



GRUH FINANCE LIMITED

We help you build homes

SEC: 2019:
July 25, 2019

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

BSE Code No: 511288

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

Symbol : GRUH

Dear Sir,

Sub: Press Release of Unaudited Financial Results for the quarter / three months ended June 30, 2019

We forward herewith a copy of the press release in respect of the Unaudited Financial Results of the Company for the quarter / three months ended June 30, 2019.

This is for your kind information and record. Kindly arrange to inform all your constituents accordingly. Kindly 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



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GRUH FINANCE LTD.

FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

The Board of Directors of GRUH Finance Ltd. (GRUH) has approved the financial statements for the quarter ended June 30, 2019 at their meeting held in Mumbai on July 25, 2019.

FINANCIAL RESULTS

Profit after tax for the quarter amounted to ₹ 116 crore as compared to ₹ 115 crore for the corresponding period in previous year.

LENDING OPERATIONS

The loan portfolio as at June 30, 2019 amounted to ₹ 17,737 crore as against ₹ 15,913 crore in the previous year – an increase of 11%. Average outstanding loan per Individual account is ₹ 6.85 lacs as on June 30, 2019.

Particulars	June 30, 2019	March 31, 2019	June 30, 2018
Net Interest Margin to ATA	3.84	4.00	4.39
Non-Interest Exp. to ATA	0.64	0.68	0.67
Credit Costs to Loan Assets	0.30	0.26	0.27
Return On Assets	2.58	2.66	2.89
Cost to Income Ratio	15.66	15.79	14.32
Loan to Total Assets	86	93	99
Yield on Loans	11.49	11.37	11.03
Cost of Borrowings	8.53	8.50	7.40

* ATA – Average Total Assets

Income from Operations at ₹ 533 crore recorded a growth of 18% as against ₹ 451 crore in corresponding period in previous year.

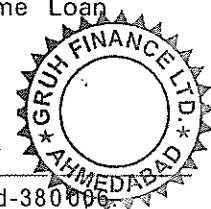
Loan disbursed during the quarter were ₹ 1,124 crore as against ₹ 1,226 crore in the corresponding period in previous year. Average ticket size of Individual Home Loan disbursed during the quarter was ₹ 9.68 Lacs.

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LENDING UNDER PMAY – CLSS SCHEME

GRUH has sanctioned 4,992 cases under Credit Linked Subsidy Scheme (CLSS) of Pradhan Mantri Awas Yojana (PMAY) amounting to ₹ 517 crore as against 4,190 cases amounting to ₹ 424 crore during corresponding quarter in the previous year. Since inception of the scheme, GRUH has sanctioned 59,627 cases amounting to ₹ 5,752 crore under CLSS - PMAY Scheme.

Cumulative loan disbursals of GRUH as of June 30, 2019 were ₹ 34,516 crore.

HOUSING LOANS UNDER SUBVENTION SCHEMES OFFERED BY DEVELOPERS

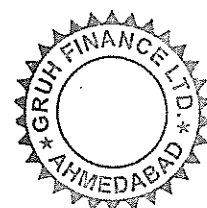
This is in reference to circular NHB/ND/DRS/Policy Circular No. 96/2019-20 dated July 19, 2019 issued by National Housing Bank to all Housing Finance Companies on disbursement of housing loans to individuals linked to stage of construction.

The company follows a policy to effect disbursements linked to the progress of construction work and the company has a system in place to monitor the progress of construction work. Further, all disbursements are made only after obtaining prior consent of customers. The Company has not participated in any subvention scheme of developers.

PROVISIONS FOR EXPECTED CREDIT LOSSES

As per requirement of Ind AS 109 on "Financial Instruments", provision for credit losses are to be carried in the Balance Sheet based on expected credit losses. Accordingly, as per Ind AS 109, GRUH is required to carry provisions of ₹ 53.46 crore towards expected future credit losses which is 0.30% on Loan Assets of ₹ 17,737 crore. Against that, GRUH is actually carrying a provision of ₹ 119.58 crore as on June 30, 2019.

As per the NHB guidelines, GRUH is required to carry a provision of ₹ 67.24 crore on Standard Assets and ₹ 40.26 crore on NPAs. Thus, the provisions carried by GRUH are also in excess of the provision required as per the NHB guidelines to the extent of ₹ 12.08 crore.



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LIQUIDITY POSITION

As on June 30, 2019, GRUH carried an aggregate of ₹ 2,500 crore by way of unencumbered liquid deposits and balance with current account besides unavailed term loan sanctions from Banks to the tune of ₹ 1,300 crore.

Looking to the liquidity position in the market, GRUH consciously adopted a conservative approach and carried excess liquidity. Such approach resulted in a negative carry, adversely affecting the Net Interest Margin. During the quarter, GRUH carried average surplus funds of in excess of ₹ 1,100 crore on daily basis.

DEPOSITS

GRUH's outstanding deposits portfolio is ₹ 1,601 crore as at June 30, 2019, up from ₹ 1,502 crore as at June 30, 2018 indicating a growth of 7%.

GRUH's Fixed Deposit programme is rated "FAAA (*)" by CRISIL and "MAAA(*)" by ICRA. The rating of "FAAA(*)" and "MAAA(*)" indicates the degree of safety of repayment of principal and interest is Very Strong.

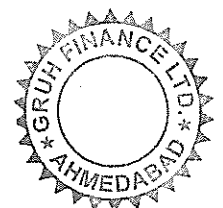
GRUH's Commercial Paper (CP) is rated at "A1(+)" by ICRA and CRISIL

GRUH's Long term Non-Convertible Debenture (NCD) and Subordinated Debt NCD's (Tier II) is rated AAA(*) by ICRA and CRISIL.

(*) indicates 'Rating watch with Negative Implications' post-merger announcement on January 7, 2019

RETAIL NETWORK

GRUH expanded its retail office network to 196 offices across 11 states of the country. GRUH has 48 offices in Gujarat, 51 offices in Maharashtra, 18 offices in Karnataka, 34 offices in Madhya Pradesh, 14 offices in Rajasthan, 11 offices in Chhattisgarh, 11 offices in Tamil Nadu, 5 offices in Uttar Pradesh, 2 offices in West Bengal and one each in Bihar and Jharkhand.



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MERGER WITH BANDHAN BANK

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, Shareholders, Secured and Unsecured Creditors of the Company have approved proposed scheme of merger. No objection has been received from National Housing Bank, BSE and NSE. The scheme remains subject to receipt of approval of National Company Law Tribunal. The proposed transaction does not have any impact on the current financial statement of the Company as at and for the quarter ended June 30, 2019.

July 25, 2019
Mumbai



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