



*We help you build homes*

(A subsidiary of HDFC Ltd)



*Tribute to the GRUH-ini*  
*A driving force for*  
*future momentum and growth*



## GRUH-ini

**A word that signals challenge,  
the cornerstone of our marketing strategy for future growth.**

The practice of coining new words goes back to the ancient Greeks. They even gave it a name: 'neologism' (literally 'new speech').

Today the list of neologisms spans science, technology, commerce and common parlance. Words like 'crowdsourcing', 'photoshop', 'glocalization' or even 'google' are listed as today's commonly used coined words. To this list we at GRUH are happy to add an exciting new word drawn from our own customer experience and ethnic vernacular.

GRUH-ini is the word of the day. Adapted from Indian language words for 'housewife' GRUH-ini reflects the significant role of women in growing the future market for housing mortgage finance. When our founder Shri. H T Parekh mooted the concept of institutions like HDFC and GRUH, the skeptics far outnumbered the believers.

As Shri. Deepak Parekh once pointed out, housing mortgage finance was regarded as a 'non-productive' sector in which no one wanted to invest. Today home loans have become an important part of people's lives and housing mortgage finance is an approximately Rupees nine lac crore market. Average age of buyers has reduced from 41 years in the 1970's to around 36 years today. Significantly, women have become a core market segment accounting for an estimated third of the borrowers and co-borrowers. In keeping with the mandate of our founder, GRUH has helped some of these aspirational women become home owners. By keeping in mind resource mobilization strategies suited to rural women, GRUH has on its part helped to encourage their initiative and reward their willingness to embrace change. Our 2015 annual report touches on some basic tenets of marketing in the context of the emerging window of opportunity. It contains a few vignettes which showcase the challenges faced by the GRUH-ini – the woman, wife and mother who has become not just an agent but a driver of change and a trigger for future growth momentum.



## GRUH's very own GRUH-inis

### Women empowerment within GRUH

Our founder Shri. H T Parekh was among the earliest pioneers in India's financial institutions and he was also passionate about empowering women to not only enter the workplace but also break through the proverbial glass ceiling.

In keeping with his philosophy, GRUH like its illustrious parent HDFC, strives to provide meaningful careers to women. A Significant percentage of our office and field workers are women. These GRUH-inis have learnt to navigate challenges, stretch their imaginations and meet with individuals and families on a human level. They feel the same sense of joy when they bring a smile to someone's face or even when they simply refuse to accept the unacceptable.

Their success at GRUH is a silent tribute to our founder. As Warren Buffett, one of the world's most successful investors has said: 'Someone's sitting in the shade today because someone else planted a tree a long time ago'

## BOARD OF DIRECTORS AND THEIR BRIEF PROFILE



Mr. Keki M. Mistry  
(Chairman)  
(DIN : 00008886)

Mr. Keki M. Mistry, the non-executive Chairman of the Company is the Vice Chairman & Chief Executive Officer of Housing Development Finance Corporation Limited (HDFC). He is a Fellow of the Institute of Chartered Accountants of India. Mr. Mistry serves as a director on the board of several companies including HDFC Bank Limited, HDFC Standard Life Insurance Co. Ltd., HDFC ERGO General Insurance Company Limited, HDFC Asset Management Company Ltd., Greatship (India) Ltd., Sun Pharmaceuticals Industries Ltd., Torrent Power Ltd., HCL Technologies Ltd., CDC Group, London., amongst others. He has been on the board of GRUH since 2000 and has been Chairman of the Company since 2002. He is a member of the Audit Committee and Nomination and Remuneration Committee of GRUH.



Mr. S. M. Palia  
(DIN : 00031145)

Mr. S.M. Palia, is a development banker. He holds a degree in Commerce, Law and Banking [CAIIB, CAIB (London)] and has 25 years working experience in Industrial Development Bank of India (IDBI) in various capacities. He retired as Executive Director of IDBI in 1989. He is on the board of reputed companies like The Bombay Dyeing & Mfg. Co. Ltd., Saline Area Vitalisation Enterprises Ltd., and AI Champdany Industries Limited., etc. He has been on the board of GRUH since 1993. He was Vice Chairman of the Company from 1993 to 2000 and Chairman of the Company for one year from January 2001. He is Chairman of the Audit Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.



Mr. Rohit C. Mehta  
(DIN : 000050173)

Mr. Rohit C. Mehta, is a prominent and successful industrialist possessing a wide and varied experience in the management of business and industry. He is a Law Graduate from the Bombay University. He was International President of Lions Clubs International. He has also been the President of Federation of Indian Chambers of Commerce & Industry. He is the Chairman of Torrent Cables Ltd. He is on the board of reputed companies like Rampion Technologies Pvt. Ltd., Rampion Eyetech Pvt. Ltd., Universal Trustees Pvt. Ltd., C.C Chokshi Advisors Pvt Ltd, etc. He has been on the board of GRUH since 1987 and was the Chairman of the Company from 1987 to 1998. He is Chairman of Stakeholders Relationship Committee of GRUH and a member of the Audit Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.



Mr. Prafull Anubhai  
(DIN : 00040837)

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., Vardhman Special Steels Ltd., Birla Sun Life Trustee Co. Pvt. Ltd, Torrent Cables Ltd, Botil Oil Tools (India) Pvt. Ltd., etc. He has been on the board of GRUH since 1987. He is a member of the Audit Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.



Ms. Renu S. Karnad  
(DIN : 00008064)

Ms. Renu Sud Karnad, the Managing Director of HDFC, holds a Master's degree in Economics from the University of Delhi and is a Law Graduate. She is a Parvin Fellow – Woodrow Wilson School of International Affairs, Princeton University, U.S.A. She has been employed with HDFC since 1978. She is responsible for the lending operations of HDFC. She is a director in companies like HDFC Bank Ltd., HDFC Asset Management Company Ltd., HDFC Standard Life Insurance Company Limited, HDFC ERGO General Insurance Company Limited, Indraprastha Medical Corporation Limited, EIH Ltd., Bosch Ltd., HIREF International Fund Pte Ltd., HIREF International Fund Pte Ltd., etc. She has been on the board of GRUH since 2000. She is a member of the Nomination and Remuneration Committee of GRUH.

## BOARD OF DIRECTORS AND THEIR BRIEF PROFILE



Mr. K. G. Krishnamurthy  
(DIN : 00012579)

Mr. K.G. Krishnamurthy is the Managing Director and 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 HDFC Venture Capital Limited, Vascon Engineers Limited, New Consolidated Construction Co. Ltd., etc. He has been appointed on the board of GRUH since 2004. He is a member of Stakeholders Relationship Committee of GRUH.



Mr. S. G. Mankad  
(DIN : 00086077)

Mr. S.G. Mankad, IAS (retd), holds Masters in History from University of Delhi. He has served in various capacities both in Government of India and the State of Gujarat. His last assignment was as Chief Secretary, Govt. of Gujarat. He is chairman of Gujarat Institute of Desert Ecology (GUIDE), chairman of Indian Institute of Public Health, Gandhinagar and is associated with several educational institutions and NGOs. He is the Chairman of Bhavnagar Energy Co. Ltd., Gujarat International Finance Tec- City Co. Ltd., and Director in IL&FS Education & Technology Services Ltd., IL&FS Skills Development Corporation Ltd., Deepak Nitrite Ltd., Navin Fluorine International Ltd, Swaraj Engines Limited., National Securities Depository Limited and Mahindra Intrade Ltd. He is on the Board of GRUH since 2010. He is a member of Stakeholders Relationship Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.



Mr. Biswamohan Mahapatra  
(DIN : 06990345)

Mr. Biswamohan Mahapatra was a career central banker with his career spanning over 33 years in the Reserve Bank of India (RBI). In the RBI he worked in various capacities and retired as Executive Director in 2014. He spent most of his career in the RBI in the important areas of banking regulation, policy and supervision. Post-retirement, the RBI retained him as an Advisor on full time contract basis for six months on new bank licensing. He holds Master of Science in Management (MSM) degree from Arthur D. Little Management Education Institute, Cambridge, USA; Master of Business Administration (MBA) degree from the University of Delhi, Delhi; and Master of Arts (MA) degree from Jawaharlal Nehru University, New Delhi. He is also a Certified Associate of the Indian Institute of Bankers (CAIIB). He was associated with various working groups and committees of RBI. He is an external Senior Advisor to Ernst & Young LLP. He is a director on the boards of Edelweiss Financial Services Ltd. and Credila Financial Services Pvt. Ltd. He is a member of the Audit Committee and the Nomination and Remuneration Committee of GRUH.



Mr. Kamlesh Shah  
(Executive Director)  
(DIN : 03092230)

Mr. Kamlesh Shah, the Executive Director of GRUH is a Chartered Accountant from the Institute of Chartered Accountants of India. He has been employed with GRUH since 1990. He has the working experience of handling functional areas of operations, finance, human resources and administration. He is on the Board of GRUH since 2010.



Mr. Sudhin Choksey  
(Managing Director)  
(DIN : 00036085)

Mr. Sudhin Choksey, the Managing Director of GRUH, is a Fellow Member of the Institute of Chartered Accountants of India. He was appointed as the CEO of the Company in 1998 and the Managing Director in 2000. He has been on the Board of GRUH since May 1996. He has the working experience of handling functional areas of finance, commercial and general management both in India and abroad. He is a director on the board of Deepak Nitrite Ltd., Gujarat Ambuja Exports Ltd., Credila Financial Services Pvt. Ltd., Hunnar Shaala Foundation for Building Technology and Innovations and Saath Livelihood Services. He is a member of the Stakeholders Relationship Committee and the Corporate Social Responsibility (CSR) Committee of GRUH.

## SENIOR MANAGEMENT TEAM

Suresh Iyer  
Manish Gandhi  
Harish Sharma  
Ajay Kumar  
Narendra Rao  
Dharmesh Bhavsar

Amit Chokshi  
Jayesh Gangwani  
Venu Menon  
Umesh Agrawal  
Dushyant Joshi  
Rupali Shelar  
Rakesh Hardiya  
Subramaniam K.

**Company Secretary**      Marcus Lobo

**Chief Financial Officer**      Hitesh Agrawal

## REGISTERED OFFICE

"GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380 006.  
Phone : 91-79-2642 1671 to 75, 3290 1222/23      Fax : 2656 0649

CIN : L65923GJ1986PLC008809

Email : [investorcare@gruh.com](mailto:investorcare@gruh.com)

Website : [www.gruh.com](http://www.gruh.com)

Toll Free :  
Loans : 1800 233 5300

Deposits : 1800 233 7923

## AUDITORS

M/s SORAB S. ENGINEER & Co.,  
Chartered Accountants

## ADVOCATES & NOTARY

M/s SINGHI & Co.,  
Advocates & Notary

## DEBENTURE TRUSTEES

IDBI Trusteeship Services Ltd.  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.

## BANKERS

Allahabad Bank \* Axis Bank Ltd. \* Bank of Baroda \* Bank of India \* Bank of Maharashtra \* Bank of Nova Scotia \* Central Bank of India  
Canara Bank \* Corporation Bank \* Dena Bank \* Development Credit Bank Ltd. \* HDFC Bank Ltd. \* ICICI Bank Ltd. \* IDBI Bank Ltd.  
Indian Overseas Bank \* IndusInd Bank Ltd. \* Kotak Mahindra Bank Ltd. \* Oriental Bank of Commerce \* Punjab & Sind Bank  
The Hongkong and Shanghai Banking Corporation Ltd. \* The Jammu and Kashmir Bank Ltd. \* State Bank of Bikaner & Jaipur  
State Bank of India \* State Bank of Patiala \* State Bank of Mysore \* State Bank of Travancore \* Syndicate Bank \* UCO Bank  
Union Bank of India \* Vijaya Bank

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## HIGHLIGHTS

(₹ in crores)

| Financial Highlights          | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Loan Disbursements            | 3,121   | 2,577   | 2,174   | 1,487   | 1,211   | 780     | 655     | 632     | 474     | 360     |
| Net Interest Income           | 344     | 271     | 218     | 179     | 143     | 115     | 85      | 74      | 52      | 36      |
| Fees & Other Charges          | 33      | 27      | 22      | 17      | 14      | 12      | 7       | 6       | 6       | 6       |
| Operating Cost                | 64      | 56      | 46      | 39      | 32      | 25      | 21      | 18      | 14      | 12      |
| Operating Profit              | 318     | 246     | 198     | 159     | 127     | 103     | 72      | 63      | 44      | 30      |
| Provisions & Write Offs (Net) | 17      | 2       | 1       | (4)     | 1       | 8       | 3       | 4       | 7       | 4       |
| Profit Before Tax             | 301     | 244     | 197     | 163     | 126     | 94      | 70      | 59      | 37      | 26      |
| Profit After Tax              | 204*    | 177     | 146     | 120     | 92      | 69      | 50      | 42      | 30      | 22      |
| Stockholders' Equity          | 711     | 607     | 491     | 386     | 318     | 265     | 221     | 190     | 164     | 87      |
| Borrowed Funds                | 8,216   | 6,447   | 4,915   | 3,833   | 2,966   | 2,323   | 2,245   | 1,773   | 1,305   | 1,080   |
| Loan Assets                   | 8,915   | 7,009   | 5,438   | 4,067   | 3,172   | 2,449   | 2,086   | 1,770   | 1,377   | 1,069   |

## Key Financial Ratios

|   |       |       |       |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Capital Adequacy Ratio (%)                  | 15.36 | 16.36 | 14.56 | 13.95 | 13.32 | 16.55 | 16.21 | 18.15 | 16.31 | 14.24 |
| Debt Equity Ratio (times)                   | 12    | 11    | 10    | 10    | 9     | 9     | 10    | 9     | 8     | 12    |
| Loans to Total Assets (%)                   | 97    | 97    | 97    | 94    | 94    | 92    | 82    | 88    | 90    | 89    |
| Gross NPAs to Loan Assets (%)               | 0.28  | 0.27  | 0.32  | 0.52  | 0.82  | 1.11  | 0.94  | 1.12  | 1.36  | 1.48  |
| Net NPAs to Loan Assets (%)                 | 0     | 0     | 0.05  | 0     | 0     | 0     | 0     | 0     | 0     | 0.23  |
| Net Interest Margin to Average Assets (%)   | 4.18  | 4.21  | 4.38  | 4.64  | 4.73  | 4.42  | 3.73  | 4.18  | 3.82  | 3.37  |
| Non-Interest Expenses to Average Assets (%) | 0.78  | 0.87  | 0.93  | 1.01  | 1.06  | 0.98  | 0.91  | 1.01  | 1.02  | 1.10  |
| Cost to Income Ratio (%)                    | 17    | 19    | 19    | 20    | 20    | 20    | 22    | 22    | 24    | 28    |
| PAT to Average Assets (%)                   | 2.48  | 2.76  | 2.94  | 3.12  | 3.02  | 2.65  | 2.21  | 2.39  | 2.17  | 2.03  |
| Return on Average Network (%)               | 31    | 32    | 33    | 34    | 31    | 28    | 24    | 24    | 24    | 27    |

## Measuring Shareholders' Wealth

|   |       |        |        |       |       |       |      |       |       |      |
|---|-------|--------|--------|-------|-------|-------|------|-------|-------|------|
| Earnings Per Share (₹) ^                    | 5.57  | 4.93   | 4.11   | 3.41  | 2.62  | 1.99  | 1.45 | 1.22  | 0.94  | 0.74 |
| Dividend Rate (%)                           | 100 @ | 150    | 125    | 115   | 110** | 65    | 48   | 40    | 30    | 25   |
| Dividend Payout Ratio (%)                   | 43    | 36     | 36     | 39    | 49    | 38    | 39   | 38    | 41    | 35   |
| Book Value Per Share as at March 31 (₹) ^   | 19.64 | 16.92  | 13.82  | 10.94 | 9.10  | 7.62  | 6.37 | 5.49  | 4.74  | 3.28 |
| Market Price Per Share as at March 31 (₹) ^ | 244   | 147.65 | 105.15 | 63.70 | 36.02 | 21.78 | 9.37 | 15.44 | 13.74 | 9.33 |
| Price to Value Ratio (times)                | 12.42 | 8.73   | 7.61   | 5.83  | 3.96  | 2.86  | 1.47 | 2.81  | 2.90  | 2.85 |
| Price to Earnings Ratio (times)             | 44    | 30     | 26     | 19    | 14    | 11    | 6    | 13    | 15    | 11   |
| Market Capitalisation (in crores)           | 8,867 | 5,319  | 3,753  | 2,249 | 1,266 | 756   | 325  | 535   | 476   | 247  |

\* Profit After Tax is arrived after providing Deferred Tax Liability of ₹ 19.33 crores on Special Reserve which was required to be created from FY 2014-15.

\*\* Includes one time Special Silver Jubilee Year Dividend of 25%

^ During FY 1213, w.e.f. July 26, 2012, face value of equity shares of the Company was sub-divided to ₹ 2 per equity share from ₹ 10 per equity share and hence adjusted for Split and Bonus shares.

@ The Company allotted bonus shares in the ratio of 1:1 during June'2014. Dividend is for the full year on enhanced capital post issue of bonus shares.

## Life stage segmentation

An opportunity to explore new horizons  
of trust, innovation and caring

Most of GRUH's young customers are people who believe that they can change their lives through the aspirational expedient of home ownership. Many of them are secondary school literates. Some are drop outs who plunged into entrepreneurial forays through sheer adverse circumstance.

GRUH's segmentation and target marketing always begins with selection of field teams who can understand the local, ethnic and cultural community divides in a huge customer base. When it goes to a new market, GRUH endeavors to identify customer segments by life-stage not just occupation or lifestyle. The next step is to make product variations relevant with proper customer education. This is GRUH's approach to customer life cycle management, which in turn lays the foundations for customer retention. It also generates Word-of-Mouth and helps to achieve incremental revenue growth in the years ahead.



*'They said only GRUH can help'*

**GRUH-ini Vandana Pandit**

The biggest banks advised to go to GRUH. My husband was a clerk in the City Civil Court and I had a job in a private school. We relocated to Pune when my husband got transferred and we needed a house but banks turned us down. They said the salary was not good enough and age was a problem. They said GRUH was our only hope. GRUH gave us a loan stretching up to the age of 75 years on a 30 year tenure and also took my earning into consideration.



*'I refused to accept defeat'*

**GRUH-ini Vijayalaxmi Patel**

I was working with a housing finance company but their rules did not allow us to qualify when we transferred from Nagpur to Navsari. We badly needed a house since my husband and I live with our in-laws. Surprisingly, GRUH examined our case sympathetically. They cleared the file in record time. In those days we were unable to buy a single house. Today we have a second house in our native place and it probably has a market value of about Rs. 50 Lacs.



*'My sister made it possible'*

**Brother of GRUH-ini Niharika Lad**

My sister stays with us, our parents, my wife and two children. When I applied for a loan my salary was not enough to buy the property we had seen. Fortunately my sister applied on her salary. GRUH gave us the loan. Today we are a happy family, proud of Niharika and the way she has supported us.

## DIRECTORS' REPORT

### TO THE MEMBERS,

Your directors are pleased to present the Twenty Ninth Annual Report of your Company with the audited accounts for the year ended March 31, 2015.

### FINANCIAL RESULTS

(₹ in crores)

|  | For the<br>year ended<br>March 31,<br>2015 | For the<br>year ended<br>March 31,<br>2014 |
|--|--|--|
| Profit Before Tax  | 300.84                                     | 244.46                                     |
| Provision for Tax  | 77.71                                      | 67.50                                      |
| Deferred Tax on Special Reserve                                    | 19.33                                      | 0.00                                       |
| Profit After Tax   | 203.80                                     | 176.96                                     |
| Add:   |  |  |
| Balance brought forward from last year                             | 143.59                                     | 110.12                                     |
| Amount available for appropriation                                 | <u>347.39</u>                              | <u>287.08</u>                              |
| <b>Appropriations:</b>   |  |  |
| Special Reserve  | 56.87                                      | 45.00                                      |
| General Reserve  | 40.00                                      | 20.00                                      |
| Additional Reserve u/s 29C of NHB Act, 1987                        | 0.00                                       | 15.00                                      |
| Amount utilised towards Corporate Social Responsibility Activities | 1.93                                       | 0.00                                       |
| Proposed Dividend  | 72.68                                      | 54.04                                      |
| Additional Tax on Proposed Dividend                                | 14.80                                      | 9.18                                       |
| Dividend pertaining to previous year paid during the year          | 0.00                                       | 0.27                                       |
| Balance carried to Balance Sheet                                   | <u>161.11</u>                              | <u>143.59</u>                              |
|  | <u>347.39</u>                              | <u>287.08</u>                              |

### Dividend

Your directors recommend payment of dividend of ₹ 2.00 per equity share of face value of ₹ 2 each for the year ended March 31, 2015 on the enhanced paid-up capital of the Company post the issue of bonus shares in the ratio of 1:1. Considering that the Company declared a 1:1 bonus during the year, the effective dividend for the year is ₹ 4.00 per equity share (pre-bonus) as compared to ₹ 3.00 per share in the previous year. Although the bonus shares were allotted on June 11, 2014, dividend on these shares will be payable for the entire financial year. The dividend payout ratio for the year inclusive of additional tax on dividend will be 43% as against 36% in the previous year.

### Changes in Share Capital

During the year under review, the paid up share capital increased as a result of the 1:1 Bonus Issue, whereby your Company allotted 18,01,31,150 Bonus shares. The paid up share capital also increased as a result of allotment of 31,22,280 equity shares of the face value of ₹ 2/- each upon exercise of stock options under ESOS-2011 (Tranche-I) and ESOS-2011 (Tranche-II). Consequently the equity share capital has increased from ₹ 36,02,62,300 divided into 18,01,31,150 equity shares of ₹ 2/- each to ₹ 72,67,69,160 divided into 36,33,84,580 equity shares of ₹ 2/- each.

### Disbursements

Loan disbursements during the year were ₹ 3,120.87 crores as against ₹ 2,577.47 crores in the previous year. GRUH continued to focus mainly on the retail segment and disbursed ₹ 2,834.37 crores to 34,608 families. Cumulative disbursements as at March 31, 2015 were ₹ 15,215.12 crores.

### Golden Jubilee Rural Housing Finance Scheme

GRUH disbursed ₹ 1,296.14 crores in respect of 18,719 dwelling units during the year under the Golden Jubilee Rural Housing Finance Scheme of the Government of India. Cumulative disbursements under the scheme were ₹ 5,379.87 crores in respect of 1,24,113 dwelling units.

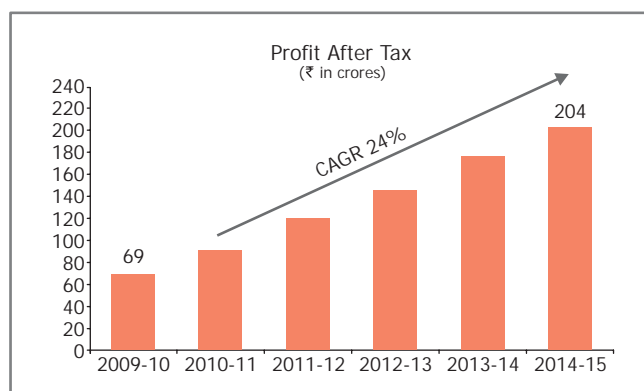
### Rural Housing Fund

The National Housing Bank (NHB) has formulated a scheme called the Rural Housing Fund - 2008 (RHF). The scheme is aimed towards rural housing undertaken by families falling under the weaker Section category as defined in the Reserve Bank of India guidelines on lending to the priority sector.

During the year, GRUH disbursed ₹ 301.06 crores in respect of 4,679 loans in rural areas wherein the loans meet the criteria laid down under the scheme.

### Urban Low Income Housing Scheme

The Ministry of Housing and Urban Poverty Alleviation (MHUPA) launched a special scheme called the Urban Low Income Housing Scheme (LIH) in January 2012 to finance families in the EWS / LIG segment in urban areas. NHB is the nodal agency for monitoring this scheme.



During the year, GRUH disbursed ₹ 428.52 crores in respect of 8,845 loans in urban areas wherein the loans meet the criteria laid down under the scheme. The cumulative disbursement under the scheme since its inception in January 2012 is ₹ 1,331.42 crores in respect of 27,979 loans.

#### Refinance Scheme for Women

NHB launched a special refinance scheme in July 2013 aimed at financing women applicants in urban areas wherein the property is owned by women.

During the year, GRUH disbursed ₹ 86.55 crores in respect of 1,168 loans in urban areas wherein the loans meet the criteria laid down under the scheme. The cumulative disbursements under the scheme since its inception in July 2013 is ₹ 146.87 crores in respect of 2,076 loans.

#### Credit Risk Guarantee Fund Scheme

Under the Credit Risk Guarantee Fund Scheme (CRGFS) for Low Income Housing in urban areas, GRUH has disbursed ₹ 37.09 crores in respect of 1,935 loans during the year. The cumulative disbursements in respect of loans covered by Credit Risk Guarantee Cover is ₹ 39.54 crores in respect of 2,008 loans.

The cumulative portfolio approved by the CRGFT for Credit Risk Guarantee cover is ₹ 4.25 crores in respect of 110 loans since inception of the scheme.

#### Loan Assets

As at March 31, 2015, the loan assets increased to ₹ 8,915.35 crores recording a growth of 27%. Loan assets in respect of the retail segment grew by 26% and stood at ₹ 8,594.60 crores.

#### Non-Performing Loans

As per the prudential norms of NHB, GRUH's gross non-performing loans stood at ₹ 25.05 crores as at March 31, 2015, constituting 0.28% of the total outstanding loans of ₹ 8,915.35 crores. The gross non-performing loans as at March 31, 2014 were ₹ 18.87 crores constituting 0.27% of the total outstanding loans of ₹ 7,009.04 crores.

GRUH is required to carry a provision of ₹ 32.80 crores on standard individual home loans of ₹ 8,200.30 crores and a provision of ₹ 6.20 crores on standard loans other than individual home loans of ₹ 690 crores as at March 31, 2015. GRUH also carries provision of ₹ 0.10 crore on Installments Due from Borrowers of ₹ 22.49 crores and ₹ 0.01 crore on Loan Against Deposit of ₹ 1.14 crores. Accordingly, GRUH carries a total provision of ₹ 39.11 crores in respect of standard assets.

GRUH is required to carry a provision of ₹ 8.47 crores towards non-performing loans as per NHB norms. However, as a measure of precaution, GRUH carries a provision of ₹ 25.05 crores. Net Non Performing Loan was Nil on outstanding loans of ₹ 8,915.35 crores.

GRUH therefore carries a total provision of ₹ 64.17 crores on its total assets including standard assets and non performing loans.

During the year, GRUH has written off ₹ 2.03 crores 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 ₹ 0.37 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.

#### Regulatory Guidelines

GRUH continues to comply with the guidelines issued by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, 'Know Your Customer' - (KYC), fair practices code and real estate and capital market exposures. The details of compliances are outlined in the Management Discussion and Analysis Report.

The task of overseeing the implementation of the Asset Liability Management (ALM) has been entrusted to the Audit Committee which oversees and reviews the ALM position vis-à-vis risk management.

GRUH's Capital Adequacy Ratio stood at 15.36% as against the minimum requirement of 12%. Tier - I capital was 13.89% against the minimum requirement of 6%.

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. Accordingly, GRUH is registered with CERSAI and has been submitting data in respect of its loans.

#### NHB Refinance

GRUH received refinance sanction of ₹ 1,150 crores from NHB during the year. GRUH availed refinance aggregating to ₹ 940.23 crores including ₹ 130.67 crores under the Rural Housing Fund. The refinance outstanding as at March 31, 2015 was ₹ 2,777.17 crores.

#### Bank Term Loans

GRUH received fresh sanctions from banks amounting to ₹ 2,065 crores of which GRUH availed loans aggregating to ₹ 1,925 crores. The outstanding bank term loans as at March 31, 2015 were ₹ 2,700 crores.

