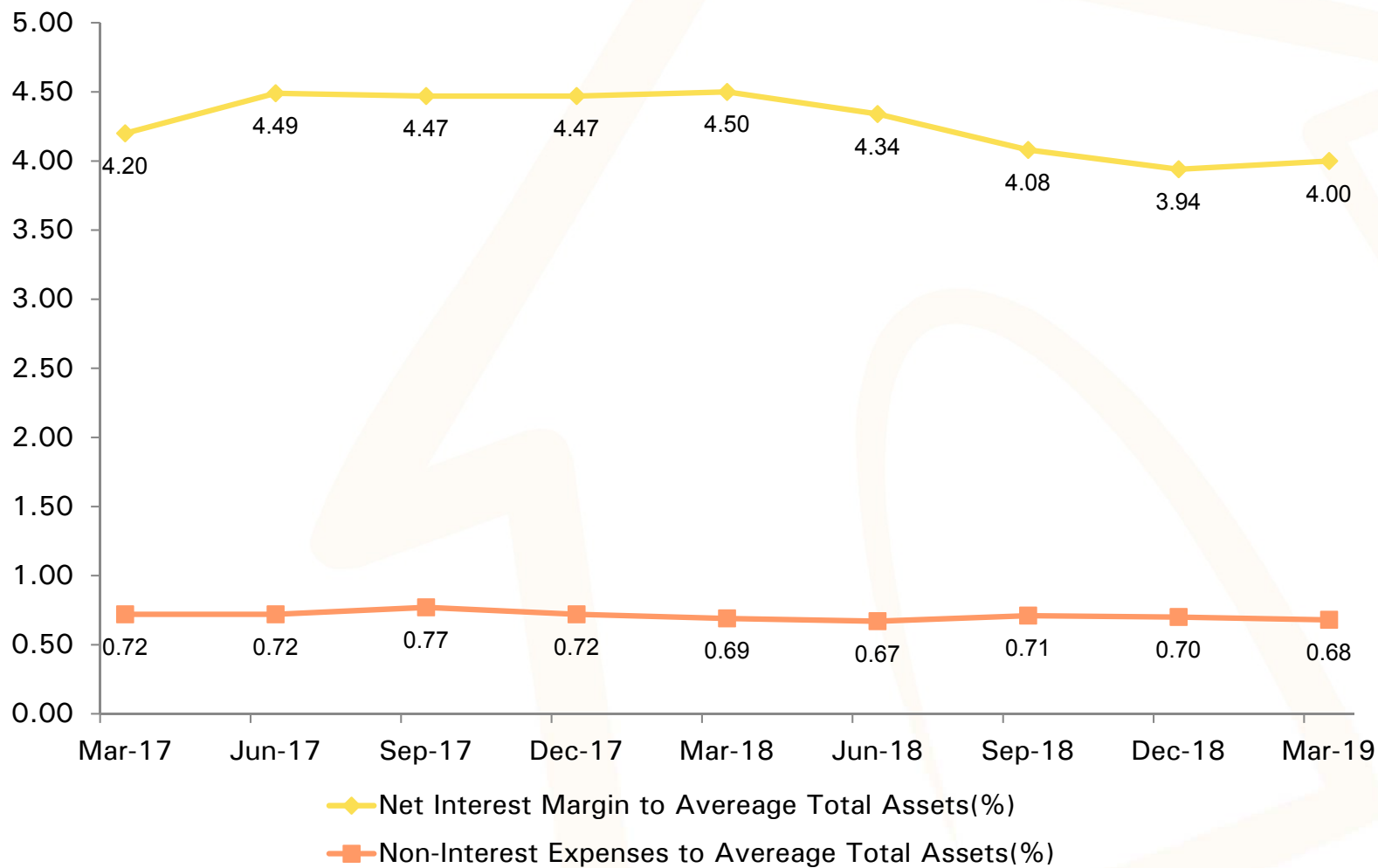
## Profit After Tax (₹ in crore)



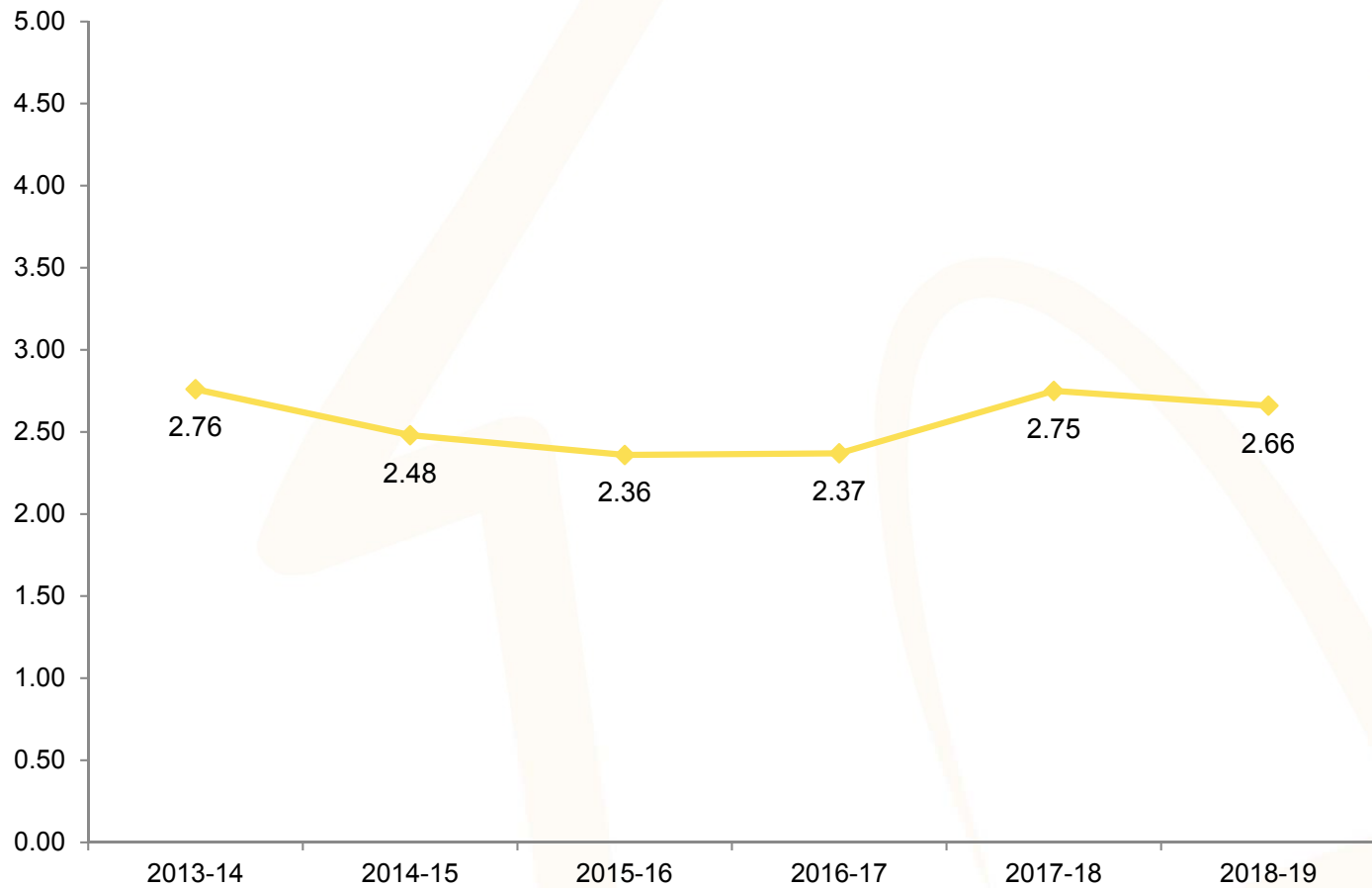
## NIM & NIM to Average Total Assets



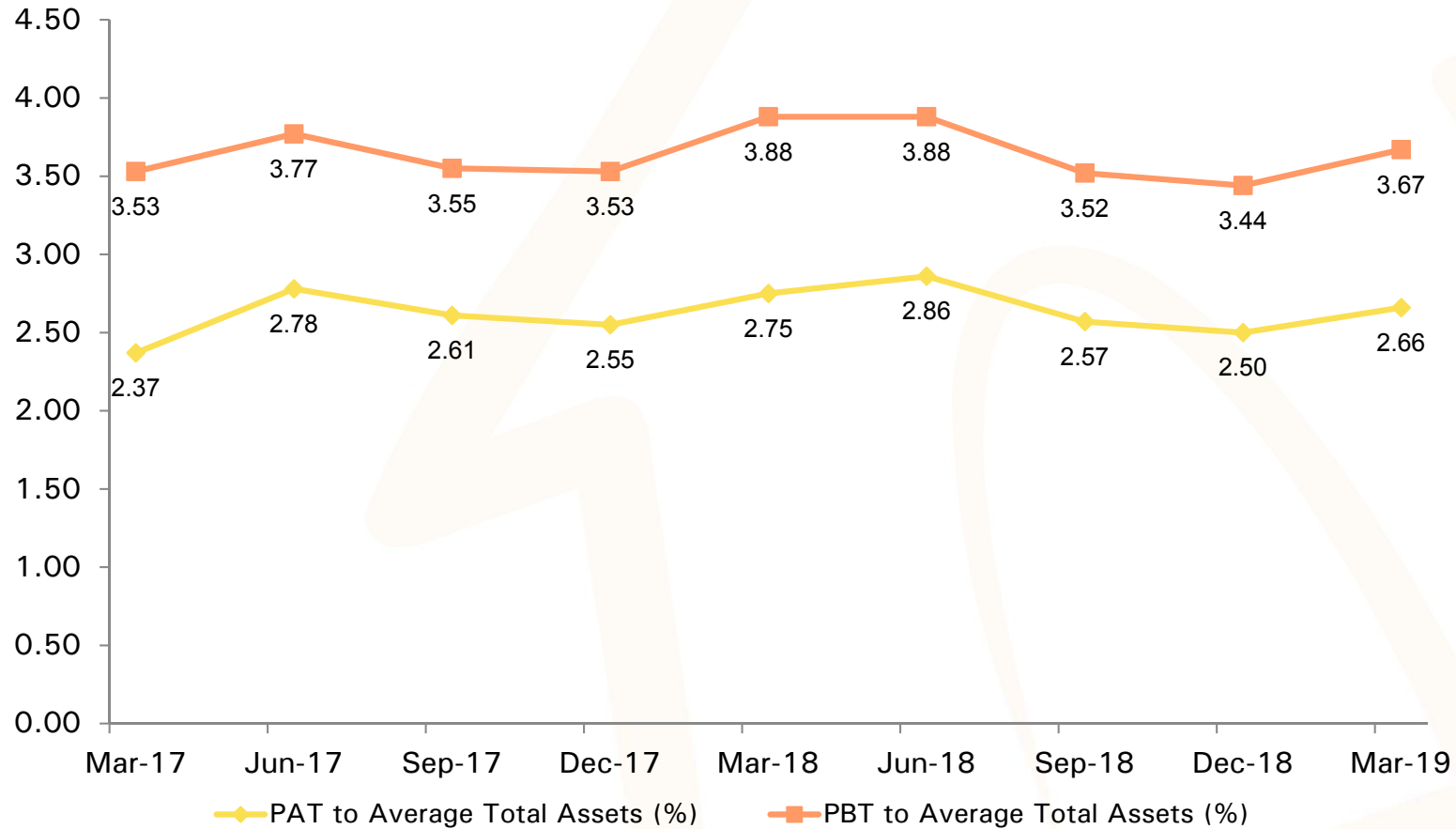
## NIM & NIE to Average Total Assets



## Return on Assets (%)

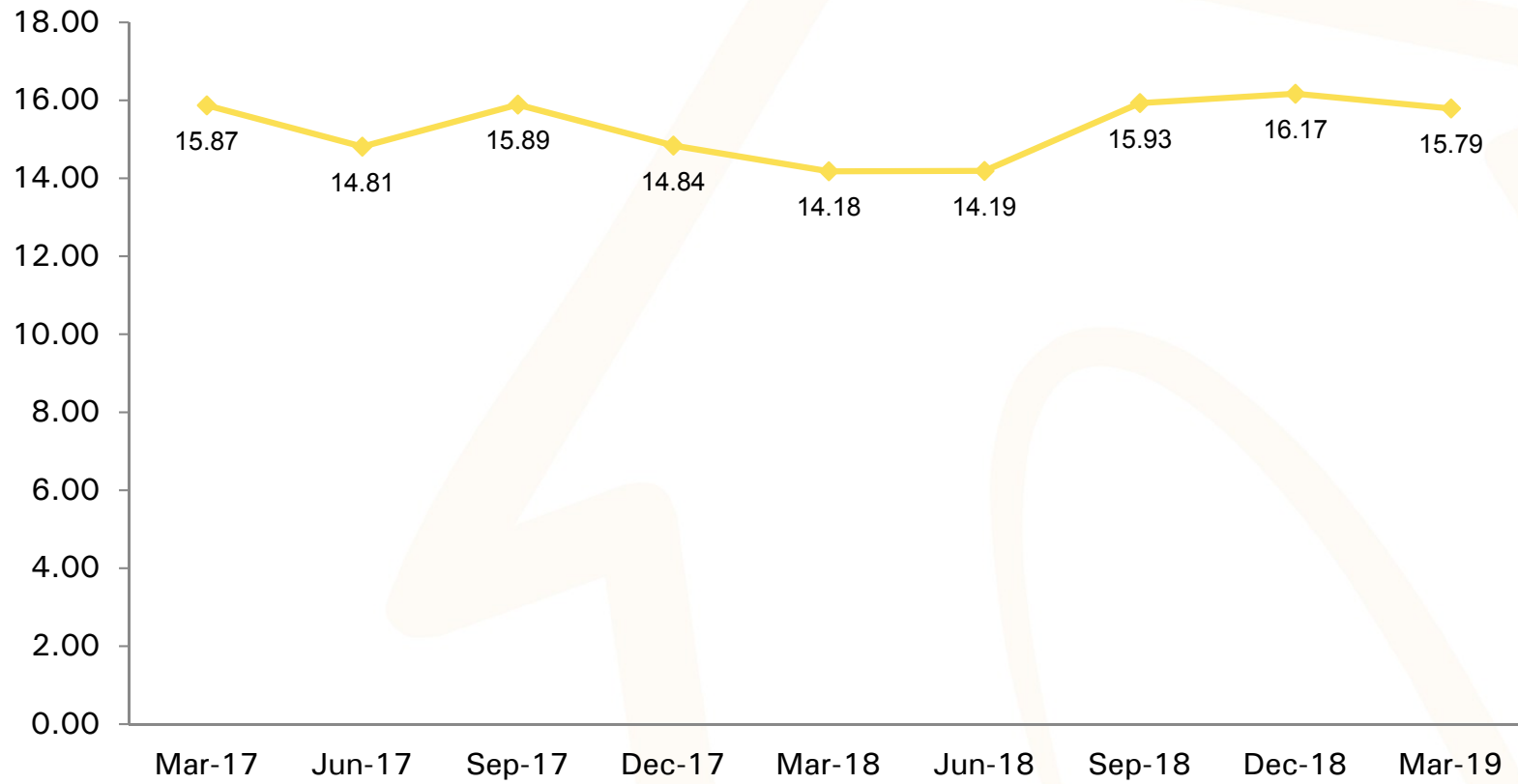


## PBT & PAT to Average Total Assets

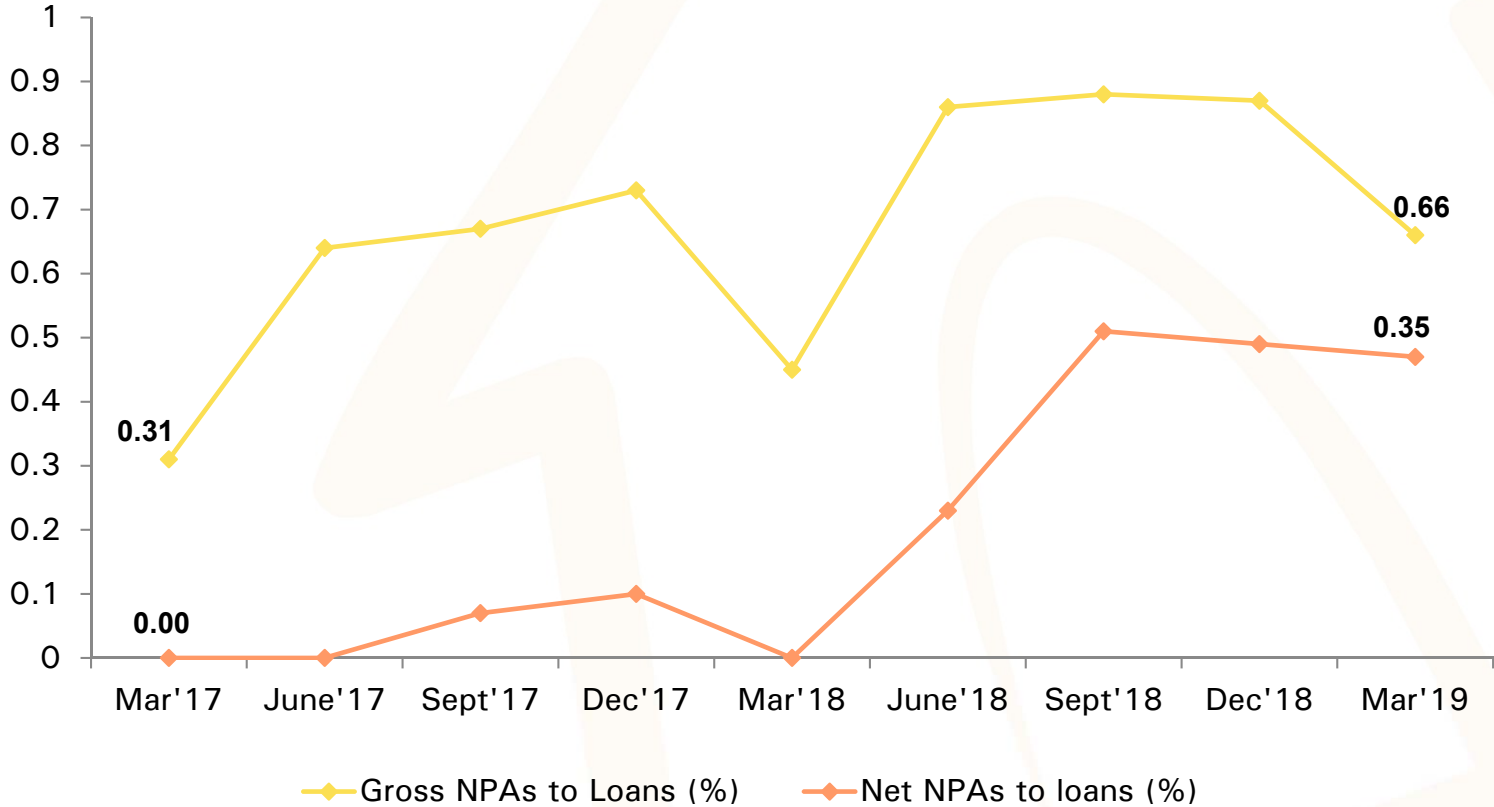




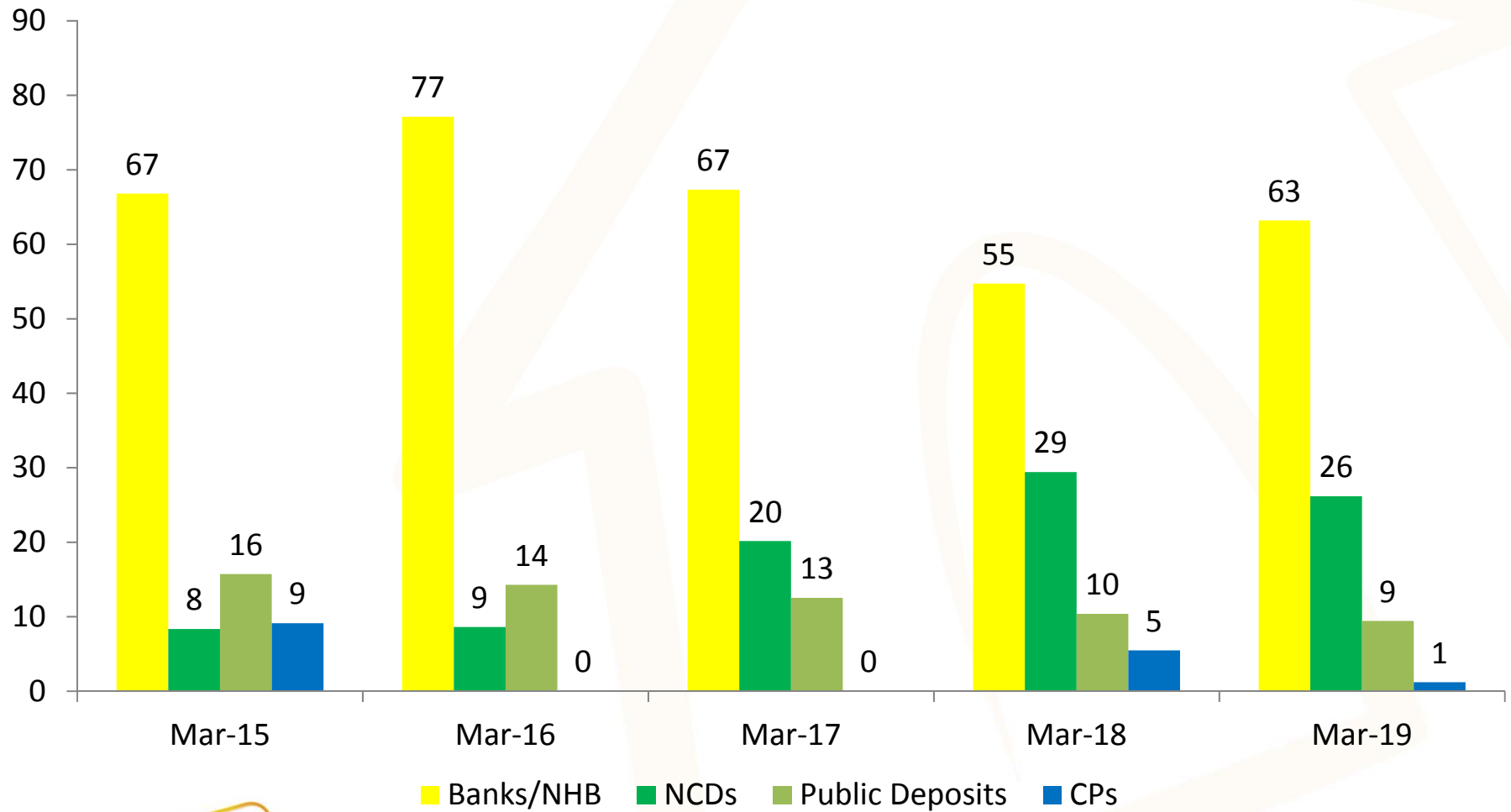
## Cost to Income Ratio (%)



# Gross & Net NPAs to Loans (%)



# Borrowings Profile



# Composition of Assets



# NPAs under Ind AS

(₹ in Crore)

Particulars	March 2019	March 2018
Loan Assets	17,408	15,588
Stage - III Loan Assets	114	70
ECL Provision required as per Ind AS norms on Total Loan Assets	45	37
ECL Provision required as per Ind AS on Total Loan Assets (%)	0.26	0.24
Actual Provisions carried in Books	120	136
Actual ECL Provision carried in Books (%)	0.69	0.87
Excess Provisions carried towards ECL under Ind AS	74	99



## Stage wise composition of Loan Assets in % under Ind AS

Stage	March'19	Mar'2018	Mar'2017
I	95.58	94.48	95.18
II	3.76	5.07	4.51
III	0.66	0.45	0.31
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

# NPAs under NHB Norms

(₹ in Crore)

Particulars	March 2019	Mach 2018
Gross NPAs	114	70
Gross NPAs (%)	0.66	0.45
Minimum Provisions required as per NHB Norms:		
- Standard Assets	51	46
- NPAs	31	18
	82	64
Excess Provisions carried towards		
- Standard Assets	17	20
- NPAs and Contingencies	22	52
	39	72
Actual Provisions carried in Books	121	136
Net NPAs (%)	0.35	0.00



# OUTSTANDING PORTFOLIO

## Composition of Outstanding Loan Portfolio

(₹ in Crore)

	As At March 31, 2019		As At March 31, 2018		Growth
	Amount	%	Amount	%	%
Individuals					
Housing	14337.19	82.72	12818.21	82.53	11.85
Mortgage	1783.43	10.29	1680.63	10.82	6.12
NRP loans	335.36	1.93	364.81	2.35	(8.07)
Developers					
Construction	876.35	5.06	668.04	4.30	31.18
Total	17332.33	100.00	15531.69	100.00	11.59





# Product Wise Loan Outstanding

Composition of Outstanding Portfolio (%) as on					
Product wise	March 2019	March 2018	March 2017	March 2016	March 2015
Home Loans	83	83	81	81	86
Mortgage & NRP	12	13	14	15	10
Developer Loans	5	4	5	4	4
Total	100	100	100	100	100



## Profile of Individual Loans

Operations Details	March 2019	March 2018	March 2017	March 2016	March 2015
1. Average loan per unit (Rs. In Lac)	8.19	7.83	7.52	7.39	6.49
2. Avg. cost per dwelling unit (Rs. In Lac)	13.35	12.72	12.44	13.65	11.14
3. Average FOIR (%)	38	39	39	39	36
4. Average LCR (%)	69	69	68	66	64



# Key Financial Ratios

As on March 31,

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Capital Adequacy Ratio* (%)	20.21	18.90	18.32
Tier – I	19.17	17.68	16.82
Tier –II	1.04	1.22	1.50

*\* Minimum Regulatory Requirement of 12%*

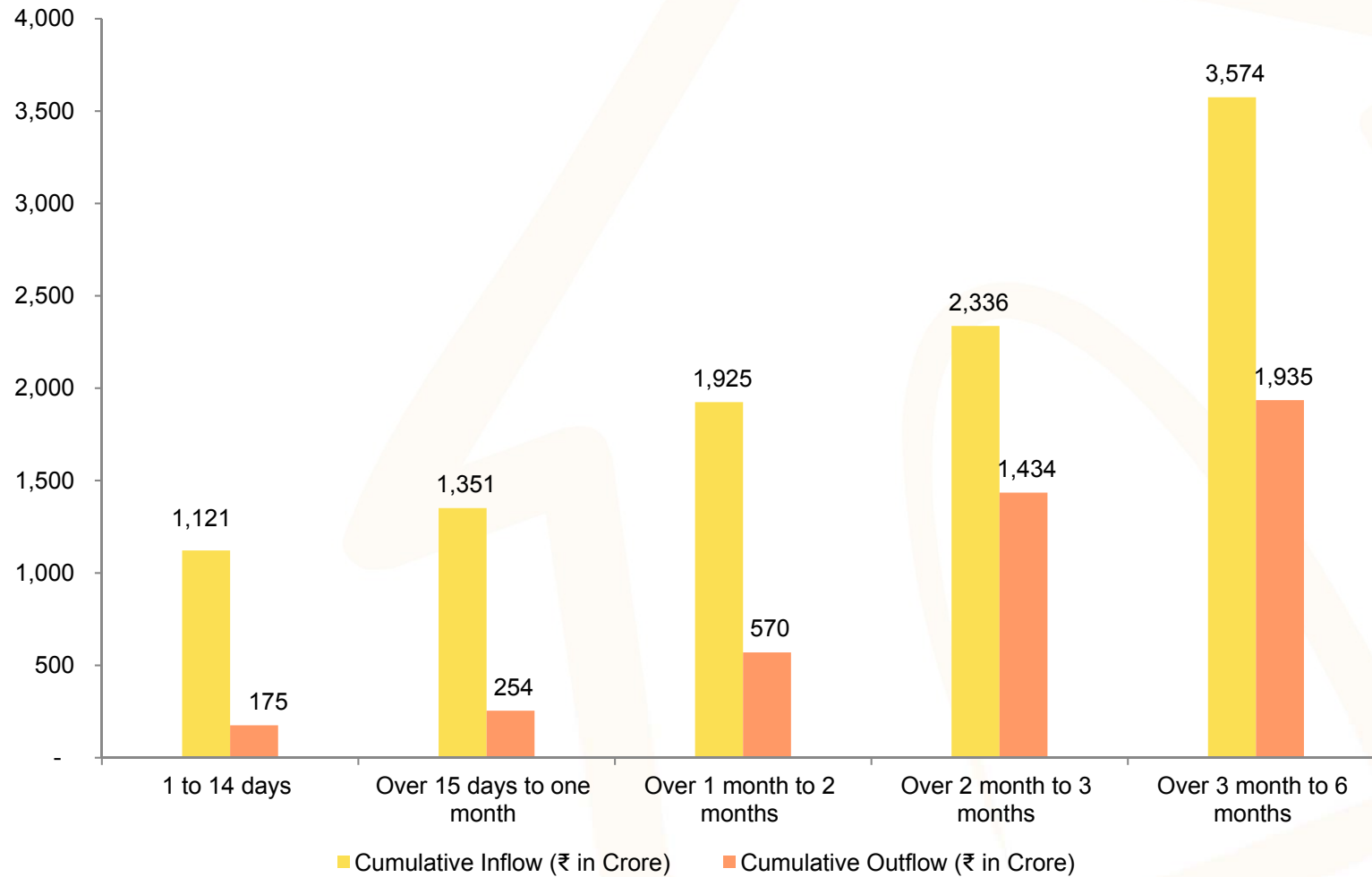
# Productivity Ratios

As on March 31,

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Average No. of Employees	685	682	661
Average No. of Retail offices	195	190	182
Profit After Tax Per Employee (₹ in Lac)	65	59	45
Total Assets Per Employee (₹ in Lac)	2744	2335	2056



## ALM Structural Profile as on March 31, 2019



# Awards and Accolades

- Winner in Affordable Housing Finance Category at the Outlook Money Awards 2017.
- Best Performing Primary Leading Institution under CLSS for EWS/LIG segment
- Highest number of loans to EWS segment under CLSS for EWS/LIG.
- CNBC Bajar Gujarat Ratna Award 2015-16 for “Excellence in Financial Sector” Gujarat.
- Award under the Chief Minister Awas Yojna Scheme for Affordable Housing for servicing highest customers in the LIG segments in Gujarat Housing Board (GHB) Scheme.
- ICAI awards for excellence in financial reporting for year 2007-08 and 2010-11.
- South Asia Federation of Accountants (SAFA) awards for excellence in financial reporting for year 2010-11.
- ICAI Award 2015 to GRUH’s MD under the CA Business Leader - Financial Sector category.
- Silver Trophy of The Financial Express under CFO category “CFO of the year Award 2017” in the Large Enterprises – Services Category.



# Disclaimer

This presentation may contain statements about events and expectations that may be “forward looking”, including those relating to general business plans and strategy of GRUH Finance Limited (GRUH), its future outlook and growth prospects, and future developments in its business and its competitive and regulatory environment. Actual results may differ materially from these forward looking statements due to a number of risks and uncertainties, including future changes or developments in GRUH, its competitive environment, its ability to implement its strategies and initiatives and respond to technological changes and political, economic regulatory and social conditions in India. All financial data in this presentation is obtained from the Audited Financial Statements, basis which the ratios are calculated. This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, invitation or a solicitation of any offer, to purchase or sell, any shares of GRUH and should not be considered or construed in any manner whatsoever as a recommendation that any person should subscribe for or purchase any of GRUH’s Shares. None of the projection, expectations, estimates or prospects in this presentation should be construed as a forecast implying any indicative assurance or guarantee of future performance, nor that the assumptions on which such future projects, expectations, estimates or prospects have been prepared are complete or comprehensive.

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- GRUH Finance Ltd. -



# Thank You

