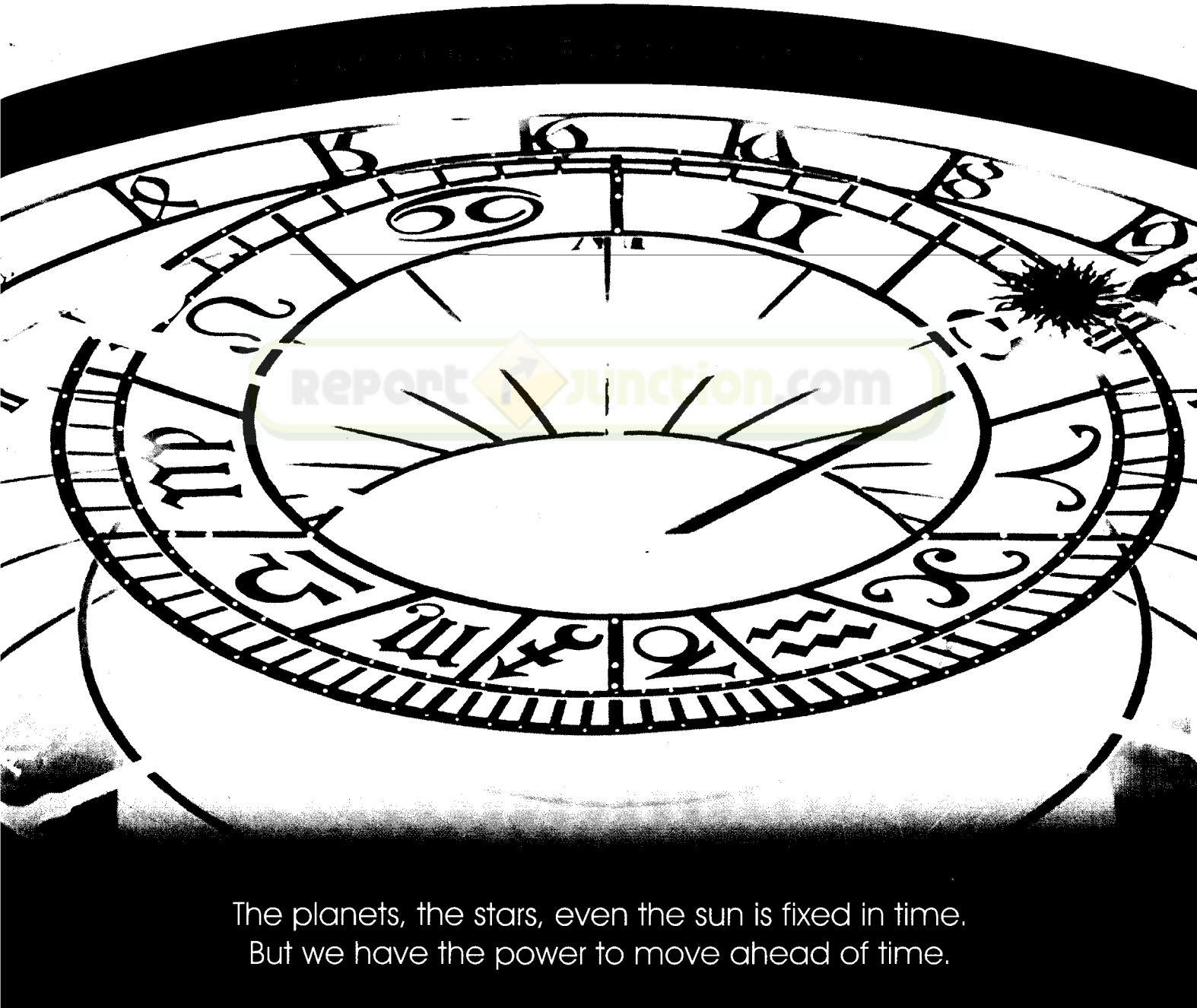




We help you build homes
(A subsidiary of HDFC Ltd.)



The planets, the stars, even the sun is fixed in time.
But we have the power to move ahead of time.

Founder's Vision



Late Shri H.T. Parekh

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"To have an appropriate institutional structure for rural housing in villages and small towns backed by an autonomous, specialized and professionally managed financial agency at a regional level."

**G R U H
FINANCE
LIMITED**

We help you build homes



Mr. Deepak Parekh
Chairman - HDFC Ltd.

Group Chairman's Message

From small beginnings in Ahmedabad in 1988, GRUH's performance has been noteworthy. With a regional focus on deeper geographical pockets across Western India, GRUH has understood and adapted to the needs, repayment patterns and regional nuances of rural India; in turn developing suitable mechanisms to help house the rural populace of Gujarat.

On the occasion of GRUH's 20th anniversary, I extend my congratulations to Sudhin Choksey and his entire team for an exemplary performance. I thank the Gujarat Government for its sustained support. Together, they have not only succeeded in creating a paradigm shift for housing rural India, but have also risen to the challenge of rehabilitating displaced populations during times of major calamities.

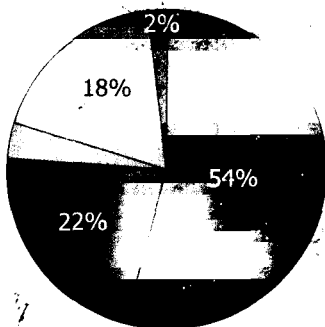
I am sure that GRUH's 'will to serve' will go a long way in ushering success in other regions of Maharashtra, Karnataka, Rajasthan and Madhya Pradesh as well.

HDFC is proud of GRUH's contributions and will always support GRUH in its endeavors.

Profile of GRUH's Customers

Cumulative Disbursements in Individual Segment

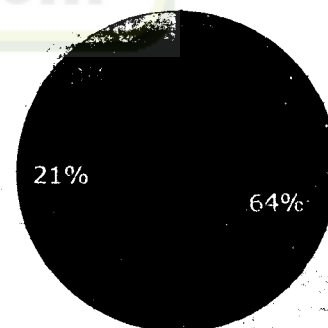
Properties Financed - Location-wise Distribution



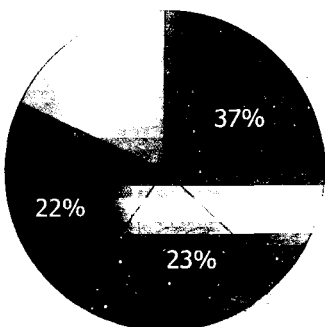
Population at location	No.	%	
< 50,000	62377	54	■
> 50,000 but < 2,00,000	25498	22	■
> 2,00,000 but < 5,00,000	4258	4	■
> 5,00,000 but < 25,00,000	21016	18	■
> 25,00,000	2251	2	■
Total	115400	100	

Properties Financed - Family Income wise Distribution

Monthly Income of Family (Rs.)	No.	%	
< 10,000	73968	64	■
> 10,001 but < 15,000	24136	21	■
> 15,001 but < 20,000	9263	8	■
> 20,000	8033	7	■
Total	115400	100	

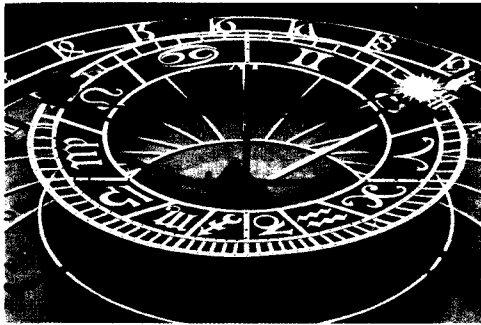


Loan Amount Wise Distribution



(Rs. in Crores)			
Amount	No.	%	
< 10	1000	41	■
> 10 but < 20	1000	41	■
> 20 but < 30	1000	41	■
> 30	1000	41	■
Total	2408	100	

A glimpse at the first two pioneering decades would tell the story of many challenges

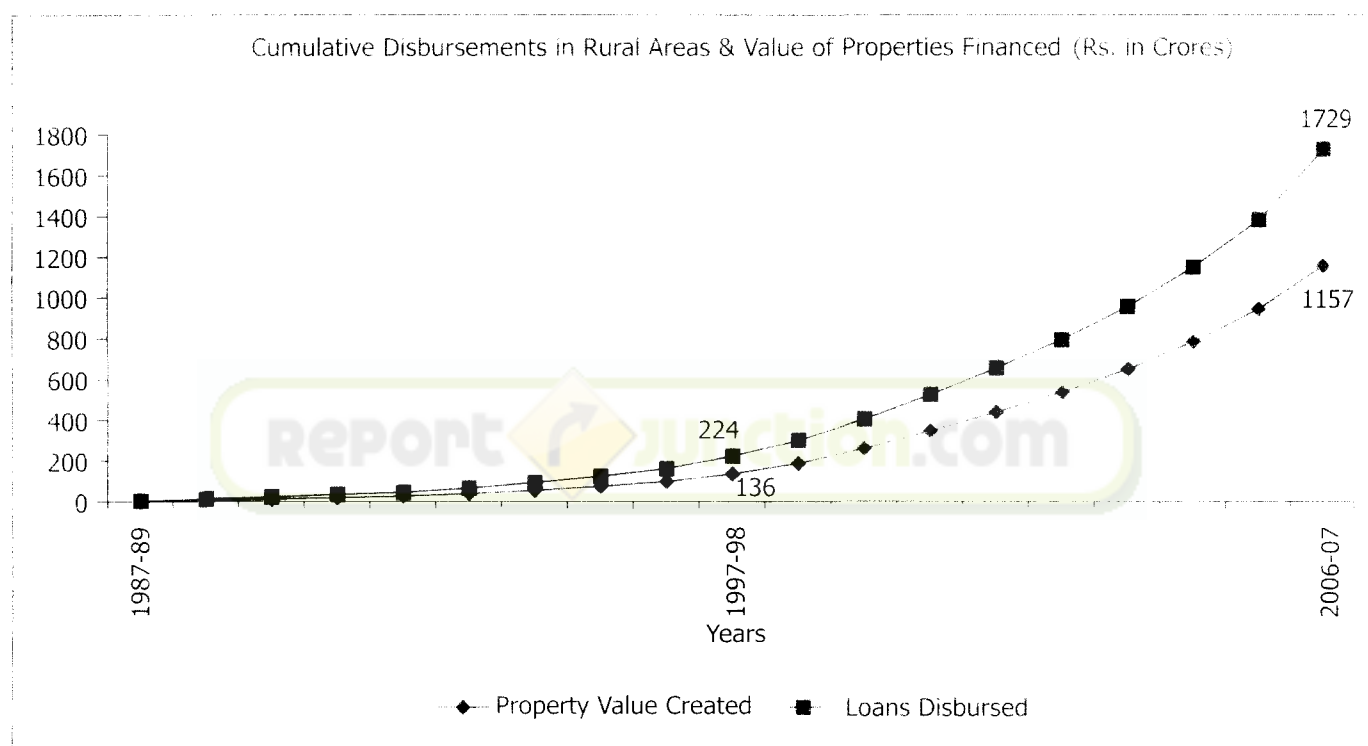


which GRUH has successfully overcome along the path of innovation, consolidation and growth. GRUH has been able to create an asset base that has grown at a steady clip. There has been healthy growth in Cumulative Disbursements, especially in the talukas and remote villages. Today, around 95% of the talukas of Gujarat state and around

67% talukas of Maharashtra state are being served by GRUH. Out of the total disbursements of Rs. 2500 crore, a sum of Rs. 1150 crore has been disbursed among villagers where the population is less than 50,000. This has helped create property ownership and assets whose value would be in excess of Rs.1725 crore. It is significant that 64% of GRUH's customers have a family income of less than Rs 10,000. 60% of the loans disbursed so far are of amounts less than Rs.3 lac. Currently, GRUH has more than 54% of its loan portfolio anchored solidly in the home loan segment in rural areas.

All this is a bellwether indicator of GRUH's enduring commitment to institutionalize rural housing in small towns and villages and thus fulfill the nation building commitment of its visionary founder and its trail-blazing parent.

RURAL FOCUS



Grass-root realities

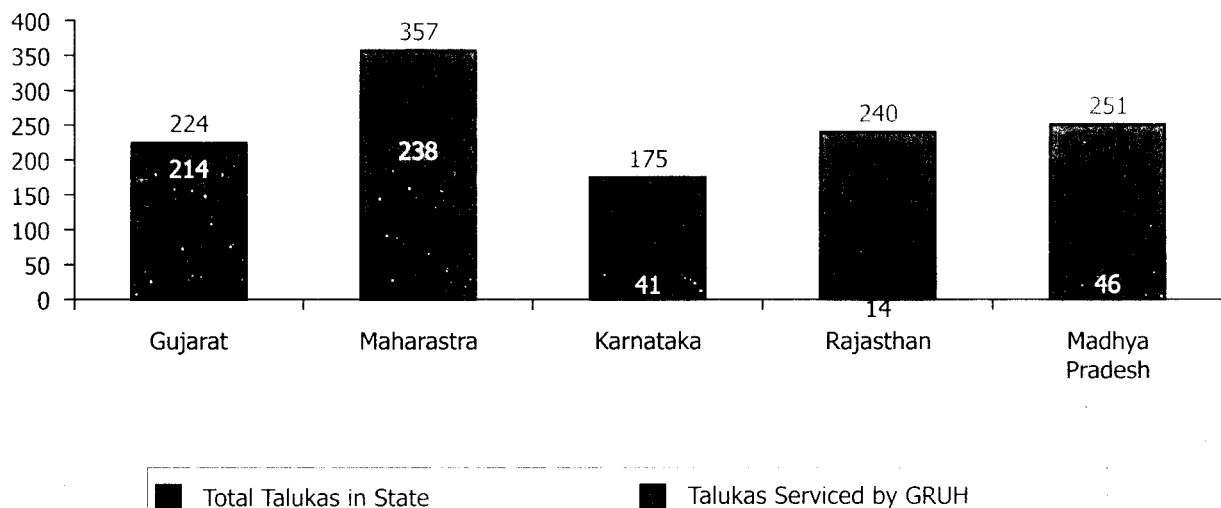
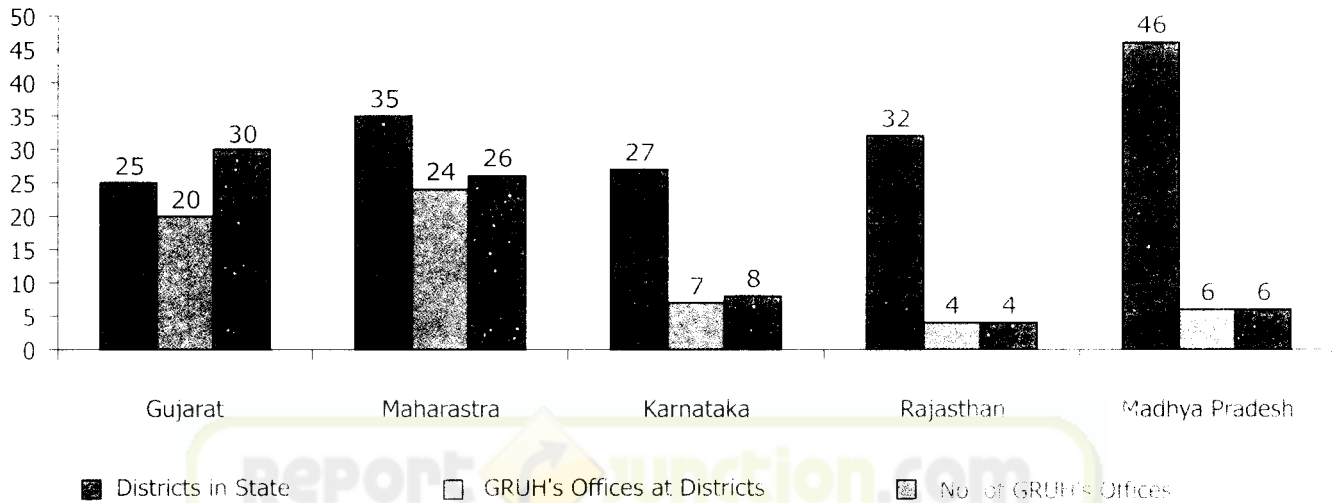
India is more than a country. It is a continent. Hence, a 'one size fits all' mindset cannot suit the country's vast and diverse needs. This is probably the most significant learning that HDFC has contributed to the housing finance industry through the GRUH roster of experience and learning.

As GRUH teams penetrated deeper into the remote interiors, they came face-to-face with the stark compulsions of the 'real India'. Our country has a

large population of self-employed people. They have no formal business structure. They have no proof of income. But they do have regular incomes and they have the capacity to repay. Most importantly, they have the right to aspire to a better life in their own lifetime.



In 20 years of working at the grass-root level, GRUH has experienced the 'real India', its people and their way of living and earning their livelihood. Sensitization to the grass-root realities, inspired GRUH to develop a product specifically for people who could measure up to the age-old maxim very common in India i.e. 'think high but live low'. This inspired the creation of an innovative new housing finance product.....



GRUH SUVIDHA trendsetting improvisation

When creating a market at the proverbial 'bottom of the pyramid', the GRUH experience has shown that you need more than a product. You need to design a service which can 'convert' unexplored needs and thus become a 'product'.

The very name 'SUVIDHA' expresses this mindset. GRUH SUVIDHA has today become a blessing to the small man



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housing finance institutions and then succeeded in getting a housing loan with friendly service from GRUH. It restored their sense of dignity and re-energized the family to dare to aspire to a better lifestyle.



At GRUH we therefore never forget that SUVIDHA is a service first and a product only on our balance sheet.

The humanitarian dimension

Discovering new market needs and developing new product bouquets to fulfill these needs is only one challenging part of the GRUH story. The other is the softer 'human side' of corporate posturing. This becomes urgent and compelling when calamities strike.

Earthquakes, storms, floods and cyclones can set people back by a whole generation. This is when GRUH found that it was not enough to remember traditional marketing aphorisms about 'Customer being King'. It was infact necessary to display corporate conscience and remember that 'Customer is also another human being'.

Keeping this in mind, GRUH has always become one with the afflicted. GRUH has partnered with the National Housing Bank to review

existing interest rates and reduce the burden being shouldered by the calamity hit. GRUH has also actively assisted villagers in construction of new homes after every such adverse circumstance.

