

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Corporate Governance is, essentially, a philosophy. It encompasses not only the regulatory and legal requirements, but also the voluntary practices developed by the company to protect the best interests of all stakeholders. However, in the harsh realities of day to day economic stress and competitive growth, corporate governance can only deliver on an avowed philosophy if there is a strong and sustainable framework. It is this framework which fosters a high level of business ethics with effective supervision, transparency and accountability at all levels. A good corporate governance framework incorporates a system of robust checks and balances between Key players; namely, the Board, the management, auditors and various stakeholders. The role and responsibilities of each entity must be clearly understood and transparency must be enforced at each level and at all times.

Spin-offs from good Corporate Governance

Investors worldwide are looking for new areas and avenues to invest their funds but the emphasis is on safety of their funds rather than high returns. These investors value companies which show commitment to customer satisfaction; companies which nurture long-term stakeholder value. In the ultimate analysis, strong governance is, therefore, indispensable for the development of a resilient and vibrant capital market. It is an important instrument for investor protection.

Company's philosophy on Corporate Governance

GRUH has been fortunate to have a strong set of values drawn from its promoter and parent company, Housing Development Finance Corporation Limited (HDFC).

At GRUH, we have assigned the highest importance to elements of good corporate governance like transparency, accountability and responsibility in every sphere of management practice be it with customers, shareholders, regulators, government, bankers, vendors or staff members. We have strived to introduce a high level of professionalism in carrying out the business with a strong belief that the organisation exists to serve the customer in a manner that can yield the best possible return to a shareholder. The Board of Directors at GRUH has always maintained the true spirit of being "Trustees" in directing the management team and also persisted in demanding a similar approach from the management team. The board has also inspired the management team to practice professional ethics in all its dealings.

With emphasis on transparency, integrity and accountability, the Board of Directors adopted the principles of good corporate governance by setting up an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee since 1997. GRUH has developed systems that allow sufficient freedom to the board and the management to take decisions which promote growth while remaining within the framework of effective accountability. Given below is the report of the directors on corporate governance in accordance with the provisions of the SEBI (LODR) Regulations, 2015 and applicable NHB directions.

Board of Directors

Composition

The Board of Directors comprises of nine directors, all professionals in their own right who bring in a wide range of skills and experience to the board. All the directors of the Company, except the Managing Director and the Executive Director are non-executive directors. Out of the seven non-executive directors, five are independent directors. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and are independent from the management. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company. None of the directors of the Company are related to each other. All directors are appointed by the members of the Company.

The directors bring to the board a wide range of experience and skills. Brief profiles of the directors, are set out elsewhere in the annual report. The composition of the board is in conformity with SEBI (LODR) Regulations, 2015. As per the SEBI (LODR) Regulations, 2015, no director can be a member in more than 10 committees or act as chairman of more than 5 committees across all public companies in which he is a director. The Composition of the Board of Directors of the Company as on March 31, 2019, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are provided as 'Annexure A'.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under:

Sr. No.	Directors	DIN	No. of Directorships	No. of Committees		Category of Director
				Member	Chairman	
1	Mr. Keki M. Mistry - Chairman	00008886	9	4	3	Non-Executive Non-Independent
2	Ms. Renu S. Karnad ^	00008064	7	6	1	Non-Executive Non-Independent
3	Mr. K.G. Krishnamurthy	00012579	8	4	3	Non-Executive Non-Independent
4	Mr. Prafull Anubhai *	00040837	3	4	2	Non-Executive Independent
5	Mr. S.G. Mankad	00086077	7	2	1	Non-Executive Independent
6	Mr. Biswamohan Mahapatra	06990345	6	5	1	Non-Executive Independent
7	Mr. Pankaj Patel	00131852	7	1	1	Non-Executive Independent
8	Mr. Rajesh Gupta	00229040	1	1	1	Non-Executive Independent

9	Ms. Bhavna Doshi	00400508	9	4	4	Non-Executive Independent
10	Mr. Kamlesh Shah (Executive Director)	03092230	1	1	-	Executive
11	Mr. Sudhin Choksey (Managing Director)	00036085	4	-	3	Executive

Directors at sr. nos. 10 and 11 are executive directors. All other directors are non-executive directors.

Directors at sr. nos. 4 to 9 are independent directors.

^ Ms. Renu S. Karnad, Non-executive director of the Company, resigned from the Board w.e.f. March 8, 2019 due to personal reasons and other commitments.

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Responsibilities

The board of directors represents the interest of the company's shareholders in optimising long-term value by providing the management with guidance and strategic direction on the shareholders' behalf. The board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulatory compliance, safeguard interest of shareholders and reporting to shareholders.

Role of Independent directors

Independent directors play an important role in deliberations at the board meetings and bring to the Company their wide experience in the fields of finance, housing, accountancy, law and public policy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the CSR Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, the Corporate Governance Directions issued by NHB and as approved by the board, from time to time.

Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as directors of the Company.

Appointment of Independent Directors

The Company has 5 Independent Directors on its Board.

The current Independent Directors on the Board are: Mr. S. G. Mankad, Mr. Biswamohan Mahapatra, Mr. Pankaj Patel, Mr. Rajesh Gupta and Ms. Bhavna Doshi. None of Independent Directors are liable to retire by rotation.

Mr. Prafull Anubhai completed his second term on March 31, 2019 and he has ceased to be a Director of the Company from the close of March 31, 2019.

All Independent Directors of the Company, at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year, give a declaration that they meet with the criteria of independence as provided under Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

In the opinion of the Board, each Independent Director possesses appropriate balance of skills, experience and knowledge, as required.

Familiarisation Programme

The objective of a familiarisation programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI (LODR) Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

A familiarisation programme was conducted for non-executive directors on areas such as the core functions of the Company, overview of the industry, financials and the performance of the Company. An overview of the familiarisation programme is placed on the Company's website.

Evaluation of Directors and the Board

With the objective of enhancing the effectiveness of the board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and each director and board committees.

The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

The independent directors also held a separate meeting to review the performance of the non-executive directors, the Chairman of the Company and the overall performance of the board.

Board Meetings

The meetings of the Board of Directors are generally held at the Registered Office of HDFC, the parent company. Meetings are generally scheduled well in advance. The board meets at least once a quarter to review the quarterly performance and the financial results of the Company.

The company secretary, in consultation with the Managing Director, prepares the detailed agenda for the meetings. The board papers are circulated to the directors in advance. The members of the board have access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior management is invited to attend the board meetings and provide clarifications as and when required.

During the year, the board met 6 times. The meetings were held on April 14, 2018, July 25, 2018, October 29, 2018, January 7, 2019, January 25, 2019 and March 14, 2019. The attendance of each director at the board meetings and at the last annual general meeting is as under:

Directors	No. of Board meetings attended	Attendance at the 32 nd AGM
Mr. Keki M. Mistry – Chairman	6	Yes
Mr. Prafull Anubhai *	6	Yes
Ms. Renu S. Karnad ^	5	No [#]
Mr. K.G. Krishnamurthy	6	Yes
Mr. S.G. Mankad	4	Yes
Mr. Biswamohan Mahapatra	4	Yes
Mr. Pankaj Patel	2	Yes
Mr. Rajesh Gupta	6	Yes
Ms. Bhavna Doshi	6	Yes
Mr. Kamlesh Shah (Executive Director)	6	Yes
Mr. Sudhin Choksey (Managing Director)	6	Yes

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

^ Ms. Renu S. Karnad, Non-executive director of the Company, resigned from the Board w.e.f. March 8, 2019 due to personal reasons and other commitments.

Ms. Renu S. Karnad was unable to attend the previous AGM of the Company since she was out of the country.

Leave of absence was granted to the Directors who could not attend the respective meetings.

Board Committees

To enable better and more focused attention on the affairs of the Company, the board delegates particular matters to committees of the directors set up for the purpose. These specialist committees prepare the groundwork for decision-making and report at the subsequent board meeting.

The board is assisted by various committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, Committee of Directors, Committee of Directors (Allotment) - all chaired by an independent director.

Audit Committee

The Audit Committee is constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee comprises of Mr. Biswamohan Mahapatra (Chairman), Mr. Keki M. Mistry, Mr. Rajesh Gupta and Ms. Bhavna Doshi. All the members of the committee are financially literate and have accounting and financial management expertise.

Meetings of the Audit Committee are scheduled well in advance. The Audit Committee met five times during the year under review on April 14, 2018, July 25, 2018, October 29, 2018, January 7, 2019 and January 25, 2019. The committee reviewed the quarterly/annual financial statements before submission to the Board for approval.

The committee reviews the reports of the internal auditors and statutory auditors along with the comments and corrective action taken by the management. The committee also reviews the asset-liability management system. The Audit Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the committee.

During the year, your board of directors have constituted Risk Management Committee of Directors effective from October 29, 2018. Prior to that the board had delegated responsibility of overseeing risk management framework including asset liability management to the Audit Committee.

The details of attendance at the Audit Committee meetings are as under:

Directors	No. of meetings attended
Mr. Biswamohan Mahapatra – Chairman	3
Mr. Keki M. Mistry	5
Mr. Prafull Anubhai *	5
Mr. Rajesh Gupta	5
Ms. Bhavna Doshi	5

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Leave of absence was granted to the Director who could not attend the respective meetings.

Risk Management Committee (RMC)

Regulation 21 of SEBI (LODR) Regulations, 2015 has effective April 1, 2019, mandated for the top 500 listed entities determined on the basis of market capitalization as at the end of the immediate previous financial year that they shall constitute a Risk Management Committee (RMC) of Directors.

However, your boards of directors have constituted Risk Management Committee of Directors effective from October 29, 2018. The Committee comprises of the following members, viz. Mr. Biswamohan Mahapatra (Chairman), Mr. Keki M. Mistry, Mr. Rajesh Gupta and Ms. Bhavna Doshi. Prior to that, the board had delegated responsibility of overseeing risk management framework including asset liability management to the Audit Committee.

GRUH has a Risk Management framework approved by the board of directors. GRUH's Risk Management framework provides the mechanism for risk assessment and mitigation. GRUH has an Asset Liability Management (ALM) policy approved by the board.

During the year, the RMC reviewed the risks associated with the business of GRUH, its root causes and the efficacy of the measures taken to mitigate the same. RMC also reviewed the risk arising from the gaps in the liquidity and interest rate sensitivity statements and took decisions in mitigating the risk by ensuring adequate liquidity through maturity profile of assets and liabilities.

The observations of the RMC of directors if any, on the key risks associated with the business and ALM are reported to the board.

GRUH manages various risks like financial risk, operational risk, marketing risk, external risk and regulatory risks associated with the mortgage business. The critical risks which can significantly impact profitability and financial strength are credit risk, interest rate risk and liquidity risk. GRUH manages credit risk through internal credit norms. Liquidity risk and interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profile.

The board of directors also reviewed the key risks associated with the business and ALM of the Company, the procedures adopted to assess the risks, efficacy and mitigation measures.

The RMC met once during the year under review on January 25, 2019.

The details of attendance at the Risk Management Committee meeting are as under:

Directors	No. of meetings attended
Mr. Biswamohan Mahapatra – Chairman	-
Mr. Keki M. Mistry	1
Mr. Prafull Anubhai *	1
Mr. Rajesh Gupta	1
Ms. Bhavna Doshi	1

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Leave of absence was granted to the Director who could not attend the respective meeting.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee comprises of Mr. S.G. Mankad (Chairman), Mr. Keki M. Mistry, Mr. Biswamohan Mahapatra and Mr. Pankaj Patel. The committee considers and approves salaries and other terms of the compensation package for the Managing Director and the Executive Director. The annual compensation of the Managing Director and the Executive Director is recommended by the committee, approved by the board and is within the limits set by the members at the annual general meetings.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (LODR) Regulations, 2015, Section 178 of the Companies Act, 2013 and Rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014, besides other terms as may be referred by the board including matters stipulated by NHB.

The role of the Nomination and Remuneration Committee *inter alia*, includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

During the year, the Nomination and Remuneration Committee met two times on April 14, 2018 and March 14, 2019. The details of attendance at the Nomination and Remuneration Committee meeting are as under:

Directors	No. of meetings attended
Mr. S.G. Mankad – Chairman	2
Mr. Keki. M. Mistry	2
Ms. Renu S. Karnad ^	1
Mr. Biswamohan Mahapatra	2
Mr. Pankaj Patel	1

^ Ms. Renu S. Karnad, Non-executive director of the Company, resigned from the Board w.e.f. March 8, 2019 due to personal reasons and other commitments.

Leave of absence was granted to the Director who could not attend the respective meeting.

Stakeholders Relationship Committee (SRC)

As on March 31, 2019, the Stakeholders Relationship Committee (SRC) comprised of Mr. Rajesh Gupta (Chairman), Ms. Bhavna Doshi, Mr. K. G. Krishnamurthy and Mr. Kamlesh Shah. The committee looks into redressal of shareholders, investors, depositors and customer complaints. The Stakeholders Relationship Committee met four times during the year April 14, 2018, July 25, 2018, October 29, 2018 and January 25, 2019. The details of attendance at the committee meetings are as under:

Directors	No. of meetings attended
Mr. Rajesh Gupta	4
Mr. K G Krishnamurthy	4
Ms. Bhavna Doshi	4
Mr. Kamlesh Shah	4

All members were present at all the Stakeholders Relationship Committee meetings.

In order to expedite the process of share transfer, the board has delegated the authority to approve share transfers to Mr. Kamlesh Shah (Executive Director) and Mr. Marcus Lobo (Company Secretary/Compliance Officer). Share transfer formalities are normally attended to three times in a month. The details of share transfers are reported to the Board of Directors.

The role of the committee shall inter-alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year, 10 complaints were received from shareholders and 10 complaints were also received from depositors, of which all complaints have been duly attended / resolved. There are no pending share transfers.

There is no non-compliance by the Company on any matter related to the capital markets during the last three years. Similarly, there are no penalties, strictures imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market.

Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises of 4 Members, viz. Mr. S.G. Mankad (Chairman), Mr. Keki M Mistry, Mr. Pankaj Patel and Mr. Sudhin Choksey. The Committee is primarily responsible for formulating and recommending to the Board of Directors, a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects.

The Committee met two times during the year on June 6, 2018 and March 29, 2019. The details of attendance at the CSR Committee meeting are as under:

Directors	No. of meeting attended
Mr. Prafull Anubhai – Chairman *	2
Mr. S.G. Mankad #	2
Mr. Sudhin Choksey	2
Mr. Pankaj Patel	-
Mr. Keki M Mistry @	-

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Mr. S.G. Mankad was appointed as Chairman of the CSR w.e.f. April 30, 2019.

@ Mr. Keki M, Mistry was appointed as Member of the CSR w.e.f. April 30, 2019.

Leave of absence was granted to the director who could not attend the meeting.

Separate Meeting of the Independent Directors

During the year, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, a separate meeting of the independent directors of the Company was held on March 14, 2019 without the attendance of non-independent directors and members of the management. Out of six independent directors five independent directors were present at the meeting, wherein they had inter alia reviewed the performance of non-independent directors and the Board as a whole; reviewed the performance of the Chairman of the Company, taking into account the views of the executive directors and the non-executive directors; and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

Remuneration Policy

The remuneration policy, including the criteria for remunerating non-executive directors is recommended by the Nomination and Remuneration Committee and approved by the board. The key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company. The policy ensures that it is fair and reasonable to attract and retain necessary talent, is linked to attaining performance benchmarks and involves a judicious balance of fixed and variable components. The remuneration policy is placed on the website of the Company. The remuneration paid to the directors is in line with the remuneration policy of the Company.

Remuneration to Directors

Non-Executive Directors

The remuneration for non-executive directors consists of sitting fees and commission. The payment of the annual commission to the non-executive directors is based on the performance of the Company. The commission payable to the Independent directors / non-executive directors is approved by the board and is within the overall limits as approved by the shareholders of the Company. No other payment is made to the non-executive directors.

Details of the remuneration, shareholding and stock options granted to non-executive directors are provided in Form MGT 9 given elsewhere in the Annual Report.

Information on the total sitting fees paid to each non-executive director during FY 2018-19 for attending Meetings of the Board and its Committees is set out in the following table:

Directors	Sitting fees paid (₹)	Commission# (₹)	Total (₹)
Mr. Keki M. Mistry	7,60,000	-	7,60,000
Mr. Prafull Anubhai *	13,05,000	15,00,000	28,05,000
Ms. Renu S. Karnad ^	3,40,000	-	3,40,000
Mr. K.G. Krishnamurthy	6,80,000	-	6,80,000
Mr. S.G. Mankad	6,25,000	15,00,000	21,25,000
Mr. Biswamohan Mahapatra	5,20,000	15,00,000	20,20,000
Mr. Pankaj Patel	1,80,000	15,00,000	16,80,000
Mr. Rajesh Gupta	8,60,000	15,00,000	23,60,000
Ms. Bhavna Doshi	8,60,000	3,75,000	12,35,000

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

^ Ms. Renu S. Karnad, Non-executive director of the Company, resigned from the Board w.e.f. March 8, 2019 due to personal reasons and other commitments.

Commission for the year 2017-18 was paid in the year 2018-19.

Executive Directors

The executive directors of the Company have been appointed on a contractual basis, in terms of the resolutions passed by the shareholders at the annual general meetings. Elements of the remuneration package comprise of salary, perquisites and other benefits including ex-gratia as approved by the members at the annual general meeting. Details of the remuneration paid to the executive directors during the year under review are provided in Form MGT 9 given elsewhere in the Annual Report.

Certificate under Regulation 34(3) of SEBI Listing Regulations:

The Company has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, from M/s M. C. Gupta & Co., a firm of Company Secretary in practice, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authority. The said certificate forms part of this report as 'Annexure B'.

Employee Stock Option Scheme (ESOS)

The disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, have been placed on the website of the Company.

Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The relevant information is included in the Director Report.

Proceeds from Private Placement Issues

During the year under review, the Company issued non-convertible debentures of ₹ 1,230.10 crore in aggregate. Details of these issues are provided in the Directors' Report. As specified in the respective offer documents, the funds were utilised for the purpose of on lending for housing finance. Details thereof were provided to the Audit Committee and Board of Directors.

Details of Utilization of Funds

During the year under review, the issue of Debentures was made to augment long-term resources to finance the housing finance operations and other activities of the Company. Accordingly, the funds raised were utilised for Company's main line of businesses and other ancillary and incidental purpose.

Transactions with Non-executive Directors

The non-executive directors of the Company do not have any material pecuniary relationship or transactions vis-à-vis Company.

Shareholding of Directors

The shareholding details of the directors as at March 31, 2019 are included in Form MGT-9 forming part of the Directors' Report.

Prevention of Insider Trading

In December 2018 and January 2019, SEBI amended the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from April 1, 2019. Pursuant thereto, the Company has revised a Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and Share Dealing Code for Prevention of Insider Trading.

The code ensures that the employees deal in the shares of the Company only at a time when any price sensitive information that could be known to the employee is also known to the public at large. This code is applicable to every employee and director of the Company.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all the Board members and all the employees in the management grade of the Company. In the year 2014, the said Code was amended by the Board of Directors to bring it in line with listing agreements. The Code of Conduct is posted on the website of the Company. For the year under review, all directors and members of senior management have affirmed their adherence to the provisions of the Code.

Vigil Mechanism / Whistle Blower Policy

GRUH believes to conduct its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any wrongful conduct.

The Board of Directors has approved the vigil mechanism/whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Audit Committee. The policy is placed on the website of the Company.

Disclosures

Related party transactions

The policy on Related Party Transactions as approved by the Board of Directors is available on the Company's website. There were no material transactions with related parties that may have potential conflict with the interest of the Company. Details of related party transactions entered into by the Company in the ordinary course of its business and at arm's length price are included in the notes forming part of the financial statements. There were no financial or commercial transactions by the senior management with the Company where they have personal interests that may have a potential conflict with the interests of the Company at large.

Accounting Standards / Treatment

The Company has complied with the applicable Indian Accounting Standards (Ind AS) specified u/s 133 of the Companies Act, 2013. The financial statements for the year have been prepared in accordance with and in compliance of Schedule III notified by the Ministry of Corporate Affairs (MCA) on October 11, 2018.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors' Report.

Annual General Meetings

(Following are the details of Annual General Meetings for the previous three years held. The AGMs were held at H.T. Parekh Convention Centre, Ahmedabad Management Association (AMA), ATIRA Campus, Ahmedabad at 10.30 a.m.)

Sr. No.	Particulars of meeting	Day & Date	Number of Special Resolutions passed, if any	Nature of Special Resolutions
1	30 th Annual General Meeting	Wednesday, June 22, 2016	2 (Two)	<ol style="list-style-type: none"> Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 upto ₹ 15,000 crore. Approval for Issuance of Redeemable Non-Convertible Debentures (NCDs) and Issuance of Unsecured Redeemable Subordinated Debt - Tier II NCDs
2	31 st Annual General Meeting	Thursday, June 15, 2017	3 (Three)	<ol style="list-style-type: none"> Re-appointment of Mr. Prafull Anubhai (00040837) as an Independent Director of the Company Re-appointment of Mr. S.G. Mankad (00086077) as an Independent Director of the Company Approval for Issuance of Redeemable Non-Convertible Debentures (NCDs) and Issuance of Unsecured Redeemable Subordinated Debt - Tier II NCDs
3	32 nd Annual General Meeting	Wednesday, May 30, 2018	4 (Four)	<ol style="list-style-type: none"> Re-appointment of Mr. Biswamohan Mahapatra (06990345) as an Independent Director of the Company Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 upto ₹ 21,000 crore. Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013 Approval for Issuance of Redeemable Non-Convertible Debentures (NCDs) and Issuance of Unsecured Redeemable Subordinated Debt - Tier II NCDs

Postal Ballot

During the year the company approached the shareholders through postal ballot. The details of the postal ballot are as follows :

Date of Postal Ballot Notice: March 14, 2019

Voting period: March 24, 2019 to April 22, 2019

Date of declaration of result: April 24, 2019

Date of approval: April 22, 2019

Name of resolution	Type of resolution	Total No. of votes polled	No. of Votes - in favour No. of Votes	%	No. of Votes - Against No. of votes	%
Issue of additional 90,00,000 Equity Shares of ₹ 2/- each to eligible employees under existing Employee Stock Option Scheme 2015 and amendment of Employee Stock Option Scheme 2015 by increasing the number of stock options to be granted to eligible employees	Special Resolution	510073857	509848831	99.96	225026	0.04

Scrutinizer:

Mr. M.C. Gupta, of M/s. M. C. Gupta & Co., Practicing Company Secretaries, was appointed by the Company to act as the Scrutinizer to scrutinize Postal Ballot voting and the e-voting process in a fair and transparent manner.

No resolution is proposed to be passed at this 33rd AGM using postal ballot.

Fees paid to Statutory Auditors

During the year, the total fees incurred by the Company, for services rendered by statutory auditors is given below:

Nature of Service	₹ in crore
a) Statutory Audit Fees	0.19
b) Tax Audit Fees	0.04
c) For other services	0.45
d) For reimbursement of expenses	0.00
e) payments made to a firm in which some of the partners of the audit firm are partners - Income Tax Service	0.05
Total	<u>0.73</u>

Dematerialisation of shares

GRUH's shares are available for trading with National Securities Depository Ltd. (NSDL) w.e.f. July 15, 2000 and with Central Depository Services (India) Limited (CDSL) w.e.f. December 22, 2001. The ISIN allotted to GRUH's equity shares is INE580B01029.

As at March 31, 2019, 98.99% of equity shares of GRUH have been dematerialised by members through NSDL and CDSL.

Listing of Equity Shares:

GRUH's shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

The Stock Code Nos. are: BSE: 511288; NSE: GRUH

The listing fees have been paid to BSE and NSE for the financial year 2019-20 as per the listing agreement with the respective stock exchanges.

Shareholder Relations

GRUH has over 73,800 shareholders. The main source of information for the shareholders is the Annual Report that includes inter alia, the Directors' Report, the shareholders' information and the audited financial results. GRUH recognizes the importance of regular dialogue with its shareholders to ensure that the Company's strategy is clearly understood. Since the year 2002, the Annual Report has also included the Report of Directors on Corporate Governance and Management Discussion and Analysis Report. Shareholders are intimated through the press, email and GRUH's website, www.gruh.com of the quarterly performance and financial results of the Company. Shareholders have an opportunity to attend the Annual General Meeting at which the business outlook is presented and relevant aspects of the Company's operations are discussed. In addition, the Corporate Office as well as the Registrar's Office (RTA), serves as a contact point for shareholders on issues such as share transfers, dividends and announcements.

Along with the financial results, other information as per the listing guidelines such as Annual Report and Shareholding Pattern, are being uploaded on BSE website under "BSE Listing Centre" and on NSE website under "NSE Electronic Application Processing System (NEAPS)". On regular basis, the presentation on quarterly results & performance of the Company is placed on the website of the Company and furnished to stock exchanges for the benefit of the investors. The Company generally does not make any presentation to analysts or to institutional investors.

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers and are communicated to the stock exchanges as per the provisions of SEBI (LODR) Regulations, 2015 and uploaded on Company's website.

The Ministry of Corporate Affairs (MCA) and SEBI, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 permit companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/Depository participant. In every Annual Report, the Company has been requesting the shareholders holding shares both in physical / demat form to register / update their e-mail addresses to the Company/depository participants. Accordingly, the annual report for 2018-19, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.

The annual report also contains a section on 'Shareholders' Information' which inter alia provides information relating to the AGM date, time and venue, shareholding pattern, distribution of shareholding, top shareholders, the monthly high and low quotations of the equity share during the year and other corporate governance information as required under SEBI (LODR) Regulations, 2015.

Certification of Financial Reporting and Internal Controls / (CEO/CFO certificate)

In accordance with Regulation 18(3) of SEBI (LODR) Regulations, 2015, Mr. Sudhin Choksey, the Managing Director and CEO and Mr. Hitesh Agrawal, the CFO of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

Non-mandatory requirements

The Company shall endeavour to adopt the non-mandatory requirements, as and when necessary.

Compliance

The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status reports to the stock exchanges within the prescribed time limit.

Risk Management

The Company has formulated a risk management framework, which lays the procedures for risk assessment and mitigation.

Regulation 21 of SEBI (LODR) Regulations, 2015 has effective April 1, 2019, mandated for the top 500 listed entities determined on the basis of market capitalization as at the end of the immediate previous financial year that they shall constitute a Risk Management Committee (RMC) of Directors. However, your boards of directors have constituted Risk Management Committee (RMC) of Directors effective from October 29, 2018. Prior to that, the board had delegated responsibility of overseeing risk management and ALM framework including asset liability management to the Audit Committee.

GRUH has an Asset Liability Management (ALM) policy approved by the board. The task of overseeing the ALM has been entrusted to the RMC and the Audit Committee which oversees and reviews the ALM position every quarter.

During the year, the ALCO reviewed the risk arising from the gaps in the liquidity and interest rate sensitivity statements and took decisions in mitigating the risk by ensuring adequate liquidity and profitability through maturity profile of assets and liabilities.

The observations of Risk Management Committee and Audit Committee, if any, on the Risk Management and ALM are reported to the Board.

Going Concern

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

On behalf of the Board of Directors

Mumbai
April 30, 2019

Keki M. Mistry
Chairman
DIN : 00008886

Declaration

This is to confirm that for the year 2018-19, all Board members and senior management personnel have affirmed compliance with the Code of Conduct of GRUH.

Mumbai
April 30, 2019

Marcus Lobo
Company Secretary
FCS : 4256

Sudhin Choksey
Managing Director
DIN : 00036085

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF GRUH FINANCE LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated July 13, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of GRUH Finance Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mumbai
April 30, 2019

Gaurav J. Shah
Partner
Membership No. 35701
(UDIN: 19035701AAAABJ3827)

Annexure A

The Composition of the Board of Directors of the Company as on March 31, 2019, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are as follows:

Sr. No.	Directors	Category of Director	Special Knowledge/Practical Experience/ Skills/ Expertise/ Competencies	List of Category of Directorship in other Listed Companies
1	Mr. Keki M. Mistry - Chairman	Non-Executive Non-Independent	An expert in finance, accountancy, audit, economics, consumer behaviour, sales & marketing, contemporary corporate governance, risk management and strategic thinking.	<ol style="list-style-type: none"> 1. HDFC Limited (Vice Chairman & CEO) 2. HDFC Life Insurance Co. Ltd. (Non-executive Director) 3. HDFC Bank Ltd. (Non-executive Director) 4. HDFC Asset Management Co. Ltd. (Non-executive Director) 5. Torrent Power Ltd. (Independent Director) 6. Tata Consultancy Services Ltd. (Independent Director)
2	Mr. K.G. Krishnamurthy	Non-Executive Non-Independent	An expert in the field of real estate, project development and operations. He has vast experience of over three decades in real estate and management and has been widely consulted by the industry on real estate matters	<ol style="list-style-type: none"> 1. Ajmera Realty & Infra India Ltd. (Independent Director) 2. Vascon Engineers Ltd. (Independent Director)
3	Mr. Prafull Anubhai *	Non-Executive Independent	A Corporate Advisor and Management experts with expertise in the field of education, management, textile industry etc.	<ol style="list-style-type: none"> 1. Vardhman Textiles Ltd. (Independent Director) 2. Unichem Laboratories Ltd. (Independent Director)
4	Mr. S.G. Mankad	Non-Executive Independent	An IAS (retd), he has served in various capacities both in Govt. of India and the State of Gujarat. His last assignment was as Chief Secretary, Govt. of Gujarat. He has expertise in the field of administration, management, planning and education.	<ol style="list-style-type: none"> 1. Deepak Nitrite Ltd. (Independent Director) 2. Navin Fluorine International Ltd. (Independent Director) 3. Swaraj Engines Ltd. (Independent Director)
5	Mr. Biswamohan Mahapatra	Non-Executive Independent	A Central Banker with a career spanning over 33 years in Reserve Bank of India (RBI), mostly in the areas of banking regulation, policy and supervision, and retired as its Executive Director in 2014. He has expertise in banking, finance and accountancy.	<ol style="list-style-type: none"> 1. Edelweiss Financial Services Ltd. (Independent Director)
6	Mr. Pankaj Patel	Non-Executive Independent	He has an expertise in functional areas of research, healthcare, education, management, public relations, etc	<ol style="list-style-type: none"> 1. Bayer Cropsience Ltd. (Independent Director) 2. Cadila Healthcare Ltd. (Non-executive Chairman) 3. Torrent Power Ltd. (Independent Director)
7	Mr. Rajesh Narain Gupta	Non-Executive Independent	He has Legal expertise with vast experience in corporate and transactional matters including litigation and his areas of specialization includes Banking Laws and Practices, Commercial Laws, Real Estate, etc.	-
8	Ms. Bhavna Doshi	Non-Executive Independent	She has a rich experience of over three decades of advisory services in the fields of taxation, accounting, corporate and regulatory matters.	<ol style="list-style-type: none"> 1. Torrent Power Ltd. (Independent Director) 2. Sun Pharma Advanced Research Co. Ltd. (Independent Director) 3. Walchandnagar Industries Ltd. (Independent Director) 4. Everest Industries Ltd. (Independent Director)
9	Mr. Kamlesh Shah (Executive Director)	Executive	He has expertise in the functional areas of operations, finance, human resources and administration	-
10	Mr. Sudhin Choksey (Managing Director)	Executive	He has expertise in the functional areas of finance, commercial and general management both in India and abroad	<ol style="list-style-type: none"> 1. Gujarat Ambuja Exports Ltd. (Independent Director) 2. Deepak Nitrite Ltd. (Independent Director)

* Mr. Prafull Anubhai, Independent Director of the Company, completed his 2nd term on March 31, 2019 and ceased to be a director of the Company from the close of March 31, 2019.

Annexure B

CERTIFICATE

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members
GRUH Finance Limited
"GRUH", Netaji Marg,
Near Mithakhali Six Roads,
Ellis Bridge, Ahmedabad – 380 006

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GRUH Finance Limited (CIN : L65923GJ1986PLC008809) and having registered office at "GRUH", Netaji Marg, Near Mithakhali Six Roads, Ellis Bridge, Ahmedabad – 380 006 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) and Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Keki Minoo Mistry	00008886	28 th July, 2000
2	Mr. Krishnamurthy Kulamani Gopalratnam	00012579	17 th January, 2004
3	Mr. Sudhin Bhagwandas Choksey	00036085	3 rd May, 1996
4	Mr. Sudhir Gunvantrao Mankad	00086077	14 th January, 2010
5	Mr. Pankaj Rameshbhai Patel	00131852	16 th March, 2017
6	Mr. Rajesh Narain Gupta	00229040	17 th April, 2017
7	Ms. Bhavna Gautam Doshi	00400508	20 th January, 2018
8	Mr. Kamlesh Hasmukhlal Shah	03092230	16 th April, 2010
9	Mr. Biswamohan Mahapatra	06990345	19 th March, 2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ahmedabad
April 30, 2019

For M C Gupta & Co.
Company Secretaries

Mahesh Chand Gupta
Proprietor
FCS: 2047 (CP: 1028)

INFORMATION FOR SHAREHOLDERS

This section inter alia provides information pertaining of the Company, its shareholding pattern, means of dissemination of information, service standards, share price movements and such other information, in terms of point no. C (9) of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance.

Shareholders / Investors Services:

GRUH has its in-house secretarial department under the overall supervision of Mr. Marcus Lobo – Company Secretary / Compliance Officer. For any assistance regarding share transfers, transmissions, change of address, non receipt of dividend, duplicate / missing share certificates and other matters pertaining to your shares, please write to the following address:

Secretarial Department : Registrar & Transfer Agent :

GRUH Finance Ltd. "GRUH" Netaji Marg, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad 380 006 Tel : 079-26421671-75 Website : www.gruh.com Email : investorcare@gruh.com CIN : L65923GJ1986PLC008809	Link Intime India Pvt. Ltd. Unit : "GRUH" 506-508, 5th Floor, Amarnath Business Centre-I, Off. C.G.Road, Navrangpura, Ahmedabad- 380 009 Tel : 079-2646 5179 Fax : 079-2646 5179 Email : ahmedabad@linkintime.co.in
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Listing of Equity Shares :

GRUH's shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

The Stock Code Nos. are : BSE: 511288; NSE: GRUH

The listing fees have been paid to BSE and NSE for the financial year 2019-20 as per the listing agreement with the respective stock exchanges.

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Tel. Nos. : +91 22-2272 1233/34 Fax No. : +91 22-2272 1919 E-mail : corp.comm@bseindia.com Website : www.bseindia.com	National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051. Tel. Nos. : +91 22-2659 8100-114 Fax No. : +91 22-2659 8120 E-mail : nseiscmm@nse.co.in Website : www.nseindia.com
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Listing of Debt Securities:

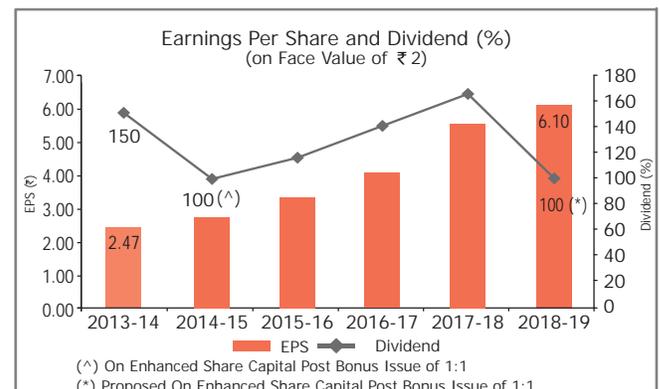
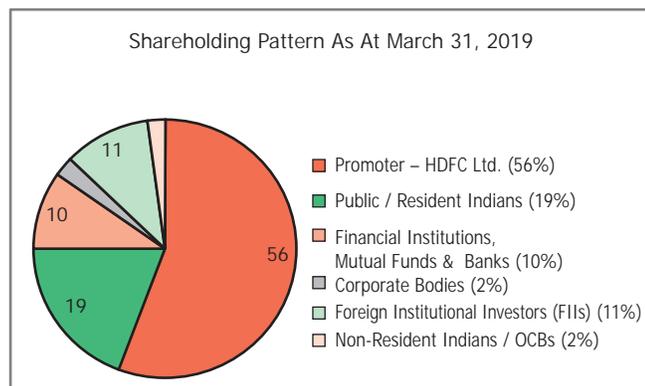
GRUH's NCDs (Series - SD-001 and SD-002 aggregating to ₹ 35 crores) are listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Limited (NSE).

Debenture Trustees:

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

Shareholding Pattern as at March 31, 2019:

Category	No. of Share-holders	Total No. of Shares Held	% to Capital
Promoter – HDFC Ltd.	1	411555700	56.09
Public /Resident Indians	71707	138844497	18.92
Financial Institutions, Mutual Funds & Banks	61	71667341	9.77
Corporate Bodies	999	16968452	2.31
Foreign Institutional Investors (FIIs)	154	78913194	10.76
Non-Resident Indians	2978	15738328	2.15
Total >>>	75900	733687512	100.00



Distribution of Shareholding as at March 31, 2019

No. of Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Upto 500	53801	70.88	6514501	0.89
501 to 1000	8588	11.31	6306476	0.86
1001 to 2000	5181	6.82	8129379	1.11
2001 to 3000	1988	2.62	5113116	0.70
3001 to 4000	1262	1.66	4578386	0.62
4001 to 5000	981	1.29	4646131	0.63
5001 to 10000	2174	2.86	15705982	2.14
10001 and above	1925	2.54	682693541	93.05
Total	75900	100.00	733687512	100.00

Dematerialisation of Shares:

As at March 31, 2019, 98.99% of equity shares of GRUH have been dematerialised by shareholders through National Securities Depository Limited and Central Depository Services (India) Limited.

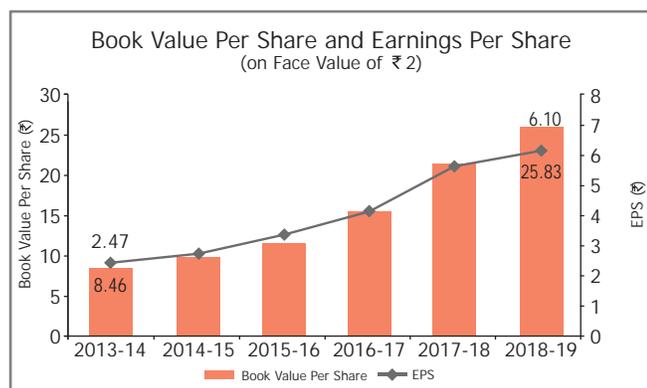
ISIN for NSDL & CDSL : INE580B01029

The status of shares which have been dematerialised and shares which are held in physical form as at March 31, 2019 are as under:

Particulars	No. of shares	(%)
Shares held in physical form	7342332	1.01
Shares held in electronic form	726345180	98.99
Total Shares	733687512	100.00

Share Transfer System

In terms of Regulation 40 of the SEBI (LODR) Regulations, 2015, the Board of Directors has delegated the authority to approve share transfers to Mr. Kamlesh Shah (Executive Director) and Mr. Marcus Lobo (Company Secretary/Compliance Officer). Share transfer formalities are normally attended to three times in a month. The details of share transfers are reported to the Board of Directors.



Details regarding dividend paid during the last 7 years :

Year	Rate (%)	Book Closure Date	AGM Date	Payment Date
2011-12	115	June 8, 2012 to June 18, 2012	June 18, 2012	June 18, 2012
2012-13	125	June 28, 2013 to July 8, 2013	July 8, 2013	July 10, 2013
2013-14	150	May 7, 2014	May 28, 2014	May 28, 2014
2014-15	100	June 18, 2015 to June 26, 2015	June 26, 2015	June 29, 2015
2015-16	115	June 14, 2016 to June 22, 2016	June 22, 2016	June 22, 2016
2016-17	140	June 7, 2017 to June 15, 2017	June 15, 2017	June 16, 2017
2017-18	165	April 25, 2018 to April 27, 2018	May 30, 2018	May 31, 2018

NB: Shareholders who have not received the dividends may kindly contact the secretarial department.

Unclaimed Dividend

The Company has transferred all unclaimed/unpaid dividends up to the financial year 2010-11 to the Investor Education and Protection Fund, as applicable. The Company has transferred matured deposits and interest thereon for the year 2010-11 remaining unclaimed / unpaid, to the Investor Education and Protection Fund, in accordance with the current regulations.

Members who have either not received or have not encashed their dividend warrant(s) for the financial years 2011-12 to 2017-18 are requested to claim the unpaid dividend from the Company before transfer to the above mentioned fund. After transfer of unpaid/unclaimed dividend amount to the Investor Education and Protection Fund, the same cannot be claimed subsequently.

Dividends that have not been claimed by the shareholders for the financial year 2011-12 will have to be transferred to the Investor Education and Protection Fund in August 2019 in accordance with the provisions of the Companies Act.

The details of the unclaimed dividend and the last date for claiming the same, prior to its transfer to the IEPF, are as under:

Financial year	No. of Members who have not claimed their dividend	Unclaimed dividend as on March 31, 2019 (₹)	Unclaimed dividend as % to total dividend	Date of declaration	Last date for claiming the dividend prior to its transfer to IEPF
11-12	1028	17,18,731	0.42	June 18, 12	July 17, 19
12-13	1065	18,57,188	0.41	July 8, 13	Aug 5, 20
13-14	1155	23,13,681	0.43	May 28, 14	June 26, 21
14-15	1287	32,73,374	0.45	June 26, 15	July 24, 22
15-16	1167	33,12,646	0.40	June 22, 16	July 21, 23
16-17	1220	45,35,248	0.44	June 15, 17	July 13, 24
17-18	652	37,78,862	0.31	May 30, 18	June 28, 25

Unclaimed Shares:

As per Listing Regulations :

Regulation 39(4) of the Listing Regulations *inter alia* requires every listed company to comply with certain procedures in respect of shares issued by it in physical form pursuant to a public issue or any other issue and which remained unclaimed for any reason whatsoever.

In compliance with the provisions of the said Regulation, the Company has sent three reminders under Registered Post to the Shareholders whose share certificates were returned undelivered and are lying unclaimed. In case your shares are lying unclaimed with the Company, you are requested to claim the same by writing a letter to the Company.

Last year, the unclaimed 3,81,250 equity shares of ₹ 2 each of the Company in respect of 303 folios were dematerialized and credited to GRUH Finance Limited - Unclaimed Suspense Account maintained with HDFC Bank Limited, on March 28, 2018, in compliance with the said Regulation.

During the year, As per the said provisions, GRUH had identified folios where shares had returned undelivered remaining unclaimed with the Company. Accordingly, GRUH had sent 3 reminder letters to the identified 231 shareholders and will be thereafter transferred identified equity shares to Unclaimed Demat Suspense Account opened with HDFC Securities Limited.

Summary of the unclaimed shares transferred to the said Unclaimed Suspense Account, in terms of the said Regulation, as on March 31, 2019, is detailed as under:

Sr. No.	Particulars	No. of share holders	No. of equity shares of ₹ 2 each
1	Aggregate number of shareholders and the outstanding equity shares lying in the Unclaimed Suspense Account as on March 31, 2018.	303	3,81,250
2	Aggregate number of shareholders and the outstanding equity shares lying in the Unclaimed Suspense Account after Bonus issue of shares*.	303	7,62,500
3	Number of shareholders who approached the Company for transfer of equity shares from the said Unclaimed Suspense Account during the year ended March 31, 2019.	4	9,280

4	Number of shareholders to whom equity shares were transferred from the Unclaimed Suspense Account during the year ended March 31, 2019.	3	8,280
5	Aggregate number of shareholders and the outstanding equity shares lying in the Unclaimed Suspense Account as on March 31, 2019.	300	7,54,220

* The shares in unclaimed suspense account has increased due to 1:1 Bonus issue of equity shares in June 2018.

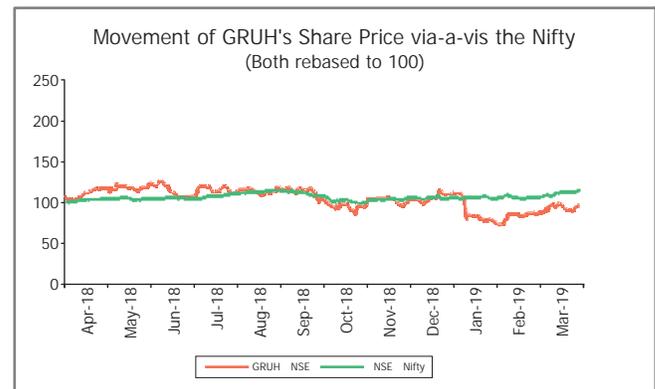
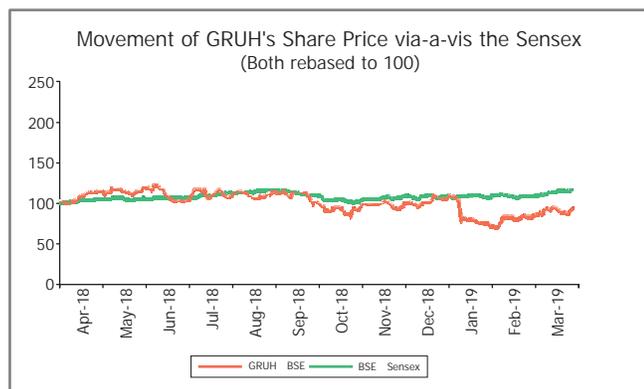
In terms of the said Regulation, voting rights on the equity shares lying in the said Unclaimed Suspense Account shall remain frozen till the rightful owner claims such shares. Further, all corporate benefits in terms of securities accruing on the said unclaimed shares viz. bonus shares, split, etc., if any, shall also be credited to the said Unclaimed Suspense Account.

As per Companies Act, 2013 :

As per Section 124 of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company in the name of IEPF. However, the concerned shareholder(s) can claim the dividend and/or shares that have been transferred to IEPF after complying with the procedure prescribed by the Ministry of Corporate Affairs, Government of India. The details of shares required to be transferred by the Company to IEPF is available on its website.

A brief outline of the procedure for claiming the dividend/shares from the IEPF Authority is listed for the benefit of the concerned shareholder(s):

- Download Form IEPF-5 from www.iepf.gov.in.
- Submit the duly filled form online at www.mca.gov.in. On successful upload, download the acknowledgement that gets generated automatically.
- Take a printout of the duly filled Form IEPF-5 and the acknowledgement. Submit the same to the Nodal Officer (IEPF) of the Company at its registered office in an envelope marked as "Claim for refund from IEPF Authority" along with the following documents:
 - indemnity in original with claimant's signature
 - advance stamped receipt (in original)
 - copy of Aadhaar Card (for Indian citizens)
 - copy of Passport, OCI and PI card (for foreigners and NRI)



- proof of entitlement (share certificate/dividend warrant etc.)
- cancelled cheque leaf and
- Other required documents
- The Company on receipt of the complete set of documents will submit its verification report to the IEPF Authority.
- Upon submission of the verification report by the Company, the corresponding action shall solely be at the discretion of the IEPF Authority.

For more details, the concerned shareholders are requested to refer to the "Refund" section of www.iepf.gov.in.

Nomination Facility:

Where shares are held in single name, in case of an unfortunate death of the shareholder, the process of transmission is cumbersome as it requires submission of succession certificate / letter of probate / will, etc. Shareholders holding shares in single name and in physical form are requested to submit the prescribed Form SH-13 (in duplicate) to the secretarial department to avail of the nomination facility. Shareholders may contact the secretarial department for the said form. Shareholders holding shares in demat form are requested to contact their depository participants for availing the nomination facility.

Financial year:

The Company follows financial year starting from April 1 to March 31 each year.

Outstanding GDRs / ADRs / warrants:

The Company does not have any GDRs/ ADRs / Warrants or any convertible instruments.

Commodity Price Risks and Foreign Exchange Risks and hedging activities:

Being a housing finance company, the Company does not deal in the commodity market nor has any hedging activities. The Company has no exposure to foreign exchange borrowings.

Book Closure:

Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014, the register of members and share transfer books of the Company will remain closed from July 11, 2019 to July 19, 2019 (both days inclusive) for the purpose of AGM/Dividend for the financial year 2018-19.

Dividend Payment:

The Board of Directors of GRUH has recommended a dividend of 100 % (₹ 2 per share) for the financial year ended March 31, 2019 for approval of the shareholders at the annual general meeting.

Dividend entitlement is as follows:

- For shares held in physical form: shareholders whose names appear on the register of members of the Company as on Wednesday, July 10, 2019.
- For shares held in electronic form: beneficial owners whose names appear in the statement of beneficial position downloaded by NSDL and CDSL as at the relevant book close date.

Dividend, if declared by the members shall be paid on or after July 19, 2019 but within the statutory time limit.

33rd Annual General Meeting

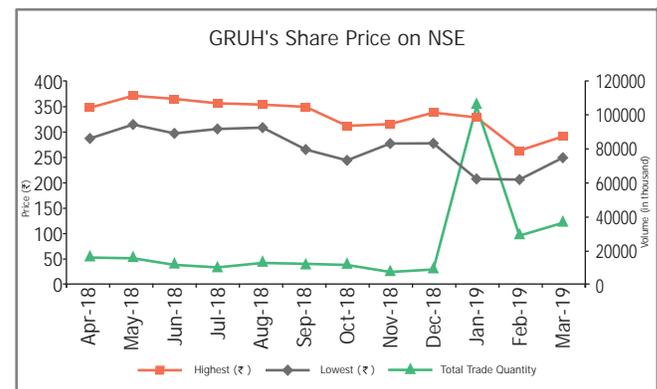
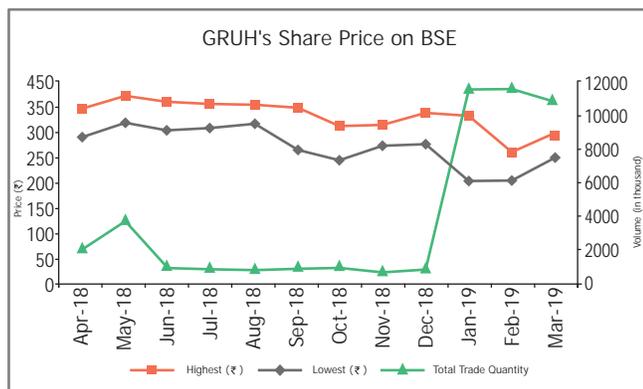
Date : July 19, 2019
Day : Friday
Time : 10.30 a.m.
Venue : H.T. Parekh Convention Centre,
Ahmedabad Management Association (AMA),
ATIRA Campus, Dr. Vikram Sarabhai Marg,
Vastrapur, Ahmedabad 380 015

Service Standards

GRUH is committed to providing effective and prompt service to its investors. The Secretarial Department has been entrusted with the responsibility of ensuring that the investors of the Company are serviced in accordance with the service standards. Listed below are the service standards adopted by the Company in respect of various services being rendered by the Secretarial Department.

Nature of Service	Time Taken*
Transfer of shares	10 working days
Issue of duplicate/re-validation of dividend warrant(s)	7 working days
Change of address/ECS/Bank details	7 working days
Registration of Nomination	4 working days
Transmission of shares/Deletion of name	10 working days
Split/Replacement/Consolidation of share certificate(s)	10 working days

* Subject to receipt and verification of valid documents and requisite approvals.



The investors are requested to contact the Secretarial Department for availing any of the said services. The Company has designated an exclusive e-mail address viz. investorcare@gruh.com which would enable investors to post their grievance.

A status report on adherence to the said service standards is reviewed by the Company secretary on a monthly basis and a detailed report is presented at the meetings of the Stakeholders Relationship Committee, for its review and noting.

Stock Market Data :

Monthly high and low quotations as well as the volume of shares traded at the BSE Limited and the NSE for 2018-19 along with the BSE Sensex and NIFTY are as follows:

BSE 2018-19 :

Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	BSE Sensex (monthly close)
April 2018	342.23	286.05	2006606	35160
May 2018	368.00	317.80	3733890	35322
June 2018	381.95	297.60	979082	35423
July 2018	352.90	304.80	876588	37607
August 2018	349.00	312.00	776436	38645
September 2018	344.45	266.00	1037848	36227
October 2018	306.00	244.10	967938	34442
November 2018	309.60	275.05	590949	36194
December 2018	334.65	275.00	820792	36068
January 2019	329.00	204.60	11619455	36257
February 2019	258.60	205.20	11406349	35867
March 2019	288.55	248.15	10996699	38673

NSE 2018-19 :

Month	Highest (₹)	Lowest (₹)	Volume of Shares traded	NIFTY (monthly close)
April 2018	342.45	286.10	16676400	10739
May 2018	368.85	316.55	15853024	10736
June 2018	382.00	297.60	11875237	10714
July 2018	354.00	304.90	9835315	11357
August 2018	349.55	310.70	13793814	11681
September 2018	344.75	265.55	11761565	10930
October 2018	306.30	244.05	12685365	10387
November 2018	310.10	275.10	7242603	10877
December 2018	335.40	275.10	9108314	10863
January 2019	326.95	204.60	106116993	10831
February 2019	259.00	204.80	28936406	10793
March 2019	288.45	248.00	37428650	11624

* During FY 2018-19, Company has allotted bonus shares in the ratio of 1:1 number of shares and share price per share are adjusted to give effect of the bonus shares.

OTHER INFORMATION :

Equity History :

Particulars	No. of shares issued (of ₹ 2 each)	Year
Subscription by Institutions	1,00,00,000	1987
Rights Issue	50,00,000	1992
Public Issue	1,07,50,000	1992
Reserved for allotment in Rights Issue (conversion of Part "A" of FCDs issued to GRUH Employees Welfare Trust)	6,25,000	1994
Rights Issue (conversion of Part "A" of FCDs issued to Shareholder(s))	1,28,75,000	1995
Reserved for allotment in Rights issue (conversion of Part "B" of FCDs issued to GRUH Employees Welfare Trust)	12,50,000	1995
Rights Issue (conversion of Part "B" of FCDs issued to Shareholder(s))	2,57,50,000	1995
Rights Issue (conversion of FCDs issued to Shareholder(s))	6,62,50,000	1999
Rights Issue	3,97,50,000	2006
Allotment under ESOS	9,25,990	2006-07
Allotment under ESOS	62,505	2007-08
Allotment under ESOS	21,305	2008-09
Allotment under ESOS	3,65,950	2009-10
Allotment under ESOS	21,62,415	2010-11
Allotment under ESOS	7,25,025	2011-12
Allotment under ESOS	19,63,485	2012-13
Allotment under ESOS	16,54,475	2013-14
Bonus Issue (1:1)	18,01,31,150	June 10 '14
Allotment under ESOS	31,22,280	2014-15
Allotment under ESOS	2,97,160	2015-16
Allotment under ESOS	8,82,744	2016-17
Allotment under ESOS	11,55,527	2017-18
Bonus Issue (1:1)	36,57,20,011	June 8 '18
Allotment under ESOS	22,47,490	2018-19
Total : (As At March 31, 2019)	73,36,87,512	

Note: The nominal face value of the equity shares of the Company was sub-divided from ₹ 10 per equity share to ₹ 2 per equity share, with effect from July 26, 2012. Thereafter, at the 28th Annual General Meeting (AGM) of the Company held on May 28, 2014, the members of the Company had approved the issue of Bonus Shares in the proportion of 1:1 (i.e. one new fully paid up Equity Share of ₹ 2 each for every 1 (one) fully paid-up Equity Share of ₹ 2 each held. Again, at the 32nd Annual General Meeting (AGM) of the Company held on May 30, 2018, the members of the Company had approved the issue of Bonus Shares in the proportion of 1:1 (i.e. one new fully paid up Equity Share of ₹ 2 each for every 1 (one) fully paid-up Equity Share of ₹ 2 each held. Accordingly, for ease of comparison, all issues have been represented by equity shares of ₹ 2 each.

Measuring Shareholders' Value :

At GRUH, we believe in maximizing the wealth of its shareholders and our endeavours are in the direction of providing maximum value to our shareholders either in the form of dividend or capital appreciation. The value of shareholders' return is measured as follows :

A. Total Shareholders' Return :

Total Shareholders' return includes the dividend paid by the Company as well as the capital appreciation of the shares of the Company in the stock markets. During the past five years return to shareholders has been as follows :

(₹ in crore)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Closing Market Capitalisation	20,235.10	21,038.04	14,433.11	8,701.09	8,866.58
Opening Market Capitalisation	21,038.04	14,433.11	8,701.09	8,866.58	5,319.27
Money raised during the year from Shareholders	30.15	31.00	22.57	1.01	10.56
Net Capital Appreciation	(833.09)	6,573.94	5,709.45	(166.50)	3,536.75
Dividend including Dividend Tax	176.90	145.50	123.00	100.68	87.48
Total Gain	(656.19)	6,719.44	5,832.45	(65.82)	3,624.23
Gain to Opening Market Capitalisation (%)	(3.12)	46.56	67.03	(0.74)	68.13

B. Enterprise Value :

Enterprise Value (EV) measures the value of a Company as on a particular date. It is calculated by making adjustments to the market capitalisation of a Company. The formula for measuring Enterprise Value is :

Enterprise Value (EV) = Market Capitalisation + Total Debt – Cash Balance

With the Enterprise Value as a measure, the companies can be compared easily irrespective of their capital structure. Moreover, Enterprise value is used to calculate the ratio of EV to EBIDTA multiple.

EBIDTA stands for Earnings before Interest, Depreciation, Tax and other appropriations. Hence, it can be calculated by adding back the figures of interest, depreciation and other appropriations to the amount of Profit Before Tax (PBT). It indicates that the value of enterprise is equal to number of times of the Company's earnings. As the figures of Interest, depreciation and tax are added back, it makes the comparison between two enterprises easier by eliminating all the accounting and tax differences.

The above measure for GRUH for a period of five years is as follows : -

(₹ in crore)

Particulars As At March 31,	2019	2018	2017	2016	2015
Number of Equity Shares of ₹ 2 each (crore)*	73.37	73.14	72.92	72.74	72.68
Market Price per share on face value of ₹ 2 each*	275.80	287.63	197.95	119.63	122.00
Market Capitalisation	20,235.10	21,038.04	14,433.11	8,701.09	8,866.59
Total Debt	16,507.16	13,968.93	12,018.15	10,244.4	8,215.58
Cash	1052.84	17.47	12.56	27.45	8.30
Enterprise Value(EV)	35,689.42	34,989.50	26,438.70	18,918.04	17,073.87
EBIDTA	1,919.65	1,555.04	1,364.48	1,172.14	979.86
EV/ EBIDTA (times)	18.59	22.50	19.38	16.14	17.43
Total Income	2,026.65	1,693.74	1,487.39	1,275.40	1,060.32
EV / Total Income (times)	17.61	20.66	17.78	14.83	16.10

*During FY 2018-19 and FY 2014-15, Company has allotted bonus shares in the ratio of 1:1. Number of shares and share price per share of previous years are adjusted to give effect of Bonus shares. Market price on the stock exchange where maximum numbers of shares have been traded is considered.

During FY 18-19, GRUH adopted Ind AS where figures for FY 17-18 are restated under Ind AS. Figures up to FY 16-17 are as reported under Indian GAAP.

Web links:

As required under the various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the web link of some of the important documents placed on the website of the Company is provided below:

1 Code of Conduct for directors and senior management	http://www.gruh.com/policies/Code-of-Conduct.pdf
2 Corporate Social Responsibility Policy	http://www.gruh.com/policies/CSR-Policy.pdf
3 Whistle Blower Policy	http://www.gruh.com/policies/Whistle-Blower-Policy.pdf
4 Policy on Transactions with Related Parties	http://www.gruh.com/policies/RPT-Policy.pdf
5 Familiarization Programme	http://www.gruh.com/policies/Familiarization-Programme.pdf
6 Policy on Remuneration of Directors, Senior Management, KMPs and other employees	http://www.gruh.com/policies/Remuneration-Policy.pdf
7 Policy on Determination of Materiality	http://www.gruh.com/policies/Determination-on-Materiality.pdf
8 Archival Policy	http://www.gruh.com/policies/Archival-Policy.pdf
9. Code of Practices & Procedures for Fair Disclosures of UPSI	http://www.gruh.com/policies/Fair-Disclosure-Code-UPSI.pdf
10 Disclosure under Regulation 14 of SEBI (SBEB) Regulations 2014	http://www.gruh.com/ESOS-Disclosure.pdf
11. Dividend Distribution Policy	http://www.gruh.com/pdf/dividend-distribution-policy.pdf