

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

The Financial Statements of GRUH Finance Limited (GRUH) have been prepared in accordance with historical cost convention, the accounting principles generally accepted in India including the applicable Accounting Standards specified u/s 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 2013 and guidelines issued by the National Housing Bank (NHB) to the extent applicable.

Accounting policies applied have been consistent with previous year except where different treatment is required as per new pronouncements made by the regulatory authorities. The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

The preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per GRUH's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of its activities, GRUH has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 System of Accounting

GRUH adopts the accrual concept in the preparation of the accounts. The Balance Sheet and Statement of Profit and Loss of GRUH are prepared in accordance with the provisions contained in the Companies Act, 2013, read with Schedule III thereto.

1.3 Inflation

Assets and Liabilities are recorded at historical cost to GRUH. These costs are not adjusted to reflect the changing value in the purchasing power of money.

1.4 Cash and Cash Equivalent (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.5 Interest on Loans

Repayments of loans are by way of Equated Monthly Instalments (EMIs) comprising principal and interest. Interest on loans is computed either on an annual rest, on a monthly rest or on a daily rest basis depending upon loan product. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is payable every month.

Interest income accrued as earned with the passage of time. Interest on loan assets classified as "Non-Performing" is recognised only on actual receipt.

1.6 Income from Investment

Interest Income from investment is accounted on an accrual basis. The gain/loss on account of discount/premium on investments made in debentures/bonds and government securities is recognised over the life of the security on a pro-rata basis.

1.7 Borrowing and Borrowing Costs

GRUH borrows funds that carry a fixed rate or floating rate of interest. Borrowing costs include interest, amortised brokerage and incentive on deposits and other borrowing costs incurred in connection with the borrowing of funds.

1.8 Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases.

Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.9 Investments

Investments are capitalised at cost inclusive of related expenses and are classified into two categories, viz. Current or Long-Term. Long-Term Investments are carried individually at cost less provision for diminution, other than temporary in the value of such investments. Current Investments are carried individually, at the lower of cost and fair value. Provision for diminution in the value of investments is made in accordance with the guidelines issued by the National Housing Bank and the Accounting Standard on 'Accounting for Investment' (AS 13).

1.10 Brokerage and Incentive on Deposit

Brokerage and incentive on deposits is amortised over the period of the deposit.

1.11 Properties Acquired under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Stock of acquired properties is valued at realisable value or outstanding dues, whichever is less.

1.12 Taxes on Income

The accounting treatment for the Income Tax in respect of GRUH's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS 22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 (the "Income Tax Act").

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and GRUH has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

1.13 Property, Plant and Equipment

Property, Plant and Equipment are carried at cost inclusive of legal and/or installation expenses.

Depreciation

Depreciation is provided on all assets on a pro-rata basis on the "Straight Line Method" over the useful lives and in the manner prescribed under schedule II to the Companies Act, 2013 except for Computers where based on a technical evaluation, useful life is estimated at four years in order to reflect the actual usage of the assets.

1.14 Intangible Assets

Intangible Assets comprising of Application Software are stated at cost of acquisition, including any cost attributable for bringing the same in its working condition less accumulated amortisation. Any expenses on such software for support and maintenance payable annually are charged to revenue.

Amortisation

Application software is amortised over a period of four years.

1.15 Impairment of Assets

GRUH assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Statement of Profit and Loss to the extent carrying amount of asset exceeds their estimated recoverable amount.

1.16 Provision for Standard Assets, Non-Performing Assets (NPAs) and Contingencies

GRUH's policy is to carry adequate amounts towards Provision for Standard Assets, Non-Performing Assets (NPAs) and other contingencies. All loans and other credit exposures where the instalments are overdue for ninety days and more are classified as NPAs in accordance with the prudential norms prescribed by the National Housing Bank (NHB). The provisioning policy of GRUH covers the minimum provisioning required as per the NHB guidelines.

Provisions are established on a collective basis against loan assets classified as “Standard” to absorb credit losses on the aggregate exposures in each of the GRUH’s loan portfolios based on the NHB Directions. A higher non-performing asset provision may be made based upon an analysis of past performance, level of allowance already in place and Management’s judgement. This estimate includes consideration of economic and business conditions. The amount of the allowance for credit losses is the amount that is required to establish a balance in the Provision for Non-Performing Assets Account that GRUH’s management considers adequate, after consideration of the prescribed minimum requirement under the NHB Directions, to absorb credit related losses in its portfolio of loan items after individual allowances or write offs.

1.17 Employee Benefits

Employee Stock Option Scheme (‘ESOS’)

The Employee Stock Option Scheme (‘the Scheme’) provides for the grant of options to acquire equity shares of GRUH to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

GRUH follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

GRUH has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognised by the Income Tax Authorities. These funds are administered through trustees and GRUH’s contributions thereto are charged to revenue every year. GRUH’s Contribution to State Plans namely Employee’s Pension Scheme is charged to revenue every year.

GRUH has defined benefit plans namely leave encashment / compensated absences and gratuity for all the employees, the liability for which is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. Gratuity scheme is administered through trust recognised by the Income Tax Authorities.

1.18 Provisions, Contingent Liabilities and Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

1.19 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.20 Goods and Service tax / Service Tax input credit

Goods and Service tax / Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

1.21 Share and Debenture Issue Expenses

Expenses in connection with issue of Shares and Debentures are being adjusted against Security Premium as permitted by section 52 of the Companies Act, 2013.

(₹ in crores)

2 SHARE CAPITAL

		As At March 31, 2018	As At March 31, 2017
Authorised			
50,00,00,000	Equity Shares of ₹ 2 each (Previous Year 50,00,00,000 Shares of ₹ 2 each)	100.00	100.00
		100.00	100.00
Issued, Subscribed and Fully Paid up			
36,57,20,011	Equity Shares of ₹ 2 each (Previous Year 36,45,64,484 Shares of ₹ 2 each)	73.14	72.91
		73.14	72.91

2.1 (a) Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the reporting period :

Particulars	As At March 31, 2018		As At March 31, 2017	
	No. of Shares	₹ in crores	No. of Shares	₹ in crores
Shares outstanding at the beginning of the year	36,45,64,484	72.91	36,36,81,740	72.74
Add : Shares allotted pursuant to exercise of stock options	11,55,527	0.23	8,82,744	0.17
Shares outstanding at the end of the year	36,57,20,011	73.14	36,45,64,484	72.91

(b) Aggregate number of shares allotted as fully paid-up by way of Bonus Shares (During 5 years immediately preceding March 31, 2018) :

During the year 2014-15, pursuant to approval of share holders at the 28th Annual General Meeting (AGM) of GRUH held on May 28, 2014, GRUH allotted 18,01,31,150 Bonus Equity Shares of ₹ 2 each as fully paid-up shares in the proportion of 1:1.

2.2 Terms/Rights attached to Equity Shares :

GRUH has one class of share referred to as equity shares having a face value of ₹ 2 each. Each shareholder is entitled to one vote per share held and dividends, if any, proposed by the Board of Directors subject to the approval of the shareholders at the ensuing Annual General Meeting.

2.3 Number of Shares held by Holding Company :

Particulars	As At March 31, 2018	As At March 31, 2017
Holding Company - HDFC Limited	21,18,77,850	21,30,77,850

2.4 Number of Shares held by Shareholders holding more than 5% of the aggregate shares in GRUH :

Particulars	As At	As At
	March 31, 2018	March 31, 2017
Holding Company - HDFC Limited	21,18,77,850	21,30,77,850
% of Shareholding	57.93	58.45
Axis Mutual Fund (Various Schemes)	1,82,93,948	1,20,78,611
% of Shareholding	5.03	3.31

2.5 Shares reserved for issue under option :

- (a) During the year, GRUH has issued 11,55,527 (Previous Year 8,82,744) shares on exercise of options granted to its employees and Directors under ESOS Schemes.
- (b) As at March 31, 2018, GRUH has following Employee Stock Option Scheme, the features of the same are as follows :

Scheme	ESOS - 2015
Date of grant	January 30, 2015
Number of options granted	45,00,000
Exercise price per option	₹ 268.20
Date of vesting	The vesting will be as under : 30% on January 30, 2016 35% on January 30, 2017 35% on January 30, 2018
Exercise Period	Within 3 years from the date of respective vesting.
Method of settlement	Through allotment of one Equity Share for each option granted.

- (c) Intrinsic Value Method has been used to account for the compensation cost of stock options to employees of GRUH. The intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. Since the options under ESOS - 2015 were granted at the market price, the intrinsic value of the option is ₹ Nil. Consequently the accounting value of the option (compensation cost) is ₹ Nil.
- (d) Further details of the stock option plan are as follows :

Particulars	ESOS - 2015
Options Outstanding at start of the year	16,39,441
Options granted during the year	Nil
Options not vested at the start of the year	13,43,145
Options Lapsed during the year	1,50,745
Options Exercised during the year	11,55,527
Options vested but not exercised at end of the year	16,76,314
Options not vested at end of the year	Nil
Weighted Average Exercise Price per Option	₹ 268.20

- (e) The Black-Scholes Model have been used to derive the estimated value of stock option granted, if the fair value method to account for the employee share based payment plans were to be used. The estimated value of each stock options and the parameters used for deriving the estimated value of Stock Option granted under Black-Scholes Model is as follows :

Particulars	ESOS - 2015		
	Vesting on January 30,		
	2016	2017	2018
Estimated Value of Stock Option (₹)	35.00	51.00	64.00
Share Price at Grant Date (₹)	268.20	268.20	268.20
Exercise Price (₹)	268.20	268.20	268.20
Expected Volatility of Share Price (%)	20.00	20.00	20.00
Dividend Yield Rate (%)	0.80	1.00	1.10
Expected Life of Options (in days)	455	821	1,186
Risk Free Rate of Interest (%)	7.77	7.74	7.73

- (f) Had the compensation cost for the stock options granted under ESOS - 2015 been determined on fair value approach, GRUH's Profit After Tax and earnings per share would have been as pro-forma amounts indicated below :

(₹ in crores)

Particulars	2017-18	2016-17
Profit After Tax as reported	362.68	296.65
Less : Amortisation of Compensation Cost (pro-forma)	2.55	6.23
Profit considered for computing EPS (pro-forma)	360.13	290.42
Earnings Per Share - Basic		
- as reported (Note 32)	9.93	8.15
- pro-forma	9.86	7.98
Earnings Per Share - Diluted		
- as reported (Note 32)	9.91	8.15
- pro-forma	9.84	7.98

2.6 Proposed Dividend

The final dividend proposed for the year is as follows :

Particulars	2017-18*	2016-17
On Equity Shares of ₹ 2 each		
Dividend Per Equity Share (₹)	3.30	2.80
Dividend Proposed (%)	165.00	140.00

* Subject to approval of shareholders at ensuing AGM.

3 RESERVES AND SURPLUS

	As At March 31, 2018	(₹ in crores) As At March 31, 2017
Statutory Reserve (Note 3.1 and 25.2) (As per section 29C of the NHB Act, 1987 and section 36(1)(viii) of Income Tax Act, 1961)		
Opening Balance	439.93	355.93
Add : Transfer from Statement of Profit and Loss	106.25	84.00
Less : Appropriation during the year	0.00	0.00
	546.18	439.93
General Reserve		
Opening Balance	154.95	129.04
Add : Transfer from Statement of Profit and Loss	80.00	65.00
Less : Utilised for Deferred Tax Liability on Statutory Reserve	0.00	39.09
	234.95	154.95
Additional Reserve (Note 25.2) (created in addition to minimum required u/s 29C of the NHB Act, 1987)		
Opening Balance	27.74	27.74
Add : Transfer from Statement of Profit and Loss	0.00	0.00
Less : Appropriation during the year	0.00	0.00
	27.74	27.74
Securities Premium		
Opening Balance	85.89	65.71
Add : Received during the year	30.77	22.40
Less : Utilised during the year for NCD Issue Expenses [Net of tax of ₹ 1.57 crores (Previous Year ₹ 1.17 crore)]	2.97	2.22
	113.69	85.89
Surplus in Statement of Profit and Loss		
Opening Balance	331.79	184.14
Add : Profit for the year	362.68	296.65
Amount Available for Appropriations	694.47	480.79
Appropriations :		
Statutory Reserve (As per section 29C of the NHB Act, 1987 and section 36(1)(viii) of Income Tax Act, 1961)	106.25	84.00
General Reserve	80.00	65.00
Dividend pertaining to previous year paid during the year	102.20	(₹ 40,583)
Tax on Proposed Dividend	20.80	0.00
Balance carried forward to Balance Sheet	385.22	331.79
	1,307.78	1,040.30

- 3.1 As per section 29C of the National Housing Bank Act, 1987, GRUH is required to transfer at least 20% of its net profit every year to reserve before any dividend is declared. For this purpose, any Special Reserve created by GRUH under section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. GRUH has transferred an amount of ₹ 106.25 crores (Previous Year ₹ 84.00 crores) to Statutory Reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961. GRUH doesn't anticipate any withdrawal from Statutory Reserve in foreseeable future.

4 LONG-TERM BORROWINGS (Note 25.6 & 31.1)

(₹ in crores)

	Non-Current		Current	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
Secured Borrowings				
Redeemable Non-Convertible Debentures	3,075.00	2,037.00	1,022.00	350.00
Term Loans				
National Housing Bank	1,753.30	3,179.96	294.89	591.28
Banks	825.00	4,257.50	162.50	62.50
	<u>5,653.30</u>	<u>9,474.46</u>	<u>1,479.39</u>	<u>1,003.78</u>
Unsecured Borrowings				
Redeemable Non-Convertible Subordinated Debentures				
From Related Party	12.00	12.00	0.00	0.00
From Others	23.00	23.00	0.00	0.00
Public Deposits	977.24	982.50	398.20	473.03
	<u>1,012.24</u>	<u>1,017.50</u>	<u>398.20</u>	<u>473.03</u>
Amount disclosed under the head "Other Current Liabilities" (Note 9)	0.00	0.00	(1,877.59)	(1,476.81)
	<u>6,665.54</u>	<u>10,491.96</u>	<u>0.00</u>	<u>0.00</u>

4.1 Refinance from National Housing Bank (NHB) and Term Loans from Banks :
(a) Nature of Security

Refinance from National Housing Bank (NHB) and Term Loans from Banks are secured against negative lien on all the assets of GRUH excluding specific immovable property mortgaged in favour of Debenture Trustees against the Secured Redeemable Non-Convertible Debentures and the charge created in favour of its depositors pursuant to the regulatory requirements under section 29B of the National Housing Bank Act, 1987.

(b) Maturity Profile of Term Loans from National Housing Bank :

Previous Year figures are in (bracket)

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
6.00% - 8.00%	188.43 (197.41)	303.31 (294.82)	284.19 (236.75)	465.60 (466.59)	1,241.53 (1,195.57)
8.01% - 9.00%	105.27 (275.35)	210.54 (321.72)	175.05 (321.71)	308.98 (808.61)	799.84 (1,727.39)
9.01% - 9.25%	1.19 (118.52)	2.39 (193.48)	1.81 (162.80)	1.43 (373.48)	6.82 (848.28)

(c) **Maturity Profile of Term Loans from Banks :**

Previous Year figures are in (bracket)

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
Variable linked to Bank MCLR	162.50 (62.50)	325.00 (125.00)	200.00 (62.50)	300.00 (4,070.00)	987.50 (4,320.00)

4.2 **Redeemable Non-Convertible Debentures :**

(a) **Nature of Security**

Redeemable Non-Convertible Debentures are secured by the mortgage of specific immovable property created in favour of Debenture Trustees and by a negative lien on all the assets of GRUH excluding the charge created in favour of its depositors pursuant to the regulatory requirements under section 29B of the National Housing Bank Act, 1987.

(b) **Maturity Profile**

Previous Year figures are in (bracket)

(₹ in crores)

Maturities	≤ 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Rate of interest					
7.40% - 9.00%	722.00 (250.00)	2,597.00 (1,737.00)	478.00 (0.00)	0.00 (0.00)	3,797.00 (1,987.00)
9.01% - 9.15%	300.00 (100.00)	0.00 (300.00)	0.00 (0.00)	0.00 (0.00)	300.00 (400.00)

4.3 **Unsecured Non-Convertible Subordinated Debentures :**

Redeemable Non-Convertible Subordinated Debentures, for value aggregating to ₹ 35 crores are subordinated debt to present and future senior indebtedness of GRUH and qualify as Tier II Capital under National Housing Bank's (NHB) guidelines for assessing capital adequacy. These NCDs carry interest rate of 9.75% and are redeemable at par on March 22, 2023 (₹ 10 crores) and on March 25, 2023 (₹ 25 crores).

4.4 **Public Deposits :**

Public deposits as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

5 **OTHER LONG-TERM LIABILITIES**

(₹ in crores)

	Non-Current		Current	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
Security Deposits	0.40	0.03	0.00	0.35
Interest Accrued but not Due on Borrowings	15.69	65.40	91.42	63.38
	<u>16.09</u>	<u>65.43</u>	<u>91.42</u>	<u>63.73</u>
Amount disclosed under the head "Other Current Liabilities" (Note 9)	0.00	0.00	(91.42)	(63.73)
	<u>16.09</u>	<u>65.43</u>	<u>0.00</u>	<u>0.00</u>

6 PROVISIONS

(₹ in crores)

	Long-Term		Short-Term	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
Provision for Employee Benefits	3.44	3.14	3.09	3.13
Provision for Standard Assets (Note 6.1)	66.10	63.12	0.00	0.00
Provision for Non-Performing Assets (NPAs)	53.47	23.96	0.00	0.00
Provision for Contingencies	16.63	16.63	0.00	0.00
	<u>139.64</u>	<u>106.85</u>	<u>3.09</u>	<u>3.13</u>

6.1 NHB vide notification No. NHB.HFC.DIR.18/MD&CEO/2017 dated August 2, 2017 reduced the provisioning requirement on Standard Individual Home Loans from 0.40% to 0.25%. In terms of the said notification, as of March 31, 2018, GRUH carries provision of ₹ 20.25 crores towards Standard Housing Assets which is higher than the revised regulatory requirement of minimum 0.25%.

6.2 The movement in Provision for Loan Assets during the year is as under : (Note 25.15)

Current Year

(₹ in crores)

Particulars	Standard Assets	NPAs	Prov. for Contingencies	Total
Opening Balance	63.12	23.96	16.63	103.71
Reversed During the year	(63.12)	(23.96)	0.00	(87.08)
Charged during the year	66.10	53.47	0.00	119.57
Net Charged During the Year	2.98	29.51	0.00	32.49
Closing Balance	66.10	53.47	16.63	136.20

Previous Year

(₹ in crores)

Particulars	Standard Assets	NPAs	Prov. for Contingencies	Total
Opening Balance	51.44	8.54	16.63	76.61
Reversed During the year	(51.44)	(8.54)	0.00	(59.98)
Charged during the year	63.12	23.96	0.00	87.08
Net Charged During the Year	11.68	15.42	0.00	27.10
Closing Balance	63.12	23.96	16.63	103.71

7 SHORT TERM BORROWINGS (Note 25.6 & 31.1)

(₹ in crores)

	As At March 31, 2018	As At March 31, 2017
Secured Borrowings		
Banks (Note 7.1)	4,650.00	0.00
Unsecured Borrowings		
Commercial Papers	770.00	0.00
Public Deposits (Note 4.4)	73.35	22.99
	<u>5,493.35</u>	<u>22.99</u>

7.1 Nature of Security

Borrowings from Banks are secured against negative lien on all the assets of GRUH excluding specific immovable property mortgaged in favour of Debenture Trustees against the Secured Redeemable Non-Convertible Debentures and the charge created in favour of its depositors pursuant to the regulatory requirements under section 29B of the National Housing Bank Act, 1987.

8 TRADE PAYABLES

Trade Payables of ₹ 2.60 crores (Previous Year ₹ 4.83 crores) include ₹ Nil (Previous Year ₹ Nil) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006 which has been determined to the extent such parties have been identified on the basis of information available with the GRUH. No interest has been paid / payable by GRUH during the year to the “Suppliers” covered under the Micro, Small and Medium Enterprises Development Act, 2006.

9 OTHER CURRENT LIABILITIES

(₹ in crores)

	As At March 31, 2018	As At March 31, 2017
Current Maturities of Long-Term Borrowings (Note 4 & 31.1)	1,877.59	1,476.81
Current Portion of Other Long-Term Liabilities (Note 5)	91.42	63.73
Instalments Received in Advance	18.01	16.66
Unclaimed Matured Deposits and Interest accrued thereon (Note 31.1)	9.52	26.39
Unclaimed Dividends	1.86	1.55
Book Overdraft	37.37	38.02
Statutory Remittances	14.46	8.16
Other Liabilities	63.13	23.23
	2,113.36	1,654.55

9.1 There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end in respect of Unclaimed Matured Deposits and Unclaimed Dividends.

10 PROPERTY, PLANT & EQUIPMENT

Previous Year figures are in (bracket)

(₹ in crores)

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As At 1.4.2017	Additions	Deductions	As At 31.3.2018	As At 1.4.2017	For the year	Deductions	As At 31.3.2018	As At 31.3.2018	As At 31.3.2017
Own Assets										
Freehold Land	0.97 (0.97)	0.00 (0.00)	0.00 (0.00)	0.97 (0.97)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.97 (0.97)	0.97 (0.97)
Office Building	4.86 (4.86)	0.00 (0.00)	0.00 (0.00)	4.86 (4.86)	1.56 (1.48)	0.08 (0.08)	0.00 (0.00)	1.64 (1.56)	3.22 (3.30)	3.30 (3.38)
Furniture and Fixtures	11.42 (10.31)	1.47 (1.12)	0.01 (0.01)	12.88 (11.42)	6.54 (5.79)	0.81 (0.75)	0.01 (₹ 17,091)	7.34 (6.54)	5.54 (4.88)	4.88 (4.52)
Office Equipments	5.57 (5.23)	1.20 (0.43)	0.20 (0.09)	6.57 (5.57)	3.98 (3.24)	0.74 (0.82)	0.20 (0.08)	4.52 (3.98)	2.05 (1.59)	1.59 (1.99)
Electrical Installation	1.64 (1.60)	0.30 (0.04)	0.00 (0.00)	1.94 (1.64)	0.80 (0.61)	0.20 (0.19)	0.00 (0.00)	1.00 (0.80)	0.94 (0.84)	0.84 (0.99)
Computers	8.95 (8.70)	0.66 (0.30)	0.12 (0.05)	9.49 (8.95)	7.63 (6.97)	0.75 (0.71)	0.12 (0.05)	8.26 (7.63)	1.23 (1.32)	1.32 (1.73)
Vehicles	0.28 (0.28)	0.00 (0.00)	0.00 (0.00)	0.28 (0.28)	0.06 (0.03)	0.05 (0.03)	0.00 (0.00)	0.11 (0.06)	0.17 (0.22)	0.22 (0.25)
	33.69	3.63	0.33	36.99	20.57	2.63	0.33	22.87	14.12	13.12
Previous Year	(31.95)	(1.89)	(0.15)	(33.69)	(18.12)	(2.58)	(0.13)	(20.57)	(13.12)	(13.83)

11 INTANGIBLE ASSETS

Previous Year figures are in (bracket)

(₹ in crores)

Particulars	Gross Block (At Cost)				Amortisation				Net Block	
	As At 1.4.2017	Additions	Deductions	As At 31.3.2018	As At 1.4.2017	For the year	Deductions	As At 31.3.2018	As At 31.3.2018	As At 31.3.2017
Own Assets										
Application Software	1.57 (1.44)	1.18 (0.13)	0.00 (0.00)	2.75 (1.57)	0.99 (0.71)	0.46 (0.28)	0.00 (0.00)	1.45 (0.99)	1.30 (0.58)	0.58 (0.73)
	1.57	1.18	0.00	2.75	0.99	0.46	0.00	1.45	1.30	0.58
Previous Year	(1.44)	(0.13)	(0.00)	(1.57)	(0.71)	(0.28)	(0.00)	(0.99)	(0.58)	(0.73)

12 INVESTMENTS (Note 12.1, 12.2 & 25.3)

Long-Term (At Cost)

(₹ in crores)

A. Investment in Government Securities (Quoted)	Non-Current		Current	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
12.60 % Government of India 2018	0.00	76.35	76.35	0.00
11.60 % Government of India 2020	1.84	1.84	0.00	0.00
10.70 % Government of India 2020	7.84	7.84	0.00	0.00
10.25 % Government of India 2021	39.83	39.83	0.00	0.00
10.18 % Government of India 2026	12.44	12.44	0.00	0.00
10.03 % Government of India 2019	19.28	19.28	0.00	0.00
9.94 % West Bengal State Development 2023	0.54	0.54	0.00	0.00
9.79 % Maharashtra State Development 2023	0.38	0.38	0.00	0.00
9.71 % Andhra Pradesh State Development 2024	2.19	2.19	0.00	0.00
	84.34	160.69	76.35	0.00
Less : Provision for Loss to arise on redemption of Investments	3.31	4.60	6.26	0.00
	81.03	156.09	70.09	0.00
B. Investment in Mutual Funds (Unquoted)	2.00	2.00	0.00	0.00
	83.03	158.09	70.09	0.00
Aggregate of Quoted Investments				
Book Value	81.03	156.09	70.09	0.00
Market Value	81.70	159.10	70.48	0.00
Aggregate Book Value of Unquoted Investments	2.00	2.00	0.00	0.00

12.1 The above Investments includes Investments of ₹ 151.12 crores (Previous year ₹ 156.09 crores) made as Statutory Liquid Assets in accordance with the norms prescribed by the National Housing Bank.

12.2 In case of quoted investments, where quotes are not available, book value has been considered as market value.

13 DEFERRED TAX LIABILITY / (ASSET)

The Break up of Deferred Tax Liability / (Asset) is as follows :

(₹ in crores)

Particulars	As At	
	March 31, 2018	March 31, 2017
(a) Deferred Tax Asset		
Provision for NPAs, Standard Assets and Contingencies	33.41	30.56
Others	1.66	1.49
	<u>35.07</u>	<u>32.05</u>
(b) Deferred Tax Liability		
Statutory Reserve		
(As per section 29C of the NHB Act, 1987 and section 36(1)(viii) of the Income Tax Act, 1961)	187.88	151.11
Depreciation	0.32	0.57
Others	3.25	3.36
	<u>191.45</u>	<u>155.04</u>
Net Deferred Tax Liability	<u>156.38</u>	<u>122.99</u>

14 LONG-TERM LOANS AND ADVANCES

14.1 Loans (Note 25.10, 25.15 & 31.2)

(₹ in crores)

	Non-Current		Current	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
Home Loans				
Individuals	13,910.03	11,688.81	621.98	554.64
Others	143.93	206.37	176.19	184.31
	<u>14,053.96</u>	<u>11,895.18</u>	<u>798.17</u>	<u>738.95</u>
Other Loans				
Individuals	353.01	387.24	15.33	17.99
Others	244.13	149.02	103.79	55.94
	<u>597.14</u>	<u>536.26</u>	<u>119.12</u>	<u>73.93</u>
Amount disclosed under the head "Short-Term Loans & Advances" (Note 16.1)	0.00	0.00	(917.29)	(812.88)
	<u>14,651.10</u>	<u>12,431.44</u>	<u>0.00</u>	<u>0.00</u>

14.2 Loans granted by GRUH are secured or partly secured by one or combination of following securities :

- Equitable mortgage of property and / or
- Pledge of shares, Units, Other Securities, assignments of Life Insurance policies and / or
- Hypothecation of assets and / or
- Bank guarantees, Company guarantees or Personal guarantees and / or
- Undertaking to create a security.

14.3 Loans includes ₹ 36.70 crores (Previous Year ₹ 28.56 crores) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

14.4 Loans includes ₹ 0.25 crore (Previous Year ₹ 0.27 crore) given to the related parties of GRUH under the Staff Loan Scheme.

14.5 Others

(Unsecured and Considered good)

Particulars	(₹ in crores)	
	As At March 31, 2018	As At March 31, 2017
Rent Deposits	1.95	1.86
Other Deposits		
To Related Party	0.05	0.05
To Others	2.19	1.43
Advance Tax [Net of Provision for Taxation of ₹ 754.18 crores (Previous Year ₹ 589.76 crores)]	30.40	29.69
Advance recoverable in cash or in kind or for value to be received	4.74	5.45
Capital Advances	0.87	0.99
	40.20	39.47

15 CASH AND BANK BALANCES

(₹ in crores)

Particulars	Non-Current		Current	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
15.1 Cash & Cash Equivalents				
(a) Balances with Banks :				
In Current Accounts	0.00	0.00	11.95	5.84
In Unpaid Dividend Accounts	0.00	0.00	1.86	1.55
(b) Cheques on Hand	0.00	0.00	5.49	5.13
(c) Cash on Hand	0.00	0.00	0.03	0.04
	0.00	0.00	19.33	12.56

15.2 Other Bank Balances

(₹ in crores)

Particulars	Non-Current		Current	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
Deposits with original maturity of more than three months up to twelve months	0.00	0.00	53.79	26.09
Fixed Deposits with original maturity of more than twelve months	0.00	33.00	0.00	0.00
	<u>0.00</u>	<u>33.00</u>	<u>53.79</u>	<u>26.09</u>
Amount disclosed under the head "Other Non-Current Assets" (Note 17)	0.00	(33.00)	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>73.12</u>	<u>38.65</u>

16 SHORT-TERM LOANS AND ADVANCES

(Unsecured and Considered good unless otherwise stated)

(₹ in crores)

Particulars	As At March 31, 2018	As At March 31, 2017
16.1 Loans (Secured, Considered Good)		
Current Maturities of Long-term Loans (Note 14.1)	917.29	812.88
	<u>917.29</u>	<u>812.88</u>
16.2 Others		
Instalments due from Borrowers (Secured, considered good)	50.24	40.24
Loan Against Deposit (Secured, considered good)	1.26	1.57
Advance recoverable in cash or kind or for value to be received	60.48	9.16
	<u>111.98</u>	<u>50.97</u>

16.3 Instalments due from borrowers includes ₹ 19.41 crores (Previous Year ₹ 15.90 crores) which are accrued but not due.

17 OTHER ASSETS

(₹ in crores)

Particulars	Non-Current		Current	
	As At March 31, 2018	As At March 31, 2017	As At March 31, 2018	As At March 31, 2017
Deposits with maturity of more than twelve months from reporting date (Note 15.2)	0.00	33.00	0.00	0.00
Interest Accrued on Investments	0.00	0.00	5.01	5.01
Interest Accrued on Bank Deposits	0.00	0.00	3.73	2.73
	<u>0.00</u>	<u>33.00</u>	<u>8.74</u>	<u>7.74</u>

(₹ in crores)

18 REVENUE FROM OPERATIONS	Current Year	Previous Year
Interest Income		
Interest on Loans	1,602.77	1,420.28
Other Interest (Note 18.1)	20.61	20.07
Fees and Other Income (Note 18.2)	53.77	41.32
Bad Debts Recovered	0.29	0.31
Surplus from deployment in Cash Management Schemes of Mutual Funds (Note 18.3)	9.75	5.41
	1,687.19	1,487.39

18.1 Other Interest includes Interest on Long-Term SLR Investments ₹ 16.27 crores (Previous Year ₹ 15.30 crores) and Interest on Bank Deposits amounting to ₹ 4.34 crores (Previous Year ₹ 4.77 crores).

18.2 Fees and Other Income is net of Loan Referral Charges of ₹ 17.80 crores (Previous Year ₹ 14.22 crores).

18.3 Surplus from deployment in Cash Management Schemes of Mutual Funds is in respect of Investments held as Current Investments.

(₹ in crores)

19 FINANCE COST	Current Year	Previous Year
Interest On		
Loans	296.73	414.68
Non-Convertible Debentures	298.94	89.12
Commercial Papers	248.22	266.48
Public Deposits	126.11	137.25
Other Charges		
Brokerage on Deposits	5.01	5.00
Bank Charges	0.99	0.72
Other Borrowing Cost	6.45	6.37
	982.45	919.62

(₹ in crores)

20 EMPLOYEE BENEFIT EXPENSES (Note 26)	Current Year	Previous Year
Salaries and Bonus	49.45	43.52
Contribution to Provident Fund and other funds	3.19	3.56
Staff Welfare Expenses	1.50	1.27
Staff Training Expenses	0.37	0.26
	54.51	48.61

(₹ in crores)

21 ESTABLISHMENT EXPENSES	Current Year	Previous Year
Rent (Note 24)	6.50	6.01
Rates and Taxes	0.21	0.25
Electricity Charges	1.38	1.22
Repairs and Maintenance - Building	0.01	0.01
Office Maintenance	3.18	3.24
Insurance Charges	0.16	0.15
	11.44	10.88

(₹ in crores)

22 OTHER EXPENSES	Current Year	Previous Year
Travelling and Conveyance	2.19	1.96
Printing and Stationery	2.07	1.87
Postage, Telephone and Fax	1.56	1.64
Data Centre and Data Communication Expenses	2.76	4.21
Advertising and Business Promotion	4.87	4.12
Legal and Professional Charges	9.18	7.55
Repairs and Maintenance - Others	1.41	1.16
Staff Recruitment Expenses	0.16	0.11
Bad Debts written off	1.08	0.51
Expenses for Recovery	1.05	1.00
Directors' Fees and Commission (Note 25.11)	1.07	1.12
Auditor's Remuneration :		
Audit Fees	0.14	0.13
Tax Audit Fees	0.04	0.04
Other Certification Work*	0.23	0.14
Reimbursement of Expenses	0.02	0.03
	0.43	0.34
Provision for Loan Assets (Note 6.2 & 25.15)	32.49	27.10
Provision for Loss to arise on redemption of SLR Investments	4.97	4.63
Miscellaneous Expenses (Note 29)	8.34	6.10
	<u>73.63</u>	<u>63.42</u>

* Includes fees for Limited Reviews ₹ 0.08 crore (previous year ₹ 0.06 crore) and fees paid to previous auditor ₹ 0.03 crore.

(₹ in crores)

23 DEPRECIATION AND AMORTISATION	Current Year	Previous Year
Depreciation on Property, Plant & Equipment (Note 10)	2.63	2.58
Amortisation of Intangible Assets (Note 11)	0.46	0.28
	<u>3.09</u>	<u>2.86</u>

24 In accordance with the Accounting Standard on 'Leases' (AS 19), the following disclosure in respect of operating leases are made :

GRUH has taken office premises under operating lease for a period ranging from 11 months to 180 months. These are cancellable and have no specific obligation for renewal. The total lease payments for current year amounts to ₹ 6.50 crores (Previous year ₹ 6.01 crores) which is recognised in the Statement of Profit and Loss under 'Rent Expenses' under Note 21.

25 Disclosure as required by National Housing Bank :

The following disclosures have been given in terms of National Housing Bank's notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 and in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010 :

25.1 Capital

Sr. No.	Particulars	Current Year	Previous Year
(i)	CRAR (%)	18.90	18.32
(ii)	CRAR – Tier I Capital (%)	17.68	16.82
(iii)	CRAR – Tier II Capital (%)	1.22	1.50
(iv)	Amount of subordinated debt as Tier- II Capital (₹ in crores)*	35.00	35.00
(v)	Amount raised by issue of Perpetual Debt Instruments (₹ in crores)	0.00	0.00

* As per NHB master Directions, 2010, based on balance term to maturity as at March 31, 2018, ₹ 28 crores (previous year ₹ 35 crores) of the book value of subordinated debt is considered as Tier II capital for computation of Capital Adequacy Ratio.

25.2 Reserve Fund u/s 29C of National Housing Bank Act, 1987

(₹ in crores)

Sr. No.	Particulars	Current Year	Previous Year
	Balance at the beginning of the year		
(a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	27.74	27.74
(b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	439.93	355.93
		467.67	383.67
	Addition / Appropriation / Withdrawal during the year		
	Add :		
(a)	Amount transferred u/s 29C of the NHB Act, 1987	0.00	0.00
(b)	Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	106.25	84.00
	Less :		
(a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	0.00	0.00
(b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	0.00	0.00
		573.92	467.67
	Balance at the end of the year		
(a)	Statutory Reserve u/s 29C of the NHB Act, 1987	27.74	27.74
(b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	546.18	439.93
		573.92	467.67

25.3 Investments

(₹ in crores)

Sr. No.	Particulars	Current Year	Previous Year
	Value of Investments		
(i)	Gross value of Investments*		
	(a) In India	153.12	158.09
	(b) Outside India	0.00	0.00
(ii)	Provisions for Depreciation		
	(a) In India	0.00	0.00
	(b) Outside India	0.00	0.00
(iii)	Net value of Investments		
	(a) In India	153.12	158.09
	(b) Outside India	0.00	0.00

*Net of Provision for Loss to arise on redemption of Investments.

(₹ in crore)

Sr. No.	Movement of provisions held towards depreciation on investments	Current Year	Previous Year
(i)	Opening balance	0.00	0.00
(ii)	Add : Provisions made during the year	0.00	0.00
(iii)	Less : Provision written back for investment matured/redeemed during the year	0.00	0.00
(iv)	Closing balance	0.00	0.00

No provision for diminution, other than temporary, in the value of investments is required.

25.4 During the year, GRUH has not entered into any (a) derivative transaction, (b) securitisation, assets reconstruction and assignment transaction, (c) purchase/sale of Non-performing financial assets, (d) Capital market transaction and exposure, (e) financing of Parent Company product, (f) finance of any unsecured advances i.e. advances against intangible securities such as rights, licenses, authorisations etc. as collateral security and (g) transaction in foreign currency apart from dividend payment to Non-resident shareholder as per note 33.

25.5 GRUH has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SBL) and Group Borrower Limit (GBL).

25.6 Assets liability Management

Assets and Liabilities are classified in the maturity buckets as per the guidelines issued by the National Housing Bank.

Maturity pattern of certain items of Assets and Liabilities As At March 31, 2018 :

(₹ in crores)

Maturity Buckets	Liabilities				Assets		
	Deposits	Borrowings from Banks	Market Borrowings	Foreign currency Liability	Advances	Investments	Foreign currency Asset
1 day to 30 days (one month)	52.88	400.00	150.00	0.00	78.99	0.00	0.00
Over one month up to 2 months	20.87	0.00	0.00	0.00	79.32	0.00	0.00
Over 2 months up to 3 months	27.61	94.28	150.00	0.00	79.54	0.00	0.00
Over 3 months up to 6 months	59.45	91.56	0.00	0.00	231.19	0.00	0.00
Over 6 months up to 1 year	320.26	4,521.55	1,492.00	0.00	448.25	70.09	0.00
Over 1 year up to 3 years	783.22	841.24	2,597.00	0.00	1,715.04	29.68	0.00
Over 3 years up to 5 years	160.49	661.05	513.00	0.00	1,628.91	38.22	0.00
Over 5 years up to 7 years	20.58	695.83	0.00	0.00	1,758.93	3.02	0.00
Over 7 years up to 10 years	12.95	318.85	0.00	0.00	2,758.40	12.11	0.00
Over 10 years	0.00	61.33	0.00	0.00	6,789.82	0.00	0.00
	1,458.31	7,685.69	4,902.00	0.00	15,568.39	153.12	0.00

Maturity pattern of certain items of Assets and Liabilities as at March 31, 2017 :

(₹ in crores)

Maturity Buckets	Liabilities				Assets		
	Deposits	Borrowings from Banks	Market Borrowings	Foreign currency Liability	Advances	Investments	Foreign currency Asset
1 day to 30 days (one month)	79.60	0.00	0.00	0.00	66.37	0.00	0.00
Over one month up to 2 months	34.50	0.00	0.00	0.00	66.68	0.00	0.00
Over 2 months up to 3 months	60.49	163.44	0.00	0.00	66.88	0.00	0.00
Over 3 months up to 6 months	161.18	163.45	0.00	0.00	202.26	0.00	0.00
Over 6 months up to 1 year	186.64	326.89	350.00	0.00	410.69	0.00	0.00
Over 1 year up to 3 years	765.10	935.02	2,037.00	0.00	1,549.02	75.38	0.00
Over 3 years up to 5 years	182.51	783.76	0.00	0.00	1,443.52	67.30	0.00
Over 5 years up to 7 years	22.44	582.55	35.00	0.00	1,527.61	3.05	0.00
Over 7 years up to 10 years	12.45	708.79	0.00	0.00	2,389.81	12.36	0.00
Over 10 years	0.00	4,427.34	0.00	0.00	5,521.48	0.00	0.00
	1,504.91	8,091.24	2,422.00	0.00	13,244.32	158.09	0.00

25.7 Exposure to Real Estate Sector :

Sr. No.	Category	Current Year	Previous Year
1.	<p><u>Direct Exposure</u></p> <p>(a) Residential Mortgages : Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented : (Individual Housing loans up to ₹ 15 lacs shown separately).</p> <p>(b) Commercial Real Estate : Lending secured by mortgages on commercial real estates. (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits.</p> <p>(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures :</p> <p>(i) Residential (ii) Commercial Real Estate</p>	<p>i) Loans ≤ ₹ 15 Lacs : ₹ 11,471.52 crores</p> <p>(ii) Loans > ₹ 15 Lacs : ₹ 3,060.49 crores</p> <p>(iii) Total : ₹ 14,532.01 crores</p> <p>₹ 1,036.38 crores</p> <p>Nil</p>	<p>i) Loans ≤ ₹ 15 Lacs : ₹ 9,794.97 crores</p> <p>(ii) Loans > ₹ 15 Lacs: ₹ 2,448.48 crores</p> <p>(iii) Total : ₹ 12,243.45 crores</p> <p>₹ 1,000.87 crores</p> <p>Nil</p>
2.	<p><u>Indirect Exposure</u></p> <p>Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)</p>	<p>Nil</p>	<p>Nil</p>

25.8 GRUH has not obtained registration from any other financial sector regulator.

25.9 National Housing Bank (NHB) has not raised any stricture or direction in their inspection carried out during the year. NHB has not imposed any penalty on GRUH during the year.

25.10 As per the Accounting Standard on 'Related Party Disclosures' (AS 18), the related parties of GRUH with whom GRUH had carried out transactions are as follows. There were no material transaction with related parties and all these transactions were carried out in ordinary course of business and were at arm's length price.

(a) Holding Company

Housing Development Finance Corporation Limited (HDFC)

(b) Fellow Subsidiary Companies

- (i) HDFC Standard Life Insurance Co. Limited
(ii) HDFC ERGO General Insurance Co. Limited

(c) Key Management Personnel

- (i) Mr. Sudhin Choksey, Managing Director
(ii) Mr. Kamlesh Shah, Executive Director
(iii) Mr. Marcus Lobo, Company Secretary
(iv) Mr. Hitesh Agrawal, Chief Financial Officer

(d) Entity in which Director exercise significant influence

- (i) M/s SNG & Partners, Advocates & Solicitors

(e) Entity in which Key Management Personnel exercise significant influence

- (i) GRUH Foundation

The nature and volume of transactions with the above related parties during the year were as follows :

(₹ in crores)

Name of Entity	Nature of transaction	Transactions for the year ended March 31, 2018	Receivable/ (Payable) as at March 31, 2018	Transactions for the year ended March 31, 2017	Receivable/ (Payable) as at March 31, 2017
HDFC Limited	Dividend paid	59.66	Nil	49.01	Nil
	Repayment of borrowing	Nil	Nil	10.16	Nil
	Interest on borrowing	Nil	Nil	0.89	Nil
	Borrowing	Nil	Nil	Nil	Nil
HDFC Standard Life Insurance Co. Limited	Security Deposit	Nil	0.05	Nil	0.05
HDFC ERGO General Insurance Co. Limited	Insurance premium paid	0.04	Nil	0.04	Nil
	Interest on borrowing	1.17	(0.02)	1.17	(0.02)
	Borrowing	Nil	(12.00)	Nil	(12.00)
Key Management Personnel Managerial remuneration	Mr. Sudhin Choksey	4.05	Nil	3.54	Nil
	Mr. Kamlesh Shah	1.43	Nil	1.21	Nil
	Mr. Marcus Lobo	0.54	Nil	0.47	Nil
	Mr. Hitesh Agrawal	0.25	Nil	0.20	Nil
Exercise of stock option	Mr. Sudhin Choksey	3.30	Nil	1.93	Nil
	Mr. Kamlesh Shah	Nil	Nil	0.80	Nil
	Mr. Marcus Lobo	0.76	Nil	0.55	Nil
	Mr. Hitesh Agrawal	Nil	Nil	0.89	Nil
Repayment of loan	Mr. Marcus Lobo	Nil	Nil	0.11	Nil
	Mr. Hitesh Agrawal	0.02	Nil	0.06	Nil
Interest income	Mr. Marcus Lobo	Nil	Nil	(₹ 7,932)	Nil
	Mr. Hitesh Agrawal	0.01	Nil	0.01	Nil
Loan	Mr. Marcus Lobo	Nil	Nil	Nil	Nil
	Mr. Hitesh Agrawal	Nil	0.25	Nil	0.27
M/s SNG & Partners, Advocates & Solicitors	Professional Service	0.04	Nil	Nil	Nil
GRUH Foundation	Interest on Borrowing	Nil	Nil	(₹ 7,302)	Nil
	Repayment of Borrowing	Nil	Nil	0.05	Nil
	Public Deposit	Nil	Nil	Nil	Nil

25.11 There are no transactions other than sitting fees and commission paid to non-executive directors. During the year, ₹ 1.07 crore (Previous year ₹ 1.12 crore) was paid to non-executive directors towards sitting fee and commission. Details are as under :

(₹ in crore)

Name of Directors	Current Year			Previous Year		
	Sitting fees	Commission	Total	Sitting fees	Commission	Total
Mr. Keki M. Mistry	0.04	0.00	0.04	0.05	0.00	0.05
Mr. S. M. Palia (up to March 31, 2017)	0.00	0.14	0.14	0.05	0.12	0.17
Mr. Rohit C. Mehta (up to March 31, 2017)	0.00	0.14	0.14	0.08	0.12	0.20
Mr. Prafull Anubhai	0.10	0.14	0.24	0.11	0.12	0.23
Ms. Renu S. Karnad (up to October 16, 2017 and reappointed w.e.f. February 1, 2018)	0.01	0.00	0.01	0.03	0.00	0.03
Mr. K. G. Krishnamurthy	0.04	0.00	0.04	0.06	0.00	0.06
Mr. S. G. Mankad	0.06	0.14	0.20	0.09	0.12	0.21
Mr. Biswamohan Mahapatra	0.04	0.14	0.18	0.05	0.12	0.17
Mr. Pankaj Patel	0.02	0.03	0.05	0.00	0.00	0.00
Mr. Rajesh Gupta (w.e.f. April 17, 2017)	0.03	0.00	0.03	0.00	0.00	0.00
Ms. Bhavna Doshi (w.e.f. January 20, 2018)	(₹ 20,000)	0.00	(₹ 20,000)	0.00	0.00	0.00
	0.34	0.73	1.07	0.52	0.60	1.12

25.12 GRUH carries following ratings from ICRA and CRISIL :

Instrument	ICRA	CRISIL
Long-term	AAA Stable	AAA Stable
Short-term	A1 (+)	A1 (+)
Fixed Deposits	MAAA Stable	FAAA Stable

25.13 During the year, (a) no prior period items occurred which has impact on profit and loss account, (b) no change in any accounting policy, (c) there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties and (d) there is no withdrawal from Reserve fund.

25.14 GRUH has no subsidiary company. Hence, requirement of consolidated financial statements is not applicable to GRUH.

25.15 Provisions and Contingencies charged during the year under the head expenditure in Statement of Profit and Loss :

(₹ in crores)

Sr. No.	Particulars	Current Year	Previous Year
1	Provision for Depreciation on Investment	0.00	0.00
2	Provision made towards Income tax	166.00	120.00
	Provision for Loan Assets (Note 6.2 & 22)		
3	Provision towards NPAs	29.51	15.41
4	Provision for Standard Assets	2.98	11.69
5	Other Provision and Contingencies	0.00	0.00

Break up of Loans & Advances and Provisions thereon :

(₹ in crores)

Sr. No.	Particulars	Housing		Non-Housing	
		Current Year	Previous Year	Current Year	Previous Year
	Standard Assets				
a)	Total Outstanding Amount*	14,832.18	12,625.34	717.62	620.21
b)	Provisions made	58.92	56.92	7.18	6.20
	Sub-Standard Assets				
a)	Total Outstanding Amount	40.04	22.53	2.48	0.41
b)	Provisions made	6.01	3.38	0.37	0.06
	Doubtful Assets - Category - I				
a)	Total Outstanding Amount	14.11	7.68	0.18	0.18
b)	Provisions made	3.53	1.92	0.04	0.05
	Doubtful Assets - Category-II				
a)	Total Outstanding Amount	8.05	5.45	0.85	0.70
b)	Provisions made	3.22	2.18	0.34	0.28
	Doubtful Assets - Category-III				
a)	Total Outstanding Amount	4.31	3.07	0.07	0.56
b)	Provisions made	4.31	3.07	0.07	0.56
	Loss Assets				
a)	Total Outstanding Amount	0.00	0.00	0.00	0.00
b)	Provisions made	0.00	0.00	0.00	0.00
a)	Total Outstanding Amount	14,898.69	12,664.07	721.20	622.06
b)	Provisions made	75.99	67.47	8.00	7.15

* Standard Assets and total outstanding amount includes instalment due from borrowers and Loan Against Deposit alongwith interest accrued but not due and provision thereon.

25.16 Concentration of Public Deposits :

(₹ in crores)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	460.45	488.24
Percentage of Deposits of twenty largest depositors to Total Deposits of GRUH	31.57	32.44

25.17 Concentration of Loans & Advances :

(₹ in crores)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	710.81	690.59
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of GRUH	4.57	5.21

25.18 Concentration of all exposure (including off-balance sheet exposure) :

(₹ in crores)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers/customers	913.89	833.90
Percentage of exposures to twenty largest borrowers/customers to Total exposure of GRUH	5.58	6.30

25.19 Concentration of Non-Performing Assets (NPAs) :

(₹ in crores)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA Accounts	9.55	6.89

25.20 Sector-wise NPAs - Percentage of NPAs to total Advances in that sector :

Sr. No.	Sector	Current Year		Previous Year	
		₹ in crores	%	₹ in crores	%
A	Housing Loans :				
1	Individuals	66.52	0.46	38.73	0.32
2	Builders/Project Loans	0.00	0.00	0.00	0.00
3	Corporates	0.00	0.00	0.00	0.00
4	Others	0.00	0.00	0.00	0.00
B	Non-Housing Loans :				
1	Individuals	3.57	0.97	1.85	0.46
2	Builders/Project Loans	0.00	0.00	0.00	0.00
3	Corporates	0.00	0.00	0.00	0.00
4	Others	0.00	0.00	0.00	0.00
		70.09	0.45	40.58	0.31

25.21 Movement of Non-Performing Assets :

(₹ in crores)

Sr. No.	Sector	Current Year	Previous Year
I	Net NPAs to Net Advances (%)	0.00	0.00
II	Movement of NPAs (Gross)		
	a) Opening balance	40.58	35.55
	b) Additions during the year	44.72	23.58
	c) Reductions during the year	15.21	18.55
	d) Closing balance	70.09	40.58
III	Movement of Net NPAs		
	a) Opening balance	0.00	10.38
	b) Additions during the year	0.00	0.00
	c) Reductions during the year	0.00	10.38
	d) Closing balance	0.00	0.00
IV	Movement of provisions for NPAs and Contingencies (excluding provisions on standard assets)		
	a) Opening balance	40.58	25.17
	b) Additions during the year	70.10	40.58
	c) Write-back of provisions	40.58	25.17
	d) Closing balance	70.10	40.58

25.22 GRUH does not have any overseas assets and any off balance sheet Special Purpose Vehicle (SPV) which requires to be consolidated as per accounting norms.

25.23 Customer complaints :

Sr. No.	Particulars	Current Year	Previous Year
1	No. of complaints pending at the beginning of the year	211	41
2	No. of complaints received during the year	4,009	3,383
3	No. of complaints redressed during the year	4,199	3,213
4	No. of complaints pending at the end of the year	21	211

26 In compliance with the Accounting Standard on 'Employee Benefits' (AS 15), following disclosures have been made :

26.1 Defined Contribution Plans

GRUH has recognised the following amounts in Statement of Profit and Loss which are included under Contribution to Provident Fund and Other Funds :

(₹ in crore)

Particulars	Current Year	Previous Year
Provident Fund	0.86	0.79
Superannuation Fund	0.89	0.82

The Rules of GRUH's Provident Fund administered by a Trust require that if the Board of the Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by GRUH. Having regard to the assets of the fund and the return on the investments, GRUH does not expect any deficiency in the foreseeable future.

26.2 State Plans

GRUH has recognised expenses of ₹ 0.55 crore (Previous Year ₹ 0.51 crore) in Statement of Profit and Loss for Contribution to State Plan namely Employees' Pension Scheme.

26.3 Defined Benefit Plans

(a) Leave Encashment / Compensated Absences :

Salaries and Bonus includes ₹ 1.05 crore (Previous Year ₹ 1.28 crore) towards provision made as per actuarial valuation in respect of accumulated leave salary encashable on retirement.

(b) Contribution to Gratuity Fund :

The details of GRUH's post-retirement benefit plans for its employees are given below which is certified by the actuary and relied upon by the auditors :

(₹ in crores)

Particulars	Current Year	Previous Year
Change in the Benefit Obligations		
Liability at the beginning of the year	9.23	7.47
Current Service Cost	0.47	0.40
Interest Cost	0.69	0.60
Benefits Paid	(0.48)	(0.25)
Actuarial Loss/(Gain)	0.66	1.01
Liability at the end of the year	10.57	9.23
Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	7.79	6.41
Expected Return on Plan Assets	0.59	0.52
Contributions	1.44	1.06
Benefits Paid	(0.48)	(0.25)
Actuarial (Loss)/Gain on Plan Assets	0.36	0.05

Fair Value of Plan Assets at the end of the year	9.69	7.79
Total Actuarial Loss/(Gain) to be recognised	0.30	0.96
Actual Return on Plan Assets		
Expected Return on Plan Assets	0.59	0.52
Actuarial (Loss)/Gain on Plan Assets	0.36	0.05
Actuarial Return on Plan Assets	0.94	0.57
Amount Recognised in the Balance Sheet		
Liability at the end of the year	10.57	9.23
Fair Value of Plan Assets at the end of the year	9.69	7.79
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	0.88	1.44
Expense Recognised in Statement of Profit and Loss		
Current Service Cost	0.47	0.40
Interest Cost	0.69	0.60
Expected Return on Plan Assets	0.59	(0.52)
Net Actuarial Loss/(Gain) to be recognised	0.30	0.96
Expense recognised in Statement of Profit and Loss under "Employee Benefit Expenses"	0.88	1.44
Reconciliation of the Liability Recognised in the Balance Sheet		
Opening Net Liability	1.44	1.06
Expense Recognised	0.88	1.44
Contribution by GRUH	(1.44)	(1.06)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	0.88	1.44

Investment Pattern in (%) :

Particulars	As At	As At
	March 31, 2018	March 31, 2017
Central Government Securities	18.94	25.07
State Government Securities / Securities guaranteed by State / Central Government	33.71	25.17
Public Sector / Financial Institutional Bonds	7.32	21.03
Private Sector Bonds	23.01	18.06
Special Deposit Scheme	0.12	0.15
Investment in Insurance Company Scheme	9.71	5.78
Equity Fund	3.77	3.02
Others (including bank balances)	3.42	1.72
	<u>100.00</u>	<u>100.00</u>

Based on the above allocation and the prevailing yields on these assets, the long-term estimate of the expected rate of return on fund assets has been arrived at.

Principal actuarial assumptions at the Balance Sheet Date (expressed as weighted averages) :

Particulars	March 31, 2018	March 31, 2017
Discount Rate (%)	7.86	7.52
Expected Return on Plan Assets (%)	7.86	7.52
Attrition Rate (%)	2.00	2.00
Annual increase in Salary Cost (%)	3.00	3.00

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Amount for the current and previous periods are as follows :

Particulars	(₹ in crores)				
	2017-18	2016-17	2015-16	2014-15	2013-14
Present value of Defined Benefit Obligation	10.57	9.23	7.47	6.22	5.75
Fair Value of Plan Assets	9.69	7.79	6.41	6.09	5.17
Surplus/(Deficit) in the Plan	(0.88)	(1.44)	(1.06)	(0.13)	(0.58)
Experience adjustments on plan Liabilities (loss)/Gain	(0.82)	(0.78)	(0.79)	(0.45)	(0.47)
Experience adjustments on plan assets (loss)/Gain	0.36	0.05	0.06	0.01	(0.05)

- 27 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 0.69 crore (Previous Year ₹ 0.61 crore).
- 28 Contingent liability in respect of Income-tax demands net of amounts provided for and disputed by GRUH amounts to ₹ 7.87 crores (Previous year ₹ 11.16 crores). The said amount has been paid/adjusted and will be received as refund, if the matters are decided in favour of GRUH.
- 29 Disclosure on Corporate Social Responsibility (CSR) activities u/s 135 of the Companies Act, 2013 is as under :
- (a) Gross amount required to be spent by GRUH during the year : ₹ 7.36 crores (Previous year ₹ 6.04 crores)
- (b) Amount spent, utilised and charged during the year on :

Sr. No.	Particulars	Current Year			Previous Year		
		In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	0.00	0.00	0.00	0.00	0.00	0.00
(ii)	On purposes other than (i) above :						
	a) Contribution to various Trusts/NGOs/Societies/Agencies and utilisation thereon	4.27	0.00	4.27	3.25	0.00	3.25
	b) Expenditure on Administrative Overheads for CSR	0.10	0.00	0.10	0.11	0.00	0.11
		4.37	0.00	4.37	3.36	0.00	3.36

- 30 GRUH's main business is to provide loans for purchase or construction of residential houses in India. All other activities of GRUH revolve around the main business. As such, there are no separate reportable segments, as per the Accounting Standard on Segment Reporting (AS 17), specified under section 133 of the Companies Act, 2013.

31 CATEGORY-WISE SUMMARY OF BORROWINGS & LOANS

31.1 Borrowings

Particulars	(₹ in crores)	
	As At March 31, 2018	As At March 31, 2017
Bonds and Debentures	4,132.00	2,422.00
Commercial Paper	770.00	0.00
Bank Borrowings	7,685.69	8,091.24
Public Deposits	1,458.31	1,504.91
	<u>14,046.00</u>	<u>12,018.15</u>

31.2 Loans

(₹ in crores)

Particular	As At	As At
	March 31, 2018	March 31, 2017
Individual Home Loans	14,532.01	12,243.45
Individual NRP Loans	368.34	405.23
Developer Loans	668.04	595.64
	<u>15,568.39</u>	<u>13,244.32</u>

32 In accordance with the Accounting Standard on 'Earnings Per Share' (AS 20), the Earnings Per Share is as follows :

32.1 The Earnings Per Share (EPS) is calculated as follows :

Particulars	2017-18	2016-17
(i) Net Profit attributable to Equity Share Holders (₹ in crores)	362.68	296.65
(ii) Weighted Average number of shares for computation of Basic Earnings Per Share	36,53,05,932	36,38,64,296
(iii) Nominal Value of Equity Share	2	2
(iv) EPS - Basic	9.93	8.15
(v) EPS - Diluted	9.91	8.15

32.2 The Basic Earnings Per Share have been computed by dividing the Profit After Tax by the weighted average number of equity shares for the respective periods. The weighted average number of shares have been derived as follows :

Particulars	No. of Shares	
	2017-18	2016-17
(i) Equity Shares of ₹ 2 each at the beginning of the year	36,45,64,484	36,36,81,740
(ii) Allotment of Shares under ESOS - 11,55,527 shares (Previous year 8,82,744 shares)	7,41,448	1,82,556
(iii) Weighted Average number of shares for computation of Basic Earnings Per Share	36,53,05,932	36,38,64,296

32.3 The Diluted Earnings Per Share have been computed by dividing the Profit After Tax by the weighted average number of equity shares, after giving dilute effect of outstanding Stock Options for the respective periods. The relevant details are as follows:

Particulars	2017-18	2016-17
(i) Weighted Average number of shares for computation of Basic Earnings Per Share	36,53,05,932	36,38,64,296
(ii) Dilute effect of outstanding Stock Options	7,65,001	1,56,635
(iii) Weighted Average number of shares for computation of Diluted Earnings Per Share	36,60,70,933	36,40,20,931

33 Amount remitted during the year in foreign currency on account of dividend

<u>Particulars</u>	<u>2017-18</u>	<u>2016-17</u>
i) Number of Non-resident Shareholder	1	1
ii) Number of shares held of ₹ 2 each	12,50,000	12,50,000
iii) Year to which dividend relates	2016-17	2015-16
iv) Amount remitted (₹ in crore)	0.35	0.29

34 There are no indications which reflects that any of the assets of GRUH had got impaired from its potential use and therefore no impairment loss was required to be accounted in the current year as per Accounting Standard on 'Impairment of Assets' (AS 28).

35 Figures less than ₹ 50,000 which are required to be shown separately, have been shown as actual in brackets.

36 Previous year's figures which were audited by the predecessor auditors have been re-grouped / re-classified wherever necessary to correspond with current year's classification disclosure.