

Gruh Finance

BSE SENSEX	S&P CNX
27,674	8,583
Bloomberg	GRHF IN
Equity Shares (m)	363.4
M.Cap. (INR b)/(USD b)	128.3/1.9
52-Week Range (INR)	370 / 226
1, 6, 12 Rel. Per (%)	15/29/31
Avg Val, INRm	63
Free float (%)	41.4

Financials & Valuations (INR b)

Y/E March	2016	2017E	2018E
NII	4.2	5.3	6.6
PPP	3.8	4.8	6.0
PAT	2.4	2.9	3.7
EPS (INR)	6.7	8.0	10.1
EPS Gr. (%)	19.4	19.3	26.3
BV/Sh. (INR)	23.0	28.2	34.7
ABV/Sh. (INR)	23.0	28.2	34.7
RoA (%)	2.4	2.3	2.3
RoE (%)	31.5	31.3	32.1
Payout (%)	34.3	30.0	30.0

Valuations			
P/E (x)	52.7	44.2	35.0
P/BV (x)	15.4	12.5	10.2
Div. Yield (%)	0.7	0.7	0.9

CMP: INR353 TP: INR381 (+8%) Downgrade to Neutral

In-line operating performance; management cautious on LAP

- Gruh Finance (GRHF) reported PAT of INR620m (up 20% YoY) for 2QFY17, driven by 22% YoY loan growth and 10bp YoY margin decline to 3.93%. Reported PAT was 6% below our estimate of INR656m. There was a minor restatement of 1QFY17 accounts, on which we await clarity.
- Loan growth continued to decline on lower disbursements in LAP, as the management took a cautious stance. Disbursements grew just 3% YoY in 2QFY17 and 11% YoY in 1QFY17. The management expects disbursement growth to remain subdued for the remainder of the year.
- Reported margin contracted 10bp YoY to 3.93%, led by ~50bp reduction in loan yields. However, margins were largely stable on a sequential basis. We expect incremental margins to remain subdued due to pressure on home loan yields as well as lower disbursements in LAP.
- Asset quality remains largely stable, with GNPL at 0.62% (+4bp YoY) and NNPA at 0.29%. While HFCs witness seasonal fluctuations in asset quality, GNPLs are likely to remain at 0.5-0.6%, despite the fact that GRHF operates in rural India and ~40% of its customers are self-employed.
- **Other highlights:** (a) RoA (reported) was sequentially stable at 2.05%; (b) Tier-I CAR was 16.65% at the end of the quarter.
- **Valuation and view:** GRHF has performed impressively, with 26% loan book CAGR and 27% PAT CAGR in the last decade. Its presence in the affordable housing segment in rural areas provides pricing power on the asset side, with cost of funding at par with large HFCs. While we cut our EPS estimates for FY17/18 by 2%, factoring in lower loan growth, we expect 26% loan growth and 25% earnings growth over the next three years. Over the past six months, the stock has run up ~40% given improved liquidity and sharp drop in cost of funds. The stock trades at 10.2x FY18E BV and 35.0x FY18E EPS. While we like the business and management, we believe valuations are rich and expect the stock to remain range-bound over the near term. Hence, we downgrade to stock to Neutral with a target price of INR381 (9.6x Sep 2018E P/B).

Quarterly performance

Y/E MARCH	(INR Million)									
	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Operating Income	2,967	3,118	3,236	3,705	3,463	3,674	3,895	4,852	12,752	15,882
Total income	2,967	3,118	3,236	3,705	3,463	3,674	3,895	4,852	12,754	15,884
Y-o-Y Growth (%)	22.8	21.0	19.3	21.5	16.7	17.8	20.4	30.9	20.3	24.5
Interest expenses	1,902	1,987	2,034	2,151	2,241	2,351	2,540	2,806	8,074	9,938
Net Income	1,066	1,131	1,202	1,554	1,222	1,323	1,355	2,045	4,680	5,946
Operating Expenses	196	257	205	245	201	273	250	321	844	1,046
Operating Profit	869	874	997	1,309	1,021	1,050	1,105	1,724	3,836	4,900
Y-o-Y Growth (%)	18.6	22.7	21.8	22.8	17.5	20.1	10.9	31.8	20.4	27.7
Provisions and Cont.	121	72	178	61	125	91	80	57	219	354
Profit before Tax	749	803	818	1,248	896	958	1,025	1,667	3,617	4,546
Tax Provisions	246	286	281	370	294	339	354	582	1,181	1,568
Net Profit	503	517	537	878	601	619	672	1,085	2,436	2,978
Y-o-Y Growth (%)	20.0	19.9	20.0	18.5	19.6	19.9	25.0	23.6	19.5	22.3
Int Exp/ Int Earned (%)	64.1	63.7	62.9	58.1	64.7	64.0	65.2	57.8	63.3	62.6
Cost to Income Ratio (%)	18.4	22.7	17.1	15.8	16.5	20.7	18.4	15.7	18.0	17.6
Tax Rate (%)	32.8	35.6	34.4	29.6	32.8	35.4	34.5	34.9	32.7	34.5

E: MOSL Estimates

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Investors are advised to refer through important disclosures made at the last page of the Research Report.
 Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Exhibit 1: Quarterly performance v/s our estimates and reasons for deviation (INR m)

Y/E March	2QFY17A	2QFY17E	Var (%)	Comments
Operating Income	3,674	3,711	-1	
Total income	3,674	3,711	-1	In-line
Y-o-Y Growth (%)	17.8	19.0		
Interest expenses	2,351	2,420	-3	
Net Income	1,323	1,291	2	In-line
Operating Expenses	273	190	44	Higher other operating expenses
Operating Profit	1,050	1,101	-5	In-Line
Y-o-Y Growth (%)	20.1	25.9		
Provisions and Cont.	91	100		
Profit before Tax	958	1,001	-4	
Tax Provisions	339	345	-2	
Net Profit	619	656	-6	Higher opex drove PAT miss
Y-o-Y Growth (%)	19.9	26.9		

Source: Company, MOSL

LAP disbursements are down 35% in 1HFY17

Loan growth steady at 22% YoY; Cautious on LAP

- Loan book growth during the quarter was 22% YoY. Loan book growth has been on a decline over the past several quarters.
- This was primarily on account of lower disbursements in LAP during the fiscal year, due to management taking a cautious stance.
- Disbursements in LAP were down 35% YoY in 1HFY17 to INR2.2b. Overall disbursements increased a mere 3% YoY during the quarter and 11% YoY during 1HFY17.
- Loan mix remains broadly unchanged. Individual loans (including LAP) constitute 92% of the total loans and continue to be the focus area for the company; NRP and developer loan form the remaining 8% of the loan book.

Margins decline due to yield pressure. C/I ratio improves due to cost control.

Reported NIM contracts 10bp YoY; Marginal opex improvement

- Reported margin contracted 02bp YoY to 3.93%; led by ~50bps reduction in loan yields. This reduction has primarily been on the back of intense competitive pressure as well as lower disbursements in LAP, which is a higher yielding segment.
- Cost of funds also declined ~40bp YoY mainly on account of reduction in bank borrowings.
- Cost-to-income ratio improved ~100bp to 18.0%, driven by slower growth in employee expenses as well as decline in 'other operating expenses'.
- Asset quality was largely stable with GNPLs at 0.62% (up 4bp YoY) and NNPA at 0.29%. GNPLs are likely to remain at 0.5-0.6%, despite the fact company operates in rural India and ~40% of the customers are self-employed where there is some level of income volatility.
- CAR remains healthy at 18.3% with Tier I at 16.7%

Valuation and view

- GRHF has strong presence in western India and is expanding to other geographies. The company has a track record of financial and operating performance and has developed deep understanding of rural India—something that will be difficult for others to replicate.

- GRHF operates solely in affordable housing, which offers immense scalability potential due to massive opportunity in the segment. The company has delivered best-in-class return ratios, with a 10-year average RoE/RoA of +28%/2.5% along with efficient use of capital.
- Earnings CAGR at 28% over the past three years coupled with +30% RoEs has resulted in steady re-rating of the stock over the last three years, with its one-year forward book multiple expanding from 3x in FY11 to 10x in FY16. The fact that it has never raised capital since FY05 despite growing at CAGR of 27% over FY06-16 highlights the strength of the business model.
- We value GRHF based on residual income model assuming earnings CAGR of 17% till FY35E, $R_f=7.25\%$, $\beta=0.65$, risk premium of 5% and terminal growth rate of 5.5%. We expect GRHF's net profit to grow at CAGR of 25% over FY16-18E and RoEs to touch ~33% by FY18E.
- While we cut our EPS estimates for FY17/18 by 2%, factoring in lower loan growth, we expect 26% loan growth and 25% earnings growth over the next three years. However, the stock trades at 10.2x FY18E BV and 35.0x FY18E EPS. We believe valuations are rich and expect the stock to remain range-bound over the near term. Hence, although we like the business and management, we downgrade to stock to Neutral.

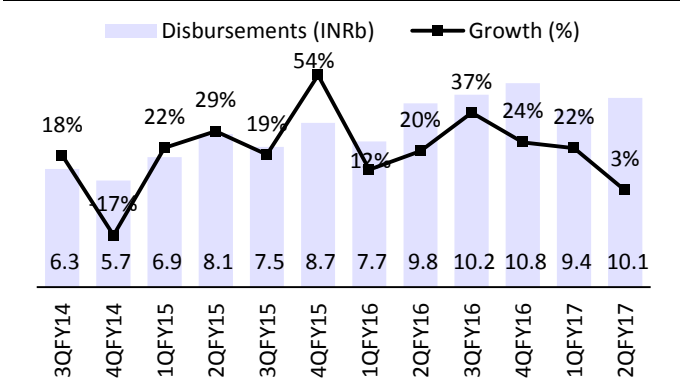
Exhibit 2: Quarterly Snapshot

	FY15				FY16				FY17		Variation (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Profit and Loss (INR m)												
Operating Income	2,416	2,577	2,711	3,050	2,967	3,118	3,236	3,705	3,463	3,674	6	18
Interest Expenses	1,549	1,665	1,736	1,827	1,902	1,987	2,034	2,151	2,241	2,351	5	18
Net Interest Income	867	913	975	1,223	1,066	1,131	1,202	1,554	1,222	1,323	8	17
Total Income	867	913	975	1,223	1,066	1,131	1,202	1,554	1,222	1,323	8	17
Operating Expenses	134	200	157	156	196	257	205	245	201	273	36	7
Employees	79	130	82	62	84	156	106	83	97	175	79	12
Depreciation	-13	8	8	10	8	7	7	8	7	7	-	3
Other Expenses	68	62	67	85	105	94	92	155	97	91	(5)	(2)
Operating Profits	733	713	818	1,066	869	874	997	1,309	1,021	1,050	3	20
Provisions	118	41	146	17	121	72	178	61	125	91	(27)	27
PBT	615	672	672	1,049	749	803	818	1,248	896	958	7	19
Taxes	154	194	174	255	245	285	281	370	294	339	15	19
DTL	42	47	51	53	0	0	0	0	0	0	8	(1)
PAT	419	431	447	741	503	517	537	878	601	619	3	20
Asset Quality												
GNPA (INR m)	325	304	482	250	483	579	654	356	646	750	16	30
NNPA (INR m)	0	0	0	0	136	196	148	104	312	351	12	79
Gross NPAs (%)	0.44	0.38	0.57	0.28	0.52	0.58	0.62	0.32	0.56	0.62	0.06	0.04
Net NPAs (%)	0.0	0.0	0.1	0.0	0.1	0.2	0.1	0.1	0.3	0.3	0.02	0.09
PCR (%)	100.0	100.0	100.0	100.0	71.9	66.1	77.4	70.8	51.8	53.2	1	(13)
Margins (%)												
Yield on loans (Calculated)	13.4	13.5	13.3	14.1	13.0	13.0	12.7	13.7	12.2	12.4		
NIMs (Reported)	4.8	4.8	4.8	5.7	4.7	4.7	4.1	4.1	3.9	3.9		
Other Details												
Cost to Income - calculated (%)	15.5	21.9	16.1	12.8	18.4	22.7	17.1	15.8	16.5	20.7		
Tax Rate (%)	31.9	35.9	33.5	29.4	32.8	35.6	34.4	29.6	32.8	35.4		

Source: Company, MOSL

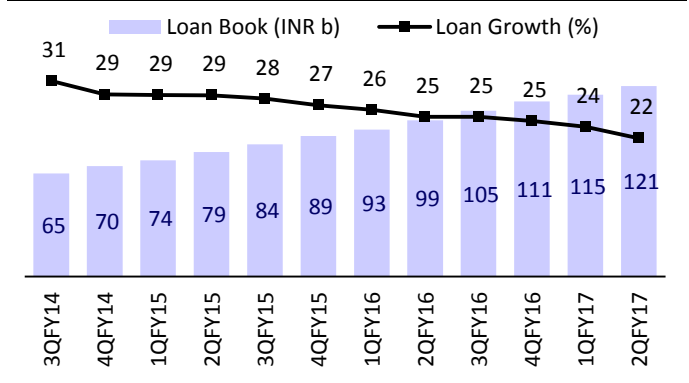
Story in charts

Exhibit 3: Disbursements grew at 3% YoY



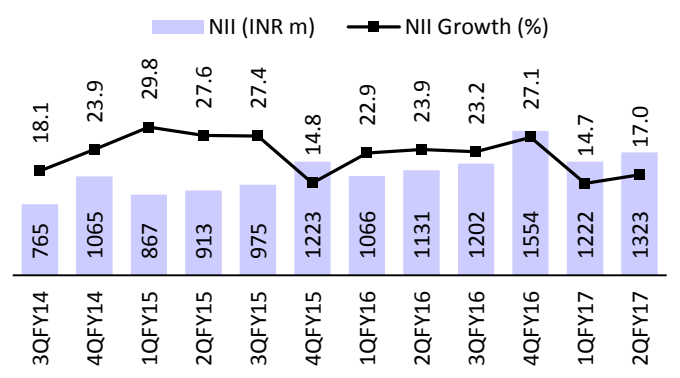
Source: Company, MOSL

Exhibit 4: Loan growth moderates to 22%



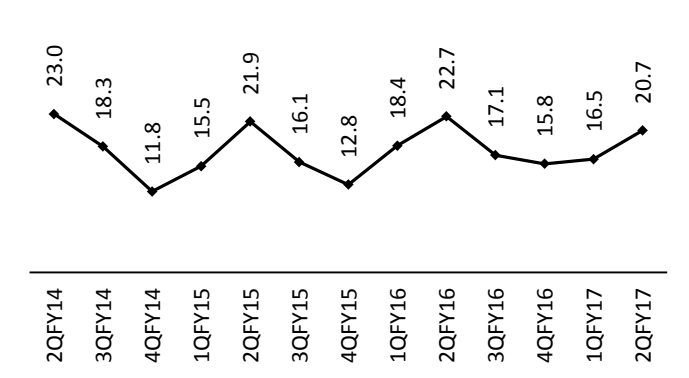
Source: Company, MOSL

Exhibit 5: NII growth of 17% YoY; NIMs down 10bp YoY



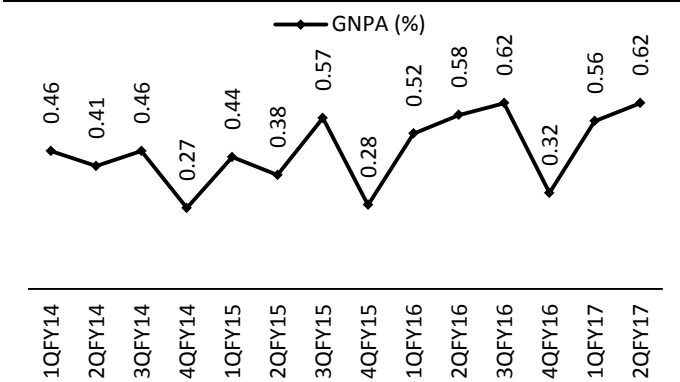
Source: Company, MOSL

Exhibit 6: YoY improvement in C/I ratio (calculated, %)



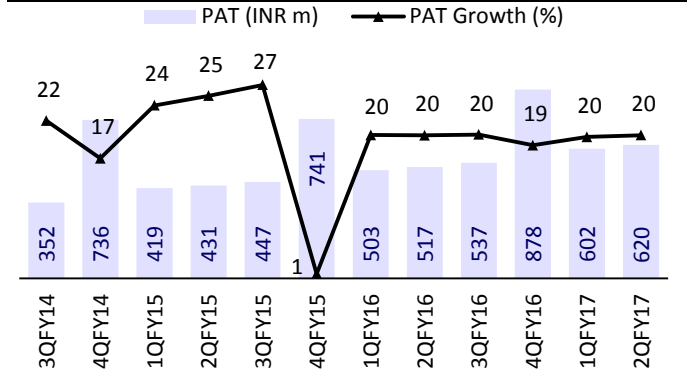
Source: Company, MOSL

Exhibit 7: Slight uptick in NPLs on YoY basis



Source: Company, MOSL

Exhibit 8: PAT growth at 20% YoY, in line with prior quarters



Source: Company, MOSL

Exhibit 9: Financials: Valuation Metrics

	Rating	CMP (INR)	Mcap (USDb)	EPS (INR)		P/E (x)		BV (INR)		P/BV (x)		RoA (%)		RoE (%)	
				FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18
ICICIBC*	Buy	242	21.3	17.3	20.0	10.6	8.2	145	160	1.20	1.03	1.13	1.18	10.5	11.2
HDFCB	Buy	1,261	48.3	58.4	70.2	21.6	18.0	332	386	3.80	3.27	1.90	1.89	18.9	19.6
AXSB	Buy	521	18.8	31.8	37.4	16.3	13.9	243	274	2.14	1.90	1.32	1.31	13.8	14.4
KMB*	Buy	781	21.7	26.8	34.0	29.2	23.0	208	240	3.76	3.25	1.61	1.82	14.2	15.4
YES	Buy	1,260	8.0	79.0	101.2	16.0	12.5	390	471	3.23	2.68	1.80	1.86	22.0	23.5
IIB	Buy	1,218	11.0	48.4	60.9	25.2	20.0	333	385	3.66	3.16	1.83	1.85	15.5	17.0
IDFC Bk	UR	76	3.9	3.4	4.2	22.2	18.0	43	46	1.77	1.64	1.24	1.13	8.2	9.4
FB	Buy	71	1.8	4.3	5.2	16.4	13.7	50	54	1.41	1.31	0.75	0.75	8.9	9.9
DCBB	Neutral	122	0.5	7.7	8.7	15.9	13.9	69	78	1.76	1.56	1.02	0.95	11.7	11.9
JKBK	Neutral	68	0.5	-1.8	5.6	-38.2	12.2	130	136	0.52	0.50	-0.10	0.28	-1.4	4.2
SIB	Buy	24	0.5	3.0	3.6	8.0	6.5	30	33	0.79	0.73	0.59	0.62	10.3	11.7
Private Aggregate			136.4			20.4	16.9			2.66	2.36				
SBIN (cons)*	Buy	252	29.6	14.7	24.3	17.1	10.4	234	253	1.21	1.11	0.47	0.54	7.9	9.5
PNB	Neutral	139	4.1	10.8	12.8	12.9	10.8	189	200	0.73	0.69	0.31	0.34	5.8	6.6
BOI	Neutral	112	1.6	-10.8	21.6	-10.4	5.2	239	255	0.47	0.44	-0.16	0.29	-4.6	8.7
BOB	Buy	154	5.4	14.1	20.0	10.9	7.7	157	173	0.98	0.89	0.47	0.60	9.3	12.1
CBK	Neutral	313	2.6	26.8	36.8	11.7	8.5	498	527	0.63	0.59	0.25	0.31	5.5	7.2
UNBK	Buy	141	1.5	22.4	39.1	6.3	3.6	314	348	0.45	0.41	0.37	0.58	7.4	11.8
OBC	Neutral	124	0.6	16.7	24.2	7.4	5.1	410	428	0.30	0.29	0.23	0.30	4.2	5.8
INBK	Buy	210	1.5	25.3	31.4	8.3	6.7	300	324	0.70	0.65	0.57	0.64	8.7	10.0
ANDB	Buy	56	1.7	1.5	6.4	36.6	8.7	109	114	0.52	0.49	0.08	0.31	1.4	5.8
Public Aggregate			48.7			15.5	10.0			0.78	0.73				
Banks Aggregate			185.1			18.8	14.3			1.62	1.49				
HDFC*	Buy	1,319	31.6	34.5	37.8	26.1	20.5	194	217	4.00	3.13	1.84	1.82	19.4	19.0
LICHF	Buy	586	4.5	39.5	49.6	14.8	11.8	213	253	2.75	2.32	1.49	1.55	20.1	21.3
IHFL	Buy	838	5.3	67.6	84.0	12.4	10.0	280	315	2.99	2.66	3.68	3.78	25.3	28.3
GRHF	Neutral	353	1.9	8.2	10.3	43.1	34.1	28	35	12.47	10.08	2.31	2.31	32.0	32.7
REPCO	Buy	748	0.7	30.4	39.7	24.6	18.8	180	215	4.16	3.48	2.15	2.20	18.3	20.1
DEWH	Buy	301	1.4	30.2	38.4	10.0	7.8	201	230	1.50	1.31	1.27	1.39	16.4	17.8
Housing Finance			45.4			21.6	18.1			4.31	3.81				
RECL	Neutral	130	3.9	29.4	33.4	4.4	3.9	168	194	0.78	0.67	2.63	2.54	18.8	18.5
POWF	Neutral	122	4.9	24.0	25.5	5.1	4.8	149	167	0.82	0.73	2.37	2.12	16.8	16.2
Infra Finance			8.8			4.8	4.4			0.81	0.71				
SHTF	Buy	1,157	4.0	70.5	93.8	16.4	12.3	505	579	2.29	2.00	2.43	2.75	14.8	17.2
MMFS	Buy	371	3.2	14.6	18.1	25.4	20.5	118	131	3.14	2.82	2.02	2.19	12.9	14.5
BAF	Buy	1,062	1.7	34.6	44.2	30.7	24.0	166	204	6.38	5.20	3.48	3.38	22.8	23.9
MUTH	Buy	350	2.1	28.0	33.6	12.5	10.4	159	180	2.21	1.94	3.66	3.57	18.7	19.9
SKSM	Buy	894	1.9	50.4	48.8	17.7	18.3	206	255	4.34	3.51	6.73	4.25	32.9	21.2
Asset Finance			12.8			13.9	11.3			2.31	2.05				
NBFC Aggregate			67.1			13.8	11.8			2.48	2.19				
Financials			252.2			17.2	13.6			1.79	1.63				

*Multiples adj. for value of key ventures/Investments; For ICICI Bank and HDFC Ltd BV is adj. for investments in subsidiaries Source: MOSL

Financials and valuations

Income Statement							(INR Million)		
Y/E March	2012	2013	2014	2015	2016	2017E	2018E	2019E	
Interest Income	4,856	6,181	8,130	10,211	12,278	15,190	19,112	24,039	
Interest Expended	3,101	4,044	5,436	6,777	8,074	9,938	12,500	15,563	
Net Interest Income	1,755	2,137	2,694	3,433	4,204	5,252	6,613	8,476	
Change (%)	25.3	21.8	26.1	27.4	22.5	24.9	25.9	28.2	
Fee Income	172	223	271	331	411	512	612	776	
Net Income	2,041	2,460	3,025	3,826	4,680	5,835	7,301	9,333	
Change (%)	27.3	20.5	23.0	26.5	22.3	24.7	25.1	27.8	
Operating Expenses	392	463	556	640	844	1,046	1,275	1,563	
Operating Income	1,650	1,997	2,469	3,186	3,836	4,789	6,026	7,770	
Change (%)	28.6	21.1	23.6	29.0	20.4	24.8	25.8	28.9	
Provisions/write offs	22	29	24	177	219	354	426	516	
PBT	1,628	1,968	2,445	3,008	3,617	4,435	5,600	7,253	
Tax	424	509	675	970	1,181	1,530	1,932	2,503	
Tax Rate (%)	26.1	25.9	27.6	32.3	32.7	34.5	34.5	34.5	
PAT	1,203	1,459	1,770	2,038	2,436	2,905	3,668	4,750	
Change (%)	31.5	21.2	21.3	15.2	19.5	19.3	26.3	29.5	
Proposed Dividend	472	522	632	875	1,007	1,020	1,287	1,723	

Balance sheet							(INR Million)		
Y/E March	2012	2013	2014	2015	2016	2017E	2018E	2019E	
Capital	353	357	360	727	727	727	727	727	
Reserves & Surplus	3,503	4,553	5,712	6,388	7,626	9,511	11,891	14,919	
Net Worth	3,856	4,910	6,072	7,115	8,353	10,238	12,619	15,646	
Secured Loans	38,293	49,115	64,439	82,072	102,384	128,739	163,657	206,890	
Change (%)	29.3	28.3	31.2	27.4	24.7	25.7	27.1	26.4	
Total Liabilities	42,148	54,025	70,512	89,187	110,737	138,977	176,275	222,536	
Cash and bank balance	1,695	221	832	741	576	815	2,072	4,227	
Investments	244	651	530	798	1,429	1,572	1,887	2,264	
Change (%)	-29.5	166.6	-18.7	50.7	79.1	10.0	20.0	20.0	
Loans	40,668	54,378	70,090	89,154	111,146	139,933	175,975	220,095	
Change (%)	28.0	33.7	28.9	27.2	24.7	25.9	25.8	25.1	
Net Fixed Assets	116	118	110	137	146	146	146	146	
Other Assets	-575	-1,344	-1,050	-1,643	-2,559	-3,489	-3,804	-4,196	
Total Assets	42,148	54,025	70,512	89,187	110,737	138,977	176,275	222,536	

Assumptions							(%)		
Loan Growth	28.0	33.7	28.9	27.2	24.7	25.9	25.8	25.1	
Borrowings Growth	29.3	28.3	31.2	27.4	24.7	25.7	27.1	26.4	
Investments Growth	-29.5	166.6	-18.7	50.7	79.1	10.0	20.0	20.0	
Dividend	2.3	2.5	1.5	2.0	2.3	2.4	3.0	4.0	

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	2012	2013	2014	2015	2016	2017E	2018E	2019E
Spreads Analysis (%)								
Avg. Yield on Earning Assets	13.0	12.9	13.1	12.8	12.3	12.2	12.1	12.1
Avg. Cost-Int. Bear. Liab.	9.1	9.3	9.6	9.3	8.8	8.6	8.6	8.4
Interest Spread	3.9	3.6	3.5	3.6	3.5	3.6	3.6	3.7
Net Interest Margin	4.7	4.5	4.3	4.3	4.2	4.2	4.2	4.3
Profitability Ratios (%)								
RoAE	34.2	33.3	32.2	30.9	31.5	31.3	32.1	33.6
RoAA	3.1	2.9	2.8	2.5	2.4	2.3	2.3	2.3
Int. Expended/Int.Earned	63.9	65.4	66.9	66.4	65.8	65.4	65.4	64.7
Other Inc./Net Income	2.9	0.9	0.2	0.1	0.0	0.0	0.0	0.0
Efficiency Ratios (%)								
Fees/Operating income	3.5	3.6	3.3	3.2	3.3	3.2	3.1	3.1
Op. Exps./Net Income	19.2	18.8	18.4	16.7	18.0	17.9	17.5	16.7
Empl. Cost/Op. Exps.	50.2	50.6	57.0	55.0	50.7	49.9	49.6	49.3
Asset-Liability Profile (%)								
Loans/Borrowings Ratio	106.2	110.7	108.8	108.6	108.6	108.7	107.5	106.4
Debt/Equity (x)	9.9	10.0	10.6	11.5	12.3	12.6	13.0	13.2
Gross NPAs	211	176	189	251	356	411	481	2,329
Gross NPAs to Adv.	0.5	0.3	0.3	0.3	0.3	0.3	0.3	1.0
Net NPAs	-184	27	0	0	0	0	0	-23
Net NPAs to Adv.	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Valuation								
Book Value (INR)	10.9	13.8	16.9	19.6	23.0	28.2	34.7	43.0
Price-BV (x)	16.2	12.8	10.5	18.0	15.4	12.5	10.2	8.2
Adjusted BV (INR)	11.3	13.7	16.9	19.6	23.0	28.2	34.7	43.1
Price-ABV (x)	15.7	12.9	10.5	18.0	15.4	12.5	10.2	8.2
EPS (INR)	3.4	4.1	4.9	5.6	6.7	8.0	10.1	13.1
EPS Growth (%)	31.0	19.9	20.2	14.2	19.4	19.3	26.3	29.5
Price-Earnings (x)	51.8	43.2	35.9	62.9	52.7	44.2	35.0	27.0
OPS (INR)	4.7	5.6	6.9	8.8	10.5	13.2	16.6	21.4
OPS Growth (%)	28.0	19.7	22.5	27.9	20.3	24.8	25.8	28.9
Price-OP (x)	37.8	31.5	25.8	40.3	33.5	26.8	21.3	16.5

E: MOSL Estimates

Corporate profile

Company description

GRUH Finance (GRHF) was established in 1986 as Gujarat Rural Housing Finance Ltd and was promoted by HDFC and Aga Khan Fund for Economic Development (AKFED). GRUH primarily provides home loans to individuals and families for purchase, construction, extension, repair and renovation. The company operates in a niche segment, catering to the lower-income group in rural and semi-urban areas. GRHF has diversified geographically and operates in eight Indian states through 179 branches and has loan book of nearly INR115b.

Exhibit 10: Sensex rebased

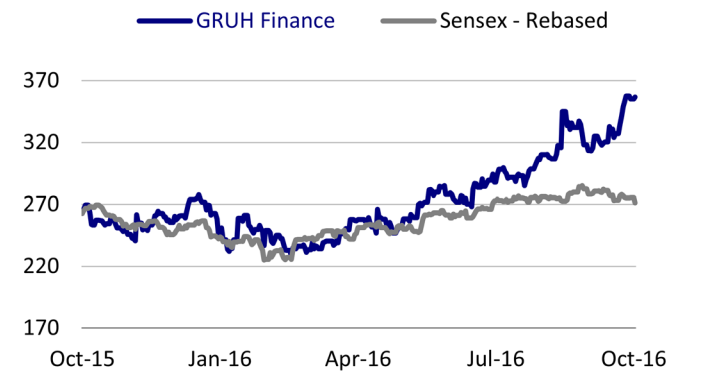


Exhibit 11: Shareholding pattern (%)

	Jun-16	Mar-16	Jun-15
Promoter	58.6	58.6	58.6
DII	4.7	4.6	3.1
FII	13.6	12.9	12.3
Others	23.2	24.0	26.0

Note: FII Includes depository receipts

Exhibit 12: Top holders

Holder Name	% Holding
Axis Mutual Fund Trustee Ltd A/c Axis Mutual Fund	2.0
Smallcap Wordl Fund, INC	1.9
Matthews India Fund	1.2

Exhibit 13: Top management

Name	Designation
Keki M Mistry	Chairman
SudhinChoksey	Managing Director & CEO
Marcus Lobo	Company Secretary

Exhibit 14: Directors

Name	Name
Keki M Mistry	Prafull Anubhai*
Sudhin Choksey	K G Krishnamurthy*
S M Palia*	Renu Sud Karnad
S G Mankad*	Kamlesh Shah
Rohit C Mehta*	Biswamohan Mahapatra*

*Independent

Exhibit 15: Auditors

Name	Type
Sorab S Engineer & Co	Statutory

Exhibit 16: MOSL forecast v/s consensus

EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
FY17	8.0	-	-
FY18	10.1	-	-
		-	-

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