



**GRUH
FINANCE
LIMITED**

We help you build homes

SEC: 2016:
April 19, 2016

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

BSE Security Code No: 11288

Kind Attn. Mr. S. Subramanian -DCS-CRD

Dear Sir,

Sub : Audited Financial Results for the year ended March 31, 2016:

We are pleased to inform you that at the meeting of the Board of Directors of the Company held today at Mumbai, the Audited Financial Results of the Company for the year ended on March 31, 2016 have been approved.

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, we are enclosing herewith an Annexure containing the said results, in the prescribed form duly signed by the Managing Director of the Company.

Further, pursuant Regulation 52 (3) of the listing regulations, we enclose herewith the Independent Auditors Report and Form A duly signed as per requirement.

Kindly note the same and notify your constituents accordingly.

Thanking you,

Yours sincerely,
For **GRUH FINANCE LIMITED**

MARCUS LOBO
Company Secretary

Encl: a/a

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

Symbol : GRUH

Kind Atten: Mr K Hari – Head - Listing

A subsidiary of HDFC Ltd

Registered Office: "GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006.

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

CIN : L65923GJ1986PLC008809 - Website : www.gruh.com

SORAB S. ENGINEER & CO. (Regd.)
CHARTERED ACCOUNTANTS

TELEPHONE : 2658 4304
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sseahm@hotmail.com
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909, ATMA HOUSE,
OPP. OLD RESERVE BANK OF INDIA,
ASHRAM ROAD,
AHMEDABAD-380 009

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, 2016, 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.

(Signature)
26.6.16

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. 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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

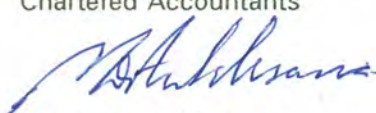
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As 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.

R. S. Engineer

SORAB S. ENGINEER & CO. (Regd.)

- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) 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 28 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.

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


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

Mumbai
April 19, 2016




ANNEXURE TO THE INDEPENDENT AUDITOR'S 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) Some of the fixed assets were physically verified during the year by the Management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- ✓(c) The title deeds of immovable properties are held in the name of the Company.
- ✓(ii) According to the information and explanations given to us, the nature of the Company's business is such that it is not required to hold any inventories.
- ✓(iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii,a), (iii,b) and (iii,c) of paragraph 3 of the order are not applicable.
- ✓(iv) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the order are not applicable.
- ✓(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.
- ✓(vi) The Company is not engaged in production, processing, manufacturing or mining activities. Therefore, the provisions of maintenance of cost records specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the order are not applicable.

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(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, 2016 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, 2016 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	✓0.62	✓2012-2013	✓Commissioner of Income Tax (Appeals)
✓Income Tax Act	✓Income Tax	✓2.86	✓2010-2011	✓ITAT, Ahmedabad
✓Income Tax Act	✓Income Tax	✓0.58	✓2007-2008	✓ITAT, Ahmedabad

✓(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.

✓(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). 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.

✓(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

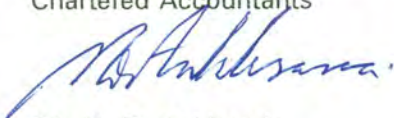
✓(xi) To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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SORAB S. ENGINEER & CO. (Regd.)

- ✓ (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- ✓ (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- ✓ (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- ✓ (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- ✓ (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

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



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

Mumbai
April 19, 2016



ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GRUH FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GRUH Finance Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

2.6.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

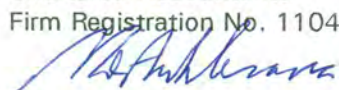
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No. 110417W


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

Mumbai
April 19, 2016



FORM A

Sr. No.	Particulars	Details
1.	Name of the Company	GRUH Finance Limited
2.	Annual financial statements for the year ended	31st March, 2016
3.	Type of Audit observation	Un-modified Audit Report
4.	Frequency of observation	Not Applicable

U.C.S.R.

Sudhin Choksey
Managing Director and CEO

Hitesh

Hitesh Agrawal
Chief Financial Officer

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

N. D. Anklesaria

CA N. D. Anklesaria
Partner
Membership No. 10250

S. M. Palia

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

April 19, 2016
Mumbai

A subsidiary of HDFC Ltd

Registered Office: "GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380 006.

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

CIN : L65923GJ1986PLC008809 - Website : www.gruh.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED MARCH 31, 2016

(Rs. in crores)

Particulars	Quarter ended March 31, 2016	Quarter ended Dec 31, 2015	Quarter ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
Income from Operations :					
a) Revenue from Operations	366.91	323.55	304.99	1,275.40	1,060.32
Total Income from Operations	366.91	323.55	304.99	1,275.40	1,060.32
Expenditure :					
a) Finance Cost	215.09	203.40	182.74	807.41	677.73
b) Employee Benefit Expenses	8.28	10.55	6.18	42.80	35.19
c) Other Expenses	11.86	9.21	7.91	38.53	27.55
d) Depreciation	0.80	0.73	0.96	3.03	1.29
e) Provisions, Contingencies and Write offs	6.10	17.84	2.31	21.93	17.72
Total Expenditure	242.13	241.73	200.10	913.70	759.48
Profit from operations before Other Income	124.78	81.82	104.89	361.70	300.84
Other Income	0.00	0.00	0.00	0.00	0.00
Profit Before Tax	124.78	81.82	104.89	361.70	300.84
Tax Expenses	36.96	28.08	30.83	118.12	97.04
Net Profit After Tax	87.82	53.74	74.06	243.58	203.80
Earnings per Share (of Rs. 2 each)					
- Basic (Rs.)	2.414	1.478	1.987	6.699	5.571
- Diluted (Rs.)	2.414	1.478	1.986	6.698	5.566
See accompanying notes to the Financial Results					
Paid-up Debt Capital				35.00	35.00
Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	72.74	72.73	72.68	72.74	72.68
Reserves as at March 31				762.56	638.81

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Notes :

1. 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).
2. Loan Assets have increased from Rs. 8,926 crores as on March 31, 2015 to Rs. 11,115 crores as on March 31, 2016 registering a growth of 25%.
3. The aggregate NPAs of the Company are 0.32% of the Loan Assets as against 0.28% of the Loan Assets as on March 31, 2015. The Net NPAs of the Company are 0.09% of the Loan Assets.
4. During the quarter ended March 31, 2016, the Company has allotted 15,510 equity shares of Rs. 2 each pursuant to the exercise of the stock options by employees.
5. 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 financial year 2014-15, in a phased manner in the ratio of 25:25:50. Accordingly, the Company has adjusted the balance in free Reserves as at April 1, 2015 by Rs. 19.89 crores with respect to second tranche of deferred tax liability on Special Reserve balance as at April 1, 2014.

Company has charged its Statement of Profit & Loss for the year ended March 31, 2016 by Rs. 24.17 crores (Previous year Rs. 19.33 crores) with the deferred tax liability on additional amount appropriated towards Special Reserve out of current year's profits. This amount is reflected under the head "Tax Expenses".

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

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7. Audited Statement showing Assets and Liabilities :

(Rs. in crores)

Particulars	As At March 31,	
	2016	2015
Equity and Liabilities		
Shareholders' Funds		
Share Capital	72.74	72.68
Reserves and Surplus	762.56	638.81
	835.30	711.49
Non-Current Liabilities		
Long-Term Borrowings	8,628.16	6,624.14
Deferred Tax Liability (Net)	58.55	18.78
Other Long - Term Liabilities	69.64	35.94
Long-Term Provisions	79.20	66.43
	8,835.55	6,745.29
Current Liabilities		
Short-Term Borrowings	23.89	973.18
Trade Payables	1.18	0.92
Other Current Liabilities	1,643.42	660.76
Short-Term Provisions	103.26	89.14
	1,771.75	1,724.00
	11,442.60	9,180.78
Assets		
Non-Current Assets		
Tangible Assets	13.83	12.73
Intangible Assets	0.73	1.00
Non-Current Investments	32.95	50.50
Long-Term Loans and Advances		
Loans	10,497.33	8,390.93
Others	40.26	20.00
Other Non-Current Assets	28.09	21.20
	10,613.19	8,496.36
Current Assets		
Current Investments	109.97	29.32
Cash and Bank Balances	57.56	74.07
Short-Term Loans and Advances	37.33	39.06
Other Current Assets		
Loans	617.22	535.55
Others	7.33	6.42
	829.41	684.42
	11,442.60	9,180.78

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.

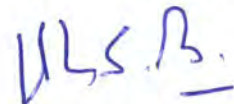
The estimates and assumptions regarding prepayments and renewals as prescribed by the National Housing Bank (NHB) (which are taken into account for ALM purpose) are not considered while classifying the assets and liabilities into current and non-current.



8. The Board of Directors have recommended a dividend of Rs. 2.30 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.
9. The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Companies (Accounting Standards) Rules, 2016 is effective March 30, 2016. According to the amended rules, the proposed dividend mentioned above in note 8 will not be recorded as a liability as at March 31, 2016. (Refer Para 8.5 of AS - 4 Contingencies and Events occurring after Balance Sheet date). The Company believes, that the Rule 3 (2) of the principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after March 30, 2016. Therefore the Company has recorded Rs. 100.68 crores as liability for proposed dividends (including corporate dividend tax) as at March 31, 2016.
10. Figures of the quarter ended March 31, 2016 and March 31, 2015 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.
11. Previous period/year figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.

The above audited results were reviewed and recommended by the Audit Committee of Directors and subsequently approved by the Board of Directors at its meeting held on April 19, 2016.

For GRUH Finance Limited



Sudhin Choksey
Managing Director

April 19, 2016
Mumbai