



Shriram Transport Finance Company Limited

33rd Annual Report 2011-12

FORWARD LOOKING STATEMENTS

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman (Non – Executive)

Arun Duggal (Non-Independent)

Managing Director

Umesh Revankar (w.e.f. April 01, 2012)

R. Sridhar (upto March 31, 2012)

Directors (Non- Executive)

Maya Shanker Verma (Independent)

Sumatiprasad M. Bafna (Independent)

Mukund Manohar Chitale (Independent)

Adit Jain (Independent)

S. Lakshminarayanan (Independent)

Puneet Bhatia

Ranvir Dewan

R. Sridhar (w.e.f. May 08, 2012)

S. Venkatakrishnan (upto May 08, 2012)

COMPANY SECRETARY

Vivek Achwal (w.e.f. September 02, 2011)

K. Prakash (upto August 31, 2011)

AUDITORS

M/s. S. R. Batliboi & Co., Chartered Accountants

M/s. G. D. Apte & Co., Chartered Accountants

SHARE TRANSFER AGENTS

Integrated Enterprises (India) Limited

2nd Floor, 'Kences Towers', No. 1,

Ramakrishna Street,

North Usman Road, T. Nagar,

Chennai - 600 017.

Tel: 044 2814 0801/02/03

Fax: 044 2814 2479

REGISTERED OFFICE

Mookambika Complex,

3rd Floor, No. 4, Lady Desika Road,

Mylapore, Chennai – 600 004.

HEAD OFFICE

Wockhardt Towers

West Wing, Level-3, C-2,

G-Block, Bandra-Kurla Complex,

Bandra (East), Mumbai - 400 051.

Tel: 022 4095 9595, Fax: 022 4095 9597

LISTED AT

BSE Ltd.

National Stock Exchange of India Ltd.

Madras Stock Exchange Ltd. (upto December 21, 2011)

INSTITUTIONS

Citicorp Finance (India) Ltd

GE Capital Services Ltd

BANKERS

Abu Dhabi Commercial Bank

Allahabad Bank

Andhra Bank

Australia and New Zealand Banking Group

Axis Bank

Barclays Bank PLC

Bank of America N.A.

Bank of Bahrain & Kuwait B.S.C.

Bank of Baroda

Bank of Ceylon

Bank of India

Bank of Maharashtra

Bank of Tokyo - Mitsubishi UFJ

Canara Bank

Central Bank of India

Citibank N.A.

City Union Bank

Corporation Bank

Credit Agricole Corporate & Investment Bank

Credit Suisse Group AG

DBS Bank

Dena Bank

Deutsche Bank AG

Development Credit Bank

Dhanlaxmi Bank

HDFC Bank

Hongkong and Shanghai Banking Corporation

ICICI Bank

IDBI Bank

Indian Bank

Indian Overseas Bank

IndusInd Bank

ING Vysya Bank

JP Morgan Chase Bank N.A.

Karnataka Bank

Karur Vysya Bank

Kotak Mahindra Bank

Lakshmi Vilas Bank

Mizuho Corporate Bank

Oriental Bank of Commerce

Punjab & Sindh Bank

Punjab National Bank

Shinhan Bank

Societe Generale Corporate & Investment Banking

Standard Chartered Bank

State Bank of Bikaner & Jaipur

State Bank of Hyderabad

State Bank of India

State Bank of Mauritius

State Bank of Mysore

State Bank of Patiala

State Bank of Travancore

Syndicate Bank

Tamilnad Mercantile Bank

The South Indian Bank

The Federal Bank

The Ratnakar Bank

UBS AG

UCO Bank

Union Bank of India

United Bank of India








Vijaya Bank

Yes Bank

WHO WE ARE

STFC AT A GLANCE



-  Incorporated in 1979
-  Flagship Company of Shriram Group
-  Headquartered in Mumbai, India
-  Pan India presence through 502 branches and ~500 private financiers
-  15,057 employees including 8,155 product/credit executives
-  Listed on the Bombay Stock Exchange (stock code: 511218) and the National Stock Exchange (stock code: SRTRANSFIN)
-  Market capitalisation of Rs. 13,200+ crore (as on March 31, 2012)






OUR REPUTATION



India's largest asset financing Non Banking Finance Company having ~25% market share in pre-owned and ~7% share in new truck financing.

OUR SERVICES



-  Financing of pre-owned and new commercial and passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc.
-  Finance for working capital, engine replacement, bill discounting, credit cards and tyre-loans as holistic financing support.
-  Financing of pre-owned and new Construction equipment through Shriram Equipment Finance Limited (subsidiary)
-  Owns, operates and manages Automall, India's first physical auction platform for pre-owned commercial vehicle through Shriram Automall India Limited (subsidiary)
-  Sale of refurbished commercial vehicles through Shriram New Look

MILESTONES

1979



STFC was established

1984



Initial Public Offering

1990



Investment from Telco & Ashok Leyland

1999



- Tied up with Citicorp for CV financing under portfolio Management Services
- The 1st securitization transaction by STFC

2002-04



- Preferential Allotment to Citicorp Finance (India) in 2002
- Preferential Allotment to Axis Bank and Reliance Capital in 2004

2005-06



- Merger of Shriram Investment Ltd. and Shriram Overseas Finance Ltd. with Shriram Transport Finance Limited
- PAT crosses Rs. 100 crore (2006)
- Investment from ChrysCapital (2005) and TPG (2006)

2009



- Successfully placed Rs. 1,000 crore of NCD with domestic investors
- Purchased hypothecation loan outstanding of commercial vehicle and construction equipment of GE Capital Services India and GE Capital Financial Services (GE) aggregating to approximately Rs. 1,100 crore

2010



- Securitised Rs. 8,757 crore during FY 2010
- Successfully raised Rs. 584 crore through QIP with domestic & international investors.

2012



Asset under management crosses Rs. 40,000 crore

2011-12 IN NUMBERS

Assets under management

Rs. 40,213.90 crore



Total income

Rs. 5,893.88 crore



Net profit

Rs. 1,257.45 crore



Earnings per share

Rs. 55.59



Net NPAs stood at

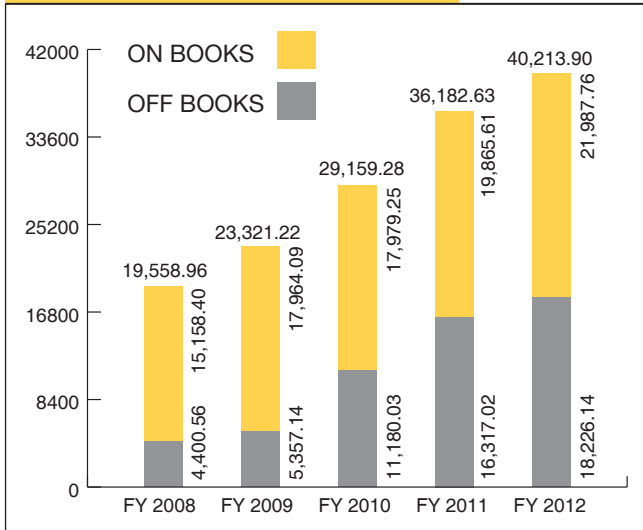
0.44%



ANNUAL PERFORMANCE TRENDS

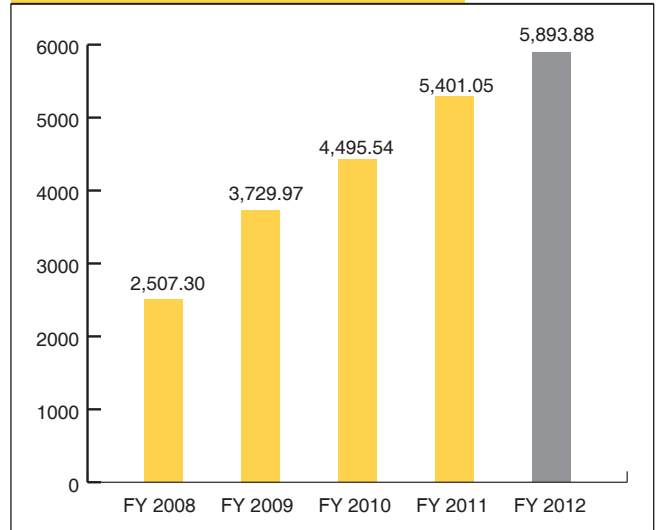
ASSETS UNDER MANAGEMENT

(Rs. crore)



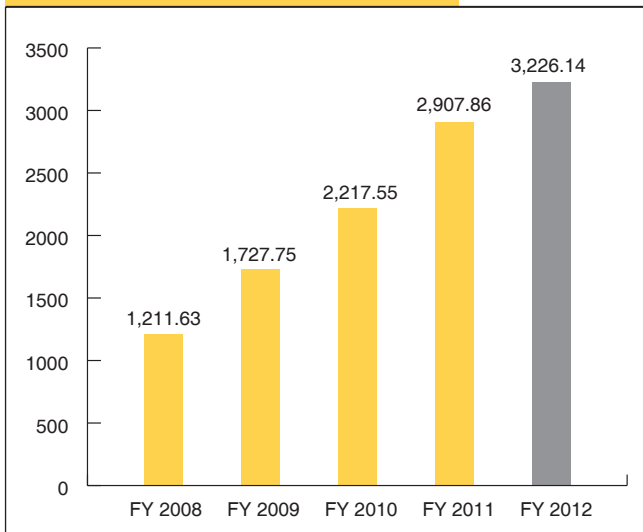
TOTAL INCOME

(Rs. crore)



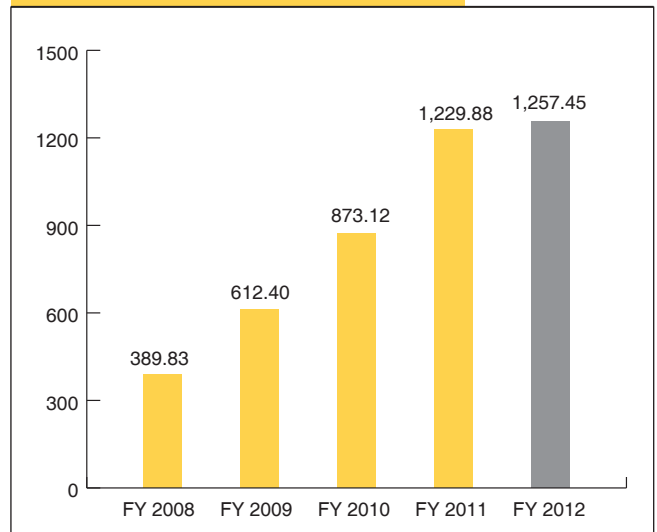
NET INTEREST INCOME

(Rs. crore)



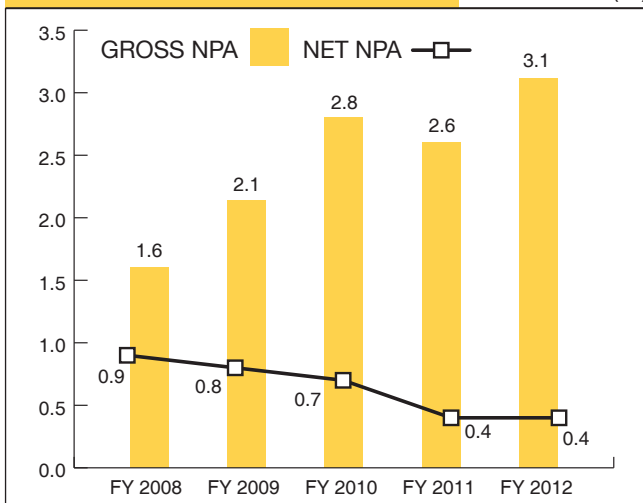
NET PROFIT

(Rs. crore)



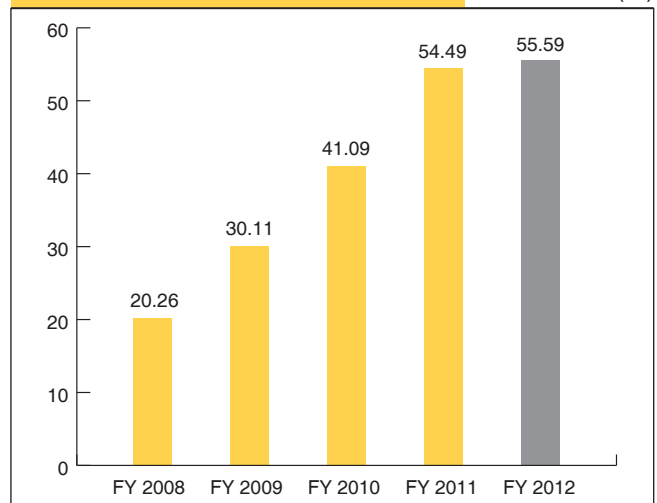
NPA

(%)



EPS

(%)



OUR REACH

A

ADILABAD
ADONI
AGARTALA
AGRA
AHMEDABAD
AHMEDNAGAR
AJMER
AKOLA
ALAPPUZHA
ALIGARH
ALLAHABAD
ALWAR
AMALAPURAM
AMARAVATI
AMBALA
AMBIKAPUR
AMRELI
AMRITSAR
ANAKAPALLE
ANANATHAPUR
ANAND
ANCHAL
ANGAMALY
ANGUL
ARAKONAM
ARANI
ARIYALUR
ARRAH
ASANSOL
ATTUR
AURANGABAD
AZADPUR

B

BACHHELI
BADDI
BAGALKOT
BALASORE
BALGHAT
BANKURA
BARAMATI
BARASAT
BARDOLI
BAREILLY
BARMER
BARODA
BASAVAKALYAN
BATLAGUNDU
BEED
BEGUSARAI
BEHRAICH

BELGAUM
BELLARY
BENGALURU
BERHAMPUR
BETUL
BHAGALPUR
BHANDARA
BHARATPUR
BHARUCH
BHATINDA
BHAVANIPURAM
BHAVNAGAR
BHILAI
BHILWARA
BHIMAVARAM
BHIWANDI
BHOPAL
BHUBANESWAR
BHUJ
BIDAR
BIJAPUR
BIJNORE
BIKANER
BILASHPUR
BILASPUR
BIRBHUM
BOKARO
BONGAIGAON
BUNDI
BURDWAN
BURHANPUR

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CALICUT
CHAMARAJNAGAR
CHANDAN NAGAR
CHANDIGARH
CHANDIKHOL
CHANDRAPUR
CHANNAPATNA
CHANNARAYAPATNA
CHATTARPUR
CHENGALPATTU
CHENNAI
CHICKBALLAPUR
CHIDAMBARAM
CHIKKAMANGALORE
CHIKODI
CHINCHWAD
CHINDWARA
CHIPLUN
CHITRADURGA
CHITTORE

CHITTORGARH
CHOWTUPPAL
COIMBATORE
COOCHBEHAR
CUDDALORE
CUDDAPAH
CUMBUM
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FARIDABAD
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FATHEPUR

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GANGTOK
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GODHAVARIKHANI
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GUDIYATHAM
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JAMMU

JAMNAGAR
JAMSHEDPUR
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KAWARDHA
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KHARAGPUR
KODADA
KOLAR
KOLHAPUR
KOLKATA
KOLLAM
KOMPALLY
KOPPAL
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KOTA
KOTHAGUDEM
KOTHPUTALI
KOTTAYAM
KOVILPATTI



KRISHNAGIRI
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MADURAI
MAHABOONAGAR
MALDA
MALEGAON
MANCHERIAL
MANDAPETA
MANDI
MANGALORE
MANJERI
MARATHALI
MARKAPURAM
MARTHANDAM
MAYILADITHURAI
MEHSANA
MELUR
METTUPALAYAM
METTUR
MIRYALAGUDA
MOGA
MORADABAD
MORBI
MORENA
MOTIHARI
MUDBIDRI
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MUZAFFARPUR
MYSORE

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NARASIPATNAM
NARSINGHPUR
NASHIK
NAVI MUMBAI
NAVSARI
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NELLORE
NEW DELHI
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PANJIM
PARAMAKUDI
PARAVATHIPURAM
PARBHANI
PATAN
PATHANAMTHITTA
PATHANKOT
PATNA
PENDURTHI

PIDUGURALLA
POLLACHI
PONDICHERRY
PORBANDAR
PRODDATUR
PUDUKOTTAI
PUNE
PURI
PURNEA
PUSAD
PUTTUR

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RAIBAREILLY
RAICHUR
RAIGARH
RAIPUR
RAJAHMUNDY
RAJAPALAYAM
RAJKOT
RAJNANDGAON
RAJPIPLA
RAJSAMAND
RANCHI
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RATLAM
RATNAGIRI
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SADULPUR
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SAHIBABAD
SALEM
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SAMBALPUR
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SANGAMNER
SANGAREDDY
SANGLI
SANGRUR

SARAIPALLI
SATANA
SATARA
SAWAIMADHOPUR
SECUNDRABAD
SENDHWA
SHAHAPUR
SHAHDOL
SHILLONG
SHIMLA
SHIMOGA
SHIVPURI
SHRIRAMPUR
SIKAR
SILCHAR
SILIGURI
SINDHANUR
SINGARAYAKONDA
SIRMOUR
SIROHI
SIVAKASI
SOLAPUR
SRIGANGANAGAR
SRIKAKULAM
SRINAGAR
SULTANPUR
SULTHANBATHERY
SULUR
SURAT
SURENDRANAGAR

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T DASARAHALLI
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THANE
THENNI
THIRUPPATHUR
THIRUVALLUR
THIRUVARUR
TINDIVANAM
TINSUKIA
TIPTUR
TIRUCHENDUR
TIRUCHENGODE
TIRUNELVELI

TIRUPATHI
TIRUPPUR
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TRIVANDRUM
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TUTICORIN

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UDUPI
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VARANASI
VATAKARA
VELLORE
VIJAYAWADA
VILLUPURAM
VIRUDHACHALAM
VIRUDHUNAGAR
VISAKHAPATNAM
VIZIANAGARAM

W

WADI
WADKHAL
WADHAN
WARANGAL
WARDHA
WARDHAMAN NAGAR
WASHIM

Y

YAMUNA NAGAR
YAVATMAL

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

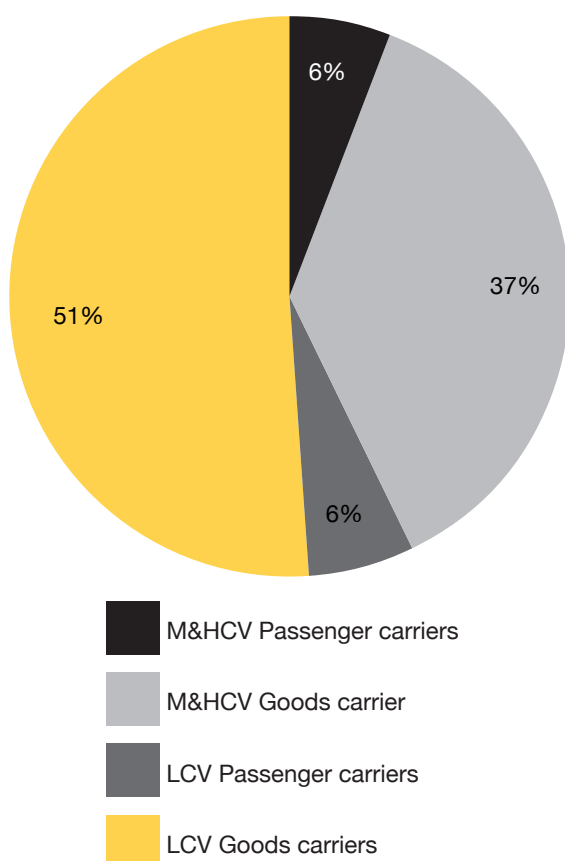
2011-12 was a difficult year for the global economy, with GDP growth slowing down from 5.3% in 2010 to 3.9% in 2011 in wake of European debt crisis, tightening liquidity and ongoing impact of 2008 meltdown. While the developed nations like US and Euro Zone counties nearly halved in terms of GDP (US from 3.2% in 2010 to 1.7% in 2011; and Euro Zone from 1.9% to 1.4% in 2011). With the ongoing crisis in Euro Zone, the GDP growth is anticipated to turn negative to -0.3% during 2012. Economic activity is expected to remain relatively solid in emerging markets such as India, China and Brazil with GDP growing 5.7% in 2012, down from 6.2% in 2011. The IMF, however, warned that the European debt crisis could flare up any time and send the global economy into a recession.

INDIAN ECONOMY

India's economic growth is estimated to have slowed to 6.9% in 2011-12 from 8.4% in 2010-11 mainly due to high inflation and high cost of finance that impacted both consumption and investments. The year was marked by tightening liquidity, higher cost of funds, leading to a negative impact on the infrastructure investments and resulting in deferred investment plans. But inflation has been under control since October last year and the Reserve Bank of India has eased its tight monetary policy by cutting the short-term lending rate for the first time in more than two years. Before cutting the rate by 0.50 percentage point in April 2012, the apex bank had increased repo rates by 3.75% in several rounds since March 2010 to check rising food and commodity prices. The Prime Minister's Economic Advisory Council recently predicted 7.5%-8.0% GDP growth in 2012-13 although the Asian Development Bank has pegged it at 7%.

COMMERCIAL VEHICLES

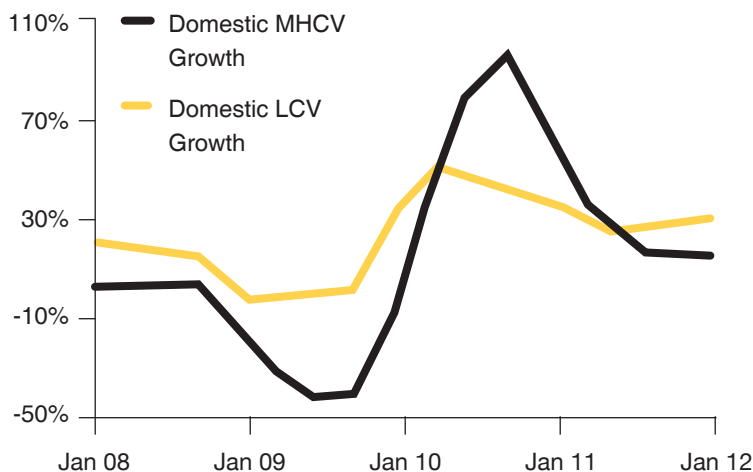
Commercial Vehicles (FY12)



Segment-wise Volumes

Segments	FY08	FY09	FY10	FY11	FY12
M&HCVs	274,582	183,495	244,944	323,059	348,701
LCVs	218,912	200,699	287,777	361,849	460,831
Total	493,494	384,194	532,721	684,908	809,532

MONTHLY MHCV AND LCV SALES VOLUME GROWTH (TTM)



Source: SIAM Aventus Research

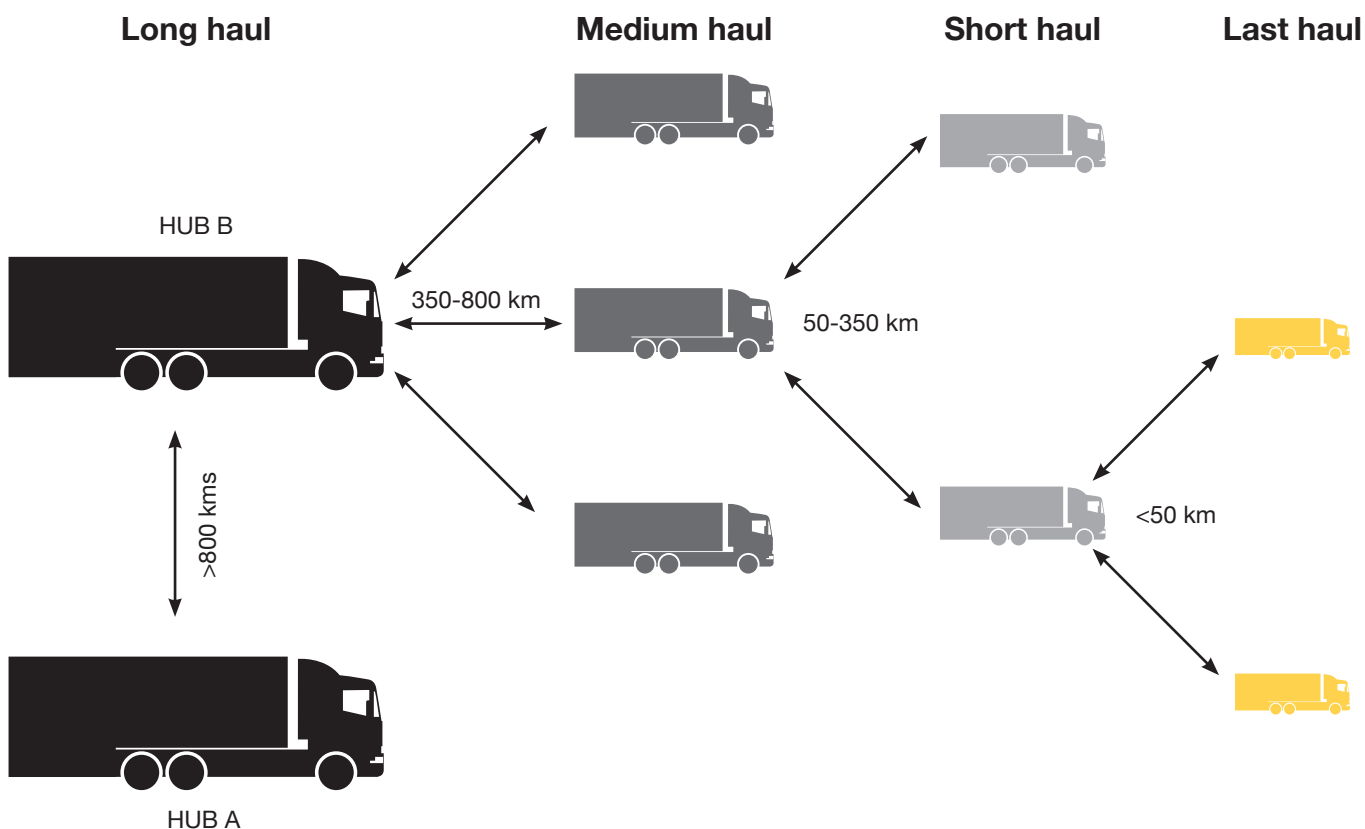
Commercial vehicle sales in India increased 18.2% year-on-year in 2011-12, but sales of medium and heavy commercial vehicles (M&HCVs) rose a muted 7.9% as compared to 37.2% in 2010-11. This decline was on account of high interest rates on loans, contracting industrial production and a spike in vehicle prices.

Moreover, the mining ban imposed in key states such as Karnataka, Odisha and Goa also led to significant reduction in demand for commercial vehicles, particularly pre-owned, since the vehicle owners struggled to get consistent revenues.

Several fleet operators put brakes on their expansion plans due to slowing industrial activity and tough operating environment where freight rates remained stagnant despite increasing operating costs.

Light commercial vehicle sales, however, increased 27.4% in 2011-12, driven by increasing demand from rural areas, emergence of the hub-and-spoke model and the need for last-mile connectivity.

DISTRIBUTION CHAIN – HUB AND SPOKE MODEL

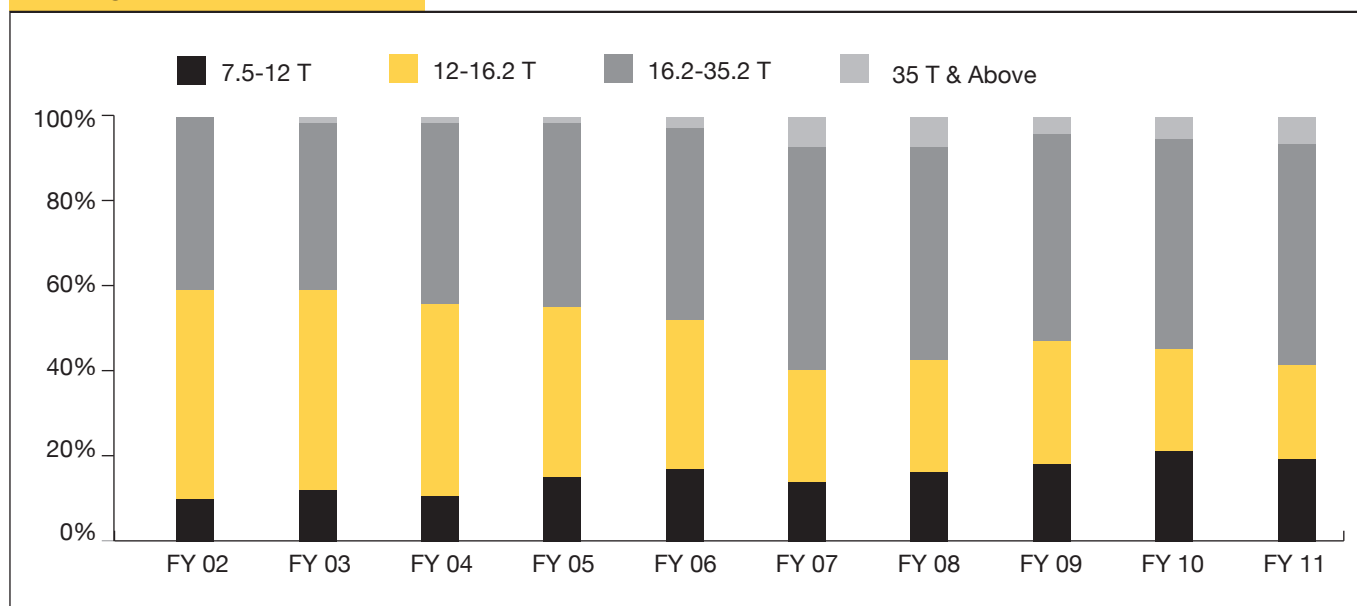


Source: Avendus Research

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

In a recent report on the commercial vehicle industry, ICRA said that although the near-term risks against M&HCV demand has increased, the demand over a longer period remained intact. It projected long-term growth outlook for M&HCV of 9.5-11.5% CAGR and for LCV of 11-13% CAGR over the next five years.

TRENDS



The trucking industry is going through some changes. In the M&HCV segment, the share of heavy-duty, long-haulage trucks (16T+) is increasing, on account of improving road and highway infrastructure as well as increasing availability of such vehicles. In the LCV goods segment, share of sub 1T segment is on the rise with the emergence of the hub-and-spoke model and increasing demand for last mile connectivity.

PROSPECTS

Domestic passenger MHCV sales volume growth is likely to witness flat growth in FY13 due to the expiration of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) scheme in December 2011. Under this scheme, state transport undertakings received funding for purchase of buses. The JNNURM scheme had contributed 7% of average annual sales volumes for passenger MHCVs over FY07-FY11. Meanwhile, domestic cargo MHCV sales volume growth is likely to moderate to 7% in FY12 on account of moderation in IIP growth. The correlation between growth in IIP and road freight was as high as 75% over FY07-FY11. Slower growth in IIP is likely to result in lower availability of road freight to freight operators.

The increase in freight rates on most routes has been relatively lower than the increase in costs. Vehicle prices have increased by 8% over the past year due to commodity

inflation. Running costs have also increased, mainly led by higher fuel prices and interest costs over the past year.

Fuel cost is the biggest expenditure for a freight operator (50% of revenues) and any increase in fuel cost affects margins. A freight operator is able to increase freight prices to recover the increase in fuel cost in absolute terms, but in relative terms his margins reduce.

The RBI decision to cut lending rates by 0.5% is expected to revive overall business activity in the country, which will lead to increased movement of freight and higher demand for commercial vehicles, both new and old.

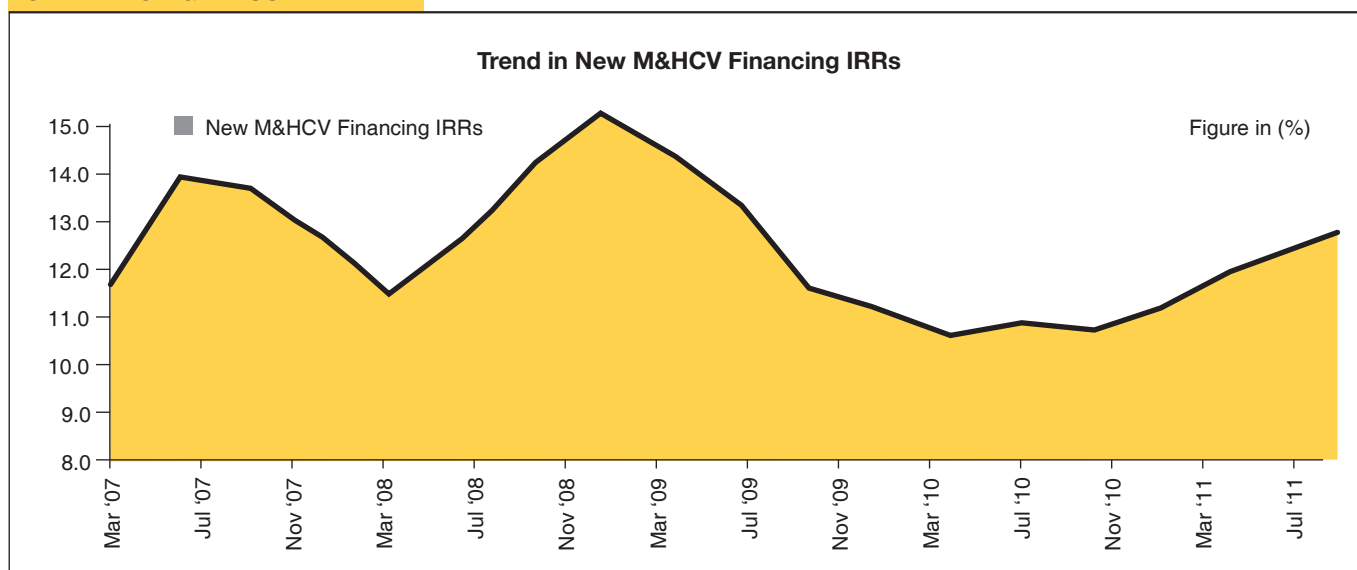
PRE-OWNED COMMERCIAL VEHICLES

Used or pre-owned vehicles account for almost 70% of the total commercial vehicle sales in the country. Small road transport operators, who typically own less than five trucks, largely control the freight movement on road. And everyday more people join this expanding group of truck entrepreneurs, and mostly their first buy is a used vehicle. On an average, a commercial vehicle is resold three times during its operational lifecycle of approximately 12 years. Sales of new commercial sales rebounded sharply since 2004, thanks to a sudden acceleration in economic activity and growth. Many of these vehicles are now in the used CV market.

NBFC INDUSTRY

Non Banking Finance Companies (NBFCs) have emerged as important financial intermediaries particularly for the small-scale and retail sectors. It is estimated that the NBFC industry accounts for 11.2 % of assets of the total financial system in the country. With simplified sanction procedures, flexibility and low operating cost, NBFCs have an edge over banks in meeting the credit needs of customers. And they are increasingly recognised as complementary of banking system at competitive prices.

CV FINANCING INDUSTRY



Source: ICRA Estimates

Commercial vehicle financing is perhaps the oldest retail-financing segment in the country. It is a highly fragmented segment because, one, there is a huge number of people buying trucks, and too many of these people have poor banking habits. So unorganised money lenders meet the financing needs of several buyers of used trucks. The CV financing market in India is estimated to be more than 100,000 crore with vehicles more than five years old accounting for half of it.

BUSINESS ENVIRONMENT

Small road transport operators and first time buyers make up the customer base of financiers of pre-owned commercial vehicles. They are perceived to be highly risky customers because of their poor banking habits and tendency to be on the move all the time, as owner-drivers of trucks. This makes it extremely difficult for financiers to track their customers and the financed vehicles. Also, because most truck operators get cash payment for their services, they lack a banking culture. For several buyers, their vehicle is their only asset and only means of livelihood. Clearly, this customer segment does not meet any traditional credit criteria.

Another challenge faced by buyers and financiers of used vehicles is lack of established platforms for trading such

vehicles and proper asset valuation norms. This harbours a perception of increased risk with the financiers.

On the positive side, yields are much higher than on new vehicle financing and the loan tenure is less. Also, there is huge room for penetration as unorganised players dominate the segment.

CONSTRUCTION EQUIPMENT INDUSTRY

India's earthmoving and construction equipment industry is expected to grow six times to US \$22.7 billion by 2020 from total revenues of US \$3.3 billion in 2010, mainly driven by the Union government's national infrastructure projects and the real estate industry.

The 2012-13 Union Budget proposed allocation of Rs. 5,000,000 crore for infrastructure investment during the 12th Five-Year Plan (2012-17). The Budget also doubled the tax-free bonds for financing infrastructure projects to Rs. 60,000 crore during 2012-13. It also increased allocation of the Road Transport and Highways Ministry for the financial year by 14% to Rs. 25,360 crore.

All this is expected to drive demand for construction equipment such as crawlers, excavators, loaders and compaction equipment, and boost the heavy equipment

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

rental and leasing business, which is currently a highly fragmented industry dominated by unorganised small construction equipment operators. These customers, whose profile is very similar to small road transport operators, have improved demand for second-hand construction equipment in recent years.

While the business is at a nascent stage, the potential is enormous going by the country's huge infrastructure gap that needs to be bridged to keep up the economic growth rate.

Company Review

ABOUT THE COMPANY

Established in 1979, Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with assets under management of Rs. 40,213.90 crore. The company is a leader in organised financing of pre-owned trucks with strategic presence in 5-12 year old trucks and a market share of around 25%. It has a pan-India presence with a network of 502 branches along with ~500 private financiers, and has built a strong customer base of over 8.5 lacs.

2011-12 IN REVIEW

The year 2011-12 was a tough year. The after-effects of 2008 crisis was still visible in the global as well as Indian economic performance. To tame inflation, the interest rates were revised on more than thirteen times between March 2010 and January 2012, resulting in dearer financial resources for the borrowers. The liquidity was tightened that also resulted in lower consumption and deferment of expansion plans/ infrastructure spends on both the corporate and government levels. At the same time, key events such as ban on mining in Odisha, Karnataka and Goa also contributed to a difficult environment. However, at STFC, we used this lean period to consolidate our operations, focus on key opportunities and emerge stronger than ever. As a result, while our Net interest income increased by 10.95% to Rs. 3,226.14 crore; our net profits stood at Rs. 1,257.45 crore. We surpassed Rs. 40,000.00 crore mark in terms of Assets under management and opened 14 new branches during 2011-12.

OPERATIONAL HIGHLIGHTS

1. Continued our penetration to rural centres

Having established a scalable business model in terms of organisation structure, the year 2011-12 witnessed our foray into deeper regions, mainly rural areas of India. We believe that the Indian growth story is closely woven with the aspirations, growth and prosperity of

rural India. As a result, during 2011-12 we opened 14 new branches with a focus to increase our customer base. Having created 502 branches across India, it gave us a perfect opportunity to replicate our business model at deeper regions at lower incremental cost and without compromising with the asset quality. These centres resulted in lower capex as well as commanded lower operation expenses. However, these centres enabled us to remain consistently in touch with our customers and provided us an edge over banks and other competitors.

At the same time, we continued to offer new products and services to leverage our existing infrastructure in line with the growth ambitions of our clients.

2. Using technology as key differentiator

At STFC, we believe that technology not only helps in tracking and protecting our asset quality, but also allows us to reach to newer customers with convenience and better service. To ensure better service, we invested in replicating access of key information on mobile platforms for our customers as well as field officers and branches. This leads to considerable reduction in turn around time between transactions, provides real-time access to required information and also ensures highest standards of transparency in the customer-company relationship. We have been able to leverage our well-established technology systems to maintain trust and transparency with our clients.

3. Focused on asset quality

With the depletion in economic conditions, we continued to critically scrutinize each asset class and ensured lower delinquencies. With the economic uncertainties profound, we chose to grow responsibly rather than grow rapidly. As a result, we reduced Loan-to-value (LTV) ratio by 5% to mitigate any doubts in earning capacity. This led to reduced business but proved a huge fillip for our asset quality. We also passed over the increased interest rates to our customers to protect our margins amidst uncertainty.

CONSTRUCTION EQUIPMENT BUSINESS

Being a preferred financier to more than 8.5 lacs customers across India, we at STFC decided to align our product portfolio with the evolution of our clients. We witnessed a trend among small road transport operators to diversify into construction equipment, owing to impending infrastructure investments in India. To capitalize upon the opportunity and moreover

to continue nurturing our existing relationships, we floated a subsidiary - Shriram Equipment Finance Company Ltd., in 2010, comprising of independent team of professionals, having intensive product expertise. Through Shriram Equipment Finance, we offer a wide range of pre-owned and new commercial construction equipment including forklifts, cranes, loaders etc. During 2011-12, Shriram Equipment Finance Company Ltd. registered a topline of Rs. 210.11 crore and a net profit of Rs. 51.62 crore. The company had an AUM of Rs. 1,923.37 crore as on March 31, 2012.

AUTO MALLS

During its second year of operations, Shriram Automall India Limited, the subsidiary operates eight Automalls. Automall is the first-of-its-kind mall that offers a common meeting platform for the potential buyers and sellers where the valuation of the vehicle is determined through a transparent public auction process. Till date, more than 1,200 auctions have been conducted and more than 45,000 vehicles have changed hands with over 35,000 bidders. The value proposition of each Automall is absolute transparency in valuation process, backed with assured title, quality and performance of the vehicle. The Automalls would hold periodic auctions of pre-owned CVs that have been repossessed by Shriram Transport and other financing companies. While the company would earn a fee-based income from each vehicle auctioned, it will also gain access to a ready consumer base for vehicle financing. Above all, the initiative would enable the company to institutionalize the valuation practices and create a valuation benchmark for pre-owned commercial vehicles.

Shriram New Look is a novel initiatives taken by STFC, that aims at empowering vehicle owners to transact refurbished vehicles by addressing and correcting few maintenance issues. This facility is available in the Automalls but is managed by a dedicated team.

SWOT ANALYSIS

Strengths

- The pioneer in the pre-owned commercial vehicles financing sector
- Knowledge-driven and relationship-based business model
- Pan-India presence with 502 branch offices

- A well-defined and scalable organisation structure based on product, territory and process knowledge
- Strong financial track record driven by fast growth in AUM with low Non Performing Assets (NPAs)
- Experienced and stable management team
- Strong relationships with public, private as well as foreign banks, institutions and investors.
- More than 8.5 lacs customers across India

Weaknesses

- The Company's business and its growth are directly linked to the GDP growth of the country

Opportunities

- Growth in the CV market
- Strong demand for construction equipment
- Strong demand for passenger CVs
- Strong demand for pre-owned tractors
- Loans for working capital requirements of CV users
- Partnerships with private financiers will enable the Company to enhance its reach without significant investments in building infrastructure

Threats

- Regulatory changes in the NBFC and ancillary sectors

Financial performance

During the year 2011-12, the Company's total income increased by 9.12% to Rs. 5,893.88 crore, as compared to Rs. 5,401.05 crore in 2010-11. The Company's net profits stood at Rs. 1,257.45 crore in 2011-12, from Rs. 1,229.88 crore in 2010-11. The Gross NPAs and net NPAs for the year under review stood at 3.06% and 0.44% respectively. The Company's net spread for the year under review stood at 5.61%. The company's net interest income increased by 10.95% to Rs. 3,226.14 crore in 2011-12.

Capital Adequacy Ratio (CAR)

The Company maintained a CAR of 22.26% during 2011-12 against a minimum 15% as required by RBI norms.

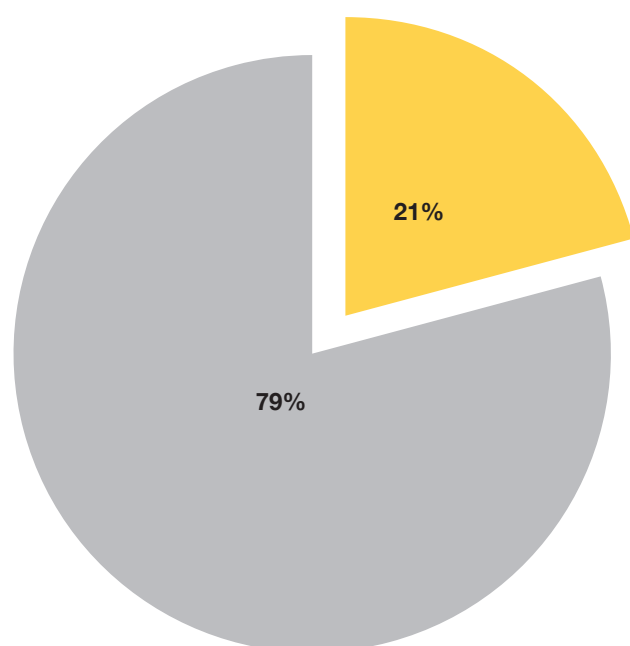
Borrowing profile

The Company's total external borrowings increased from Rs. 19,881.71 crore as of March 31, 2011 to Rs. 23,127.36 crore as of March 31, 2012.

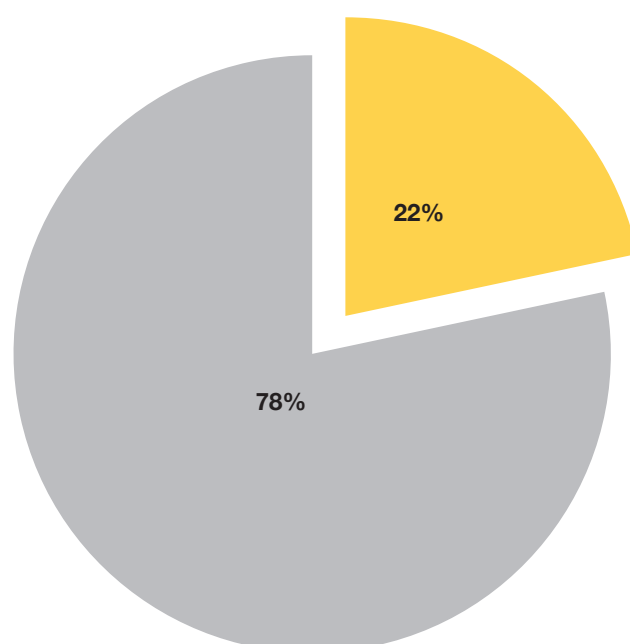
MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

2011-12

- Retail borrowings
- Institutional borrowings

**2010-11**

- Retail borrowings
- Institutional borrowings

**ASSETS UNDER MANAGEMENT (AUM)**

The total Assets Under Management (AUM) as on March 31, 2012 stood at Rs. 40,213.90 crore against Rs. 36,182.63 crore as on March 31, 2011.

SECURITISATION

During 2011-12 the company securitised its assets worth Rs. 8,346.13 crore (about 20.75% of the total assets under management as on March 31, 2012) as against Rs. 10,203.61 crore during 2010-11. The securitisation allows the company to mitigate the interest risk by converting its floating liability to fixed price liability but also enables the company to access funds at competitive cost under priority sector lending. The outstanding securitised assets portfolio stood at Rs. 18,226.14 crore as on March 31, 2012.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In any industry, the processes and internal control systems play a critical role in the health of the Company. The Company's well-defined organisational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

HUMAN RESOURCES

As of March 31, 2012, the Company had 15,057 employees on its payrolls including 8,155 product/credit executives.

KEY RISKS AND MITIGATION MEASURES**ECONOMY RISK**

Commercial vehicle sales in India have a close relation to the performance of the economy and industrial activity. With the economy undergoing a slowdown, the sales may be adversely impacted in the coming years, thereby hurting company's growth prospects.

Risk mitigation

Pre-owned commercial vehicles are largely driven by aspirations of a unique customer segment – first time users

or driver-turned-owners. This aided by the lower deal size results in a potent combination that has largely eluded economic downturns. The company is the market leader in lending to this segment and therefore remains largely mitigated by economic downturns.

HUMAN RESOURCE RISK

Since the company’s business is based on long-standing relationships and product knowledge, any attrition of key resource may result in loss of business.

Risk mitigation

The company employs more than 15,000 people and has a track record of maintaining highest levels of professionalism, transparency and a unique entrepreneurial culture. Being a professionally managed organization, promising talent is recognized, nurtured, valued and promoted across all divisions to ensure organizational growth is tied up with the individual’s growth.

ASSET-LIABILITY MISMATCH RISK

If the funds acquired as short term borrowings are employed in creation of long-term asset, then the company may face

severe imbalance in the funds position, resulting in inability to service short term liabilities and overheads.

Risk mitigation

The company has progressively derisked itself from the asset-liability mismatch by increasingly resorting to long-term sources of funds like equity and debt. The company’s timely initiatives past year to raise NCDs coupled with securitization protected it to a large extent in wake of northbound interest rates during 2011-12.

INTEREST RATE RISK

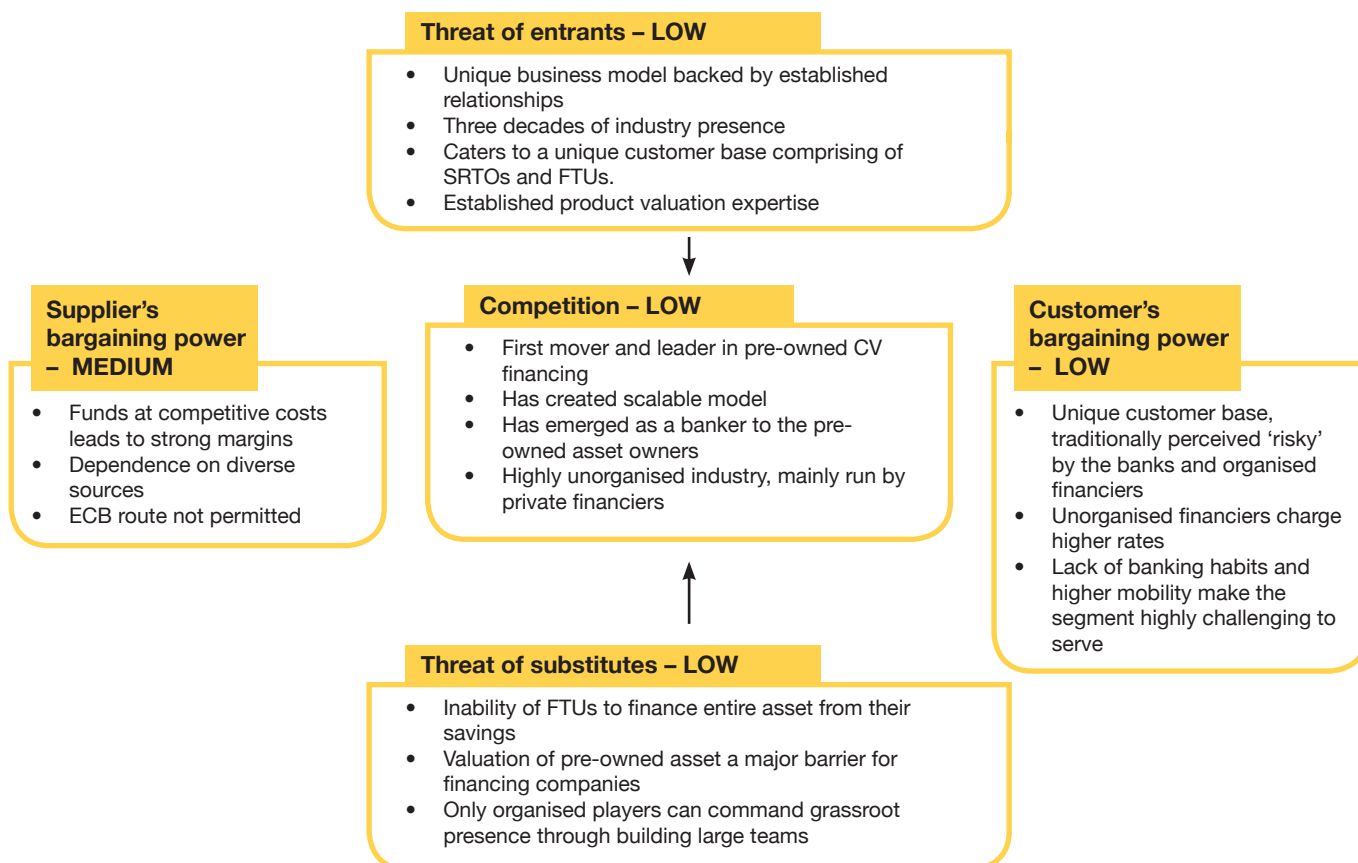
In an inflationary environment, the risk of contraction in net interest margins can result in direct impact on company’s performance.

Risk mitigation

The company’s comprehensive knowledge of asset valuation enables it to lend resources judiciously. Owing to highest standards of transparency and robust fiscal management, the Company also enjoys high credit ratings for its long-term as well as short-term credit requirements. In addition, to mitigate the over-reliance on the borrowed funds, the company has actively initiated securitization process, thereby unlocking low cost funds to fuel its growth.

KEY RISKS AND MITIGATION MEASURES

Porter’s Five Forces analysis



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Thirty Third Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

	2011-12	2010-11
Profit Before Depreciation and Taxation	189,437.37	185,974.83
Less: Depreciation and Amortisation	1,346.35	1,082.07
Profit Before Tax	188,091.02	184,892.76
Less: Provision for Taxation	62,346.06	61,904.76
Profit After Tax	125,744.96	122,988.00
Add: Balance Brought Forward from Previous Year	140,584.21	93,001.65
Balance available for appropriation	266,329.17	215,989.65
Appropriations		
Excess provision written back – Tax on Dividend	35.18	-
General Reserve	12,600.00	12,300.00
Statutory Reserve	25,200.00	24,600.00
Debenture Redemption Reserve	20,312.44	21,381.60
Dividend on Equity Shares of Rs. 10/- each	14,708.50	14,684.89
Tax on Dividend	2,386.08	2438.95
Balance Carried to Balance Sheet	191,157.33	140,584.21

DIVIDEND

Your Directors at their meeting held on November 09, 2011 declared an interim dividend of Rs. 2.50/- per equity share (i.e.25%) for the financial year 2011-12, which was paid on December 02, 2011. The payment of this Interim Dividend involved an outflow of Rs. 6,574.09 lacs, including tax on dividend of Rs. 917.62 lacs.

Your Directors have recommended a final dividend of Rs. 4/-per equity share (i.e. 40%) for the financial year ended March 31, 2012. This dividend distribution would result in a cash outflow of Rs. 10,520.48 lacs including tax on dividend of Rs. 1,468.46 lacs.

Thus, the total amount of dividend (including interim dividend paid) for the year ended March 31, 2012 shall be Rs.17,094.58 lacs including tax on dividend of Rs. 2,386.08 lacs, as against Rs.17,123.84 lacs, including tax on dividend of Rs. 2,438.95 lacs for the previous financial year.

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as of March 31, 2012, stood at 22.26% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15%.

CREDIT RATING

The credit rating enjoyed by the Company as on March 31, 2012 is as follows.

Credit Rating Agency	Instruments	Ratings
CARE	Non-Convertible Debentures	CARE AA+
CARE	Subordinate Debt	CARE AA+
CRISIL	Fixed Deposit	FAA+/Stable
CRISIL	Subordinate Debts	CRISIL AA/Stable
CRISIL	Non-Convertible Debentures	CRISIL AA/Stable
CRISIL	Short Term Debt	CRISIL A1+
CRISIL	Bank Loan Long Term & Short Term	CRISIL AA/Stable & A1+
ICRA	Fixed Deposit	MAA+
FITCH	Non-Convertible Debentures	Fitch AA(ind)
FITCH	Short Term Debt	Fitch A1+(ind)
FITCH	Subordinate Debt	Fitch AA(ind)
FITCH	Fixed Deposit	Fitch tAA(ind)

OPERATIONS

For the financial year ended March 31, 2012, your Company earned Profit Before Tax of Rs.188,091.02 lacs as against Rs.184,892.76 lacs in the previous financial year and the Profit After Tax of Rs.125,744.96 lacs as against Rs.122,988.00 lacs in the previous financial year. The total Income for the year under consideration was Rs. 589,387.66 lacs and total expenditure was Rs. 401,296.64 lacs.

The total disbursements made for financing of commercial vehicles during the year under review were Rs.1,948,588 lacs. As on March 31, 2012, the outstanding hypothecation loans were Rs. 2,142,970.14 lacs.

During the financial year ended March 31, 2012, the Company mobilised Rs. 595,208.57 lacs through Non-convertible debentures, Rs.13,670.87 lacs through subordinated debts, Rs. 284,446.77 lacs through term loans, Rs. 23,100 lacs through working capital loans, Rs. 25,000 lacs through commercial paper and Rs. 834,613.44 lacs through assignment of loan receivables from the customers.

ECONOMIC AND BUSINESS ENVIRONMENT

The financial year 2011-12 was tough for Indian economy. The Central Statistical Office (CSO) put out an advance estimate of Gross Domestic Product (GDP) growth of 6.9% for 2011-12 as against 8.4% in 2010-11. The GDP growth was 7.7% in the first quarter of the financial year 2011-12, which dropped to 6.9% in the second quarter and further down to 6.1% in the third quarter.

In terms of contribution to GDP growth, service sector accounted for 79% of growth with trade, hotels, transport and communications contributing over 44%. The contribution to the overall growth in GDP from industrial sector and agriculture sector was 16% and 5% respectively.

The lower GDP growth was mainly due to deceleration in industrial growth which was lower at 3.9% as compared to 7.6% in 2010-11. The agriculture sector registered lower growth of 2.5% as against 7% in 2010-11. The services sector registered a modest growth of 9.4% as compared to 9.3% in 2010-11.

The factors responsible for the slowdown in Indian economy in the year 2011-12 include high interest rate, tight monetary policy which led to successive increase in repo rate, inflation, trade deficit, weak Indian Rupee, uncertain global economic scenario, supply side constraints due to restrictions on iron ore production, decline in natural gas production and weak coal output. The Reserve Bank of India hiked the repo rate 13 times between March, 2010 and January, 2012 cumulatively by 375 basis point. The tightening of monetary policy, in order to control inflation, resulted in slowing down of investment and growth.

On global front, the growth also slowed down in emerging and developing economies reflecting the combined impact

of monetary tightening and slowdown in global growth. In euro area, the European Central Bank was required to make large scale liquidity infusions to reduce the stress in global financial markets. The US economy continued to show sign of modest recovery. The deterioration in global economy in the latter half of 2011-12 led to sharp capital outflows from India and put pressure on Indian rupee.

The Society of Indian Automobile Manufacturers (SIAM) has reported growth rate of 12.24% for overall domestic sales of vehicles in the financial year 2011-12 over the same period last year. The overall Commercial Vehicles segment sales grew by 18.20%. The sale of Light Commercial Vehicles (LCVs) grew by 27.36%, the Medium and Heavy Commercial Vehicles (MHCV) grew by 7.94%, Utility vehicle sales grew by 16.47%, the Goods Carriers grew by 6.31%. However, the Passenger Carriers and Three-Wheelers sales recorded decline of 4.50% and 2.43% respectively. On export front, the Passenger Vehicles registered growth of 14.18% in the financial year 2011-12. The Commercial vehicles and Three Wheelers recorded growth of 25.15% and 34.41% respectively. The overall export of vehicles registered growth of 25.44% in the year 2011-12.

The slowdown in Indian economy, lower freight movement due to restrictions on iron ore production and weak coal output coupled with high interest rates are major factors impacting the truck financing business in 2011-12. Your Company, having regard to long-term interest of the business, had consciously adopted more cautious, conservative and selective approach in terms of customer assessment, loan margins and disbursement, not perturbed by aggressive practices adopted by the competitors to grab business. All the aforementioned factors moderated the growth of the Company's business for the year ended March 31, 2012. The suspension of mining of iron ore by order of the courts impacted business of transportation of iron ore leading to defaults and re-possession of certain specially built vehicles financed by the Company. As such, the Company has made higher provision and write off for the year ending March 31, 2012 compared to the last year.

The Company's fund mobilization from banks, institutions and the Public issue and private placement of non-convertible debentures continued to be smooth. The high interest rates on loans and the tight monetary policy did not have major impact of the Company's net interest margin due to financial planning and prudent management of fund mobilization and treasury activities and efficient monitoring of mix of fixed and floating loans raised by the Company. In the challenging business environment, your Company continued to maintain its leadership status in the segment of financing of pre-owned trucks due to relationship based business model being followed by the Company, the large net-work of branches and trained human resource built up by your Company over the past couple of years.

DIRECTORS' REPORT (Contd.)

OUTLOOK AND OPPORTUNITIES

The Reserve Bank of India (RBI) in its annual Monetary Policy Statement for 2012-13 dated April 17, 2012, has announced reduction in the repo rate by 50 basis points from 8.5% to 8% with immediate effect. The RBI has also announced increase in the borrowing limit of scheduled commercial banks under the marginal standing facility from 1% to 2% of the bank's net demand and time liabilities. According to the RBI's Monetary policy statement, the liquidity conditions have eased in recent weeks, and are now steadily moving towards the comfort zone of the Reserve Bank. With these measures, RBI expects to address three important issues, namely stabilizing the growth of Indian economy around its current post-crises trend, containing the risk of inflation and enhancing the liquidity cushion to the system.

The headline WPI inflation which remained above 9% for nearly two years, has moderated significantly to below 7% by March, 2012. The non-food manufactured products inflation has dropped from a high of 8.4% in November, 2011 to 4.7% in March, 2012, actually coming down below 5% for the first time in two years. Further easing out of inflation could lead to some reversal of tight monetary measures taken by the RBI, which could encourage investment activity.

Business confidence, as measured by the business expectations indices of the Reserve Bank's industrial outlook survey, showed a pick-up in the business sentiments in last quarter of the year 2011-12 and a marginal moderation in first quarter of the current year 2012-13. The downtrend in Indian economy appears to be bottomed out.

The industry is expected to perform better than the last year as leading indicators suggest turn around in IIP growth. The overall domestic growth outlook for the current year looks a little better than last year. According to RBI's baseline projections, the GDP growth for the current year 2012-13 should be 7.3%. The global outlook also looks slightly better than expected earlier.

Qualified Foreign Institutions (QFI) were allowed to directly invest in Indian equity markets in January, 2012. This was done to widen the class of investors, attract foreign funds, reduce market volatility and deepen the Indian capital market. To strengthen the investment environment, the Union Budget 2012 has proposed various reforms including simplifying the process of issuing IPOs and introducing Rajiv Gandhi Equity Saving Scheme. The Union Budget 2012 also seeks to give further boost to infrastructure development by way of providing low cost funds for roads, power, ports, increasing private sector participation in infrastructure investment. The normal monsoon forecast for current year 2012-13 and the improvement in aforementioned macro-economic and other factors should give a fillip to your Company's growth dynamics in the coming years. This year the management has laid more focus on further strengthening the customer relationship.

Reserve Bank of India has issued final guidelines on securitization. RBI is expected to announce in the end-June, 2012 the draft guidelines on the regulatory framework for Non-Banking Financial Companies (NBFCs), inter alia dealing with tightening capital adequacy norms and higher provisioning. It is expected that RBI will allow the sufficient period to NBFCs for migrating and re-aligning its operations with the new regulations.

Your directors are of the opinion that despite challenges ahead, your Company's operations would not be seriously affected and your Company would continue to grow in future as well.

FIXED DEPOSITS

As on March 31, 2012, there were 1,336 fixed deposits aggregating to Rs. 739.38 lacs that have matured but remained unclaimed. There were no deposits, which were claimed but not paid by the Company. The unclaimed deposits have since reduced to 1,084 deposits amounting to Rs. 535.23 lacs. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure renewal/ repayment of the matured deposits in time.

SUBSIDIARIES

Shriram Equipment Finance Company Limited (SEFCL)

In view of high priority accorded to infrastructure development and foreseeing huge potential in infrastructure financing on December 23, 2009 the Company established SEFCL as a wholly-owned subsidiary primarily for financing construction equipment. SEFCL which was registered with RBI as a Non-Deposit Accepting Non-Banking Finance Company on October 8, 2010 has generated assets of Rs. 1,900 crore within a year of its registration. Its income from operations for the year ended March 31, 2012 was Rs. 21,010.10 lacs as against Rs. 2,016.48 lacs in the previous financial year ending March 31, 2011 and Profit after Tax of Rs. 5,162 lacs as against Rs.115 lacs in the previous financial year ending March 31, 2011.

During the year under review, your Company subscribed to 100 lacs Compulsorily Convertible Preference shares of Rs. 100/- each aggregating to Rs. 10,000 lacs issued by SEFCL.

Shriram Automall India Limited (SAIL)

In order to institutionalize the trading of pre-owned vehicles and equipment and bringing transparency and proper pricing of the vehicles, the Company established on April 16, 2010 another wholly-owned subsidiary company SAIL. The Automall provide a one-stop shop, catering to the various needs of commercial vehicle owners, providing trading platform for the sale of pre-owned, re-furbished and re-possessed commercial vehicles. Considering the large investments and resources required for setting up of Automalls, SAIL has also decided to set up low cost mini

Automalls. SAIL has established eight Automalls including four mini Automalls, the last one was set up at Gulbarga. For the financial year ended March 31, 2012, SAIL has reported income from operations of Rs.11,545.92 lacs as against Rs. 6,216.26 lacs in the previous year. Being the initial stages of its operations, SAIL has incurred a loss of Rs.30.44 lacs. The management of SAIL hopes that the full-fledged operationalization of the SAIL's Automalls all over India would attract participation of banks and other NBFCs in using SAIL's trading platform for the sale of pre-owned vehicles.

During the year under review, your Company subscribed to 20,000,000 equity shares of Rs. 10/- each issued by SAIL.

In terms of the Circular No: 51/12/2007-CL-III dated February 08, 2011 of the Ministry of Corporate Affairs, Government of India, the Board of Directors of the Company have given their consent for not attaching the Annual Reports of the subsidiaries to the Balance Sheet of the Company. A statement on consolidated financial position of the Company with that of the subsidiaries is attached to the Annual Report. The consolidated financial statements attached to this Annual Report are prepared in compliance with the applicable Accounting Standards and Listing Agreement.

The annual reports and the annual accounts of the subsidiaries and the related detailed information shall be made available to shareholders of the Company and the subsidiaries seeking such information at any point of time. The annual accounts of the subsidiaries shall also be kept for inspection by shareholders at the Registered Office of the Company and of the respective subsidiaries. The Company shall furnish hard copy of details of accounts of the subsidiaries to any shareholder on demand.

The annual accounts of the subsidiaries shall be available on the website of the Company viz. www.stfc.in and shall also be provided to the Shareholders on their written request to the Company.

SHARE CAPITAL

During the year under review, the Company allotted 139,900 fully paid up equity shares of the face value of Rs. 10 each to its employees on their exercise of stock Options by them. Details of the shares issued and allotted under the Employees Stock Option Scheme of the Company, as well as the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure to this Report.

PUBLIC ISSUE OF SECURED NON-CONVERTIBLE DEBENTURES

In June, 2011 your Company made Public Issue of Secured Non-Convertible Debentures (NCDs) of face value of Rs.1,000 each, aggregating to Rs. 50,000 lacs (Base Issue) with an

option to retain over-subscription upto Rs. 50,000 lacs for issuance of additional NCDs aggregating to a total of upto Rs. 1,00,000 lacs, pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and subject to the necessary approvals, consents and permissions. The Public Issue received overwhelming response from investors. The Base Issue was over-subscribed on the very first day of opening of the Issue. The over-subscription level was 5.28 times of the Base Issue size (2.64 times of the Issue size after retaining over subscription). Your Company issued and allotted NCDs aggregating to Rs.99,999.93 lacs. The objects of the Public issue was to raise funds for various financing activities including lending and investments, to repay existing loans and for business operations including for meeting capital expenditure and working capital requirement.

Considering the potential in raising funds by issue of NCDs and the extra-ordinary support received from the investing public for the NCD offerings made in last three successive years, your Board in its meeting held on May 8, 2012 has decided to offer and allot, subject to aforementioned regulations and such other approvals as may be necessary, secured/unsecured NCDs not exceeding Rs. 200,000 lacs in one or more tranches through Public issue and/or by way of private placement at appropriate time during the current financial year.

SCHEME OF ARRANGEMENT

The Board of Directors of the Company in their meeting held on December 21, 2011 approved a Scheme of arrangement for Merger of Shriram Holdings (Madras) Private Limited (SHMPL) into the Company subject to approval of Shareholders, Madras High Court and other necessary regulatory approvals. SHMPL is Promoter of the Company holding 9,33,71,512 Equity shares of the Company representing 41.26% Share Capital of the Company. SHMPL does not have any business operations, and its assets primarily comprise of the investment held in the Company, and income comprises of dividend/ other income earned from investment in the Company. The Scheme envisages that SHMPL would cease to exist post-Merger and the shareholders of SHMPL would hold shares in the Company directly. The purpose of the proposed Merger of SHMPL into the Company is to reorganize the shareholding of the Company by reducing intermediate shareholding tier and to enable the shareholders of SHMPL to hold equity shares in the Company directly. The Appointed Date of the Scheme is April 1, 2012.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Your Company is fully aware of the fact that as a corporate citizen, it is also entrusted with the responsibility to contribute for the betterment of the community at large and has the necessary resources at its disposal to do so. Hence, your

DIRECTORS' REPORT (Contd.)

Company endeavours to empower the under-privileged and the weaker sections of the community. Your Company has been supporting several NGOs involved in educational, vocational and other charitable programs and has continued to engage itself in social welfare activities by contributing to charitable institutions.

During the financial year ended March 31, 2012, your Company supported a variety of charitable projects and has contributed a sum of Rs. 539.55 lacs to charitable organizations.

HUMAN CAPITAL

Your Company firmly believes that the human capital built up by it over the years is its most valuable asset and all efforts are made to empower them continuously. The broader employee ownership of its share capital has contributed to a large extent on retaining its employees and has also impacted positively on the Company's performance. Imparting of training through internal as well as external training programmes is being done continuously so as to equip them to face the new challenges in the market place. As of March 31, 2012, the Company has 15,057 of employees.

DIRECTORATE

Mr. R. Sridhar has resigned as Managing Director of the Company and moved to Shriram Capital Limited as CEO and Managing Director to take up responsibilities at the Group level with effect from April 01, 2012. Mr. Sridhar worked with the Company for last 26 years and held various senior positions including as Managing Director of the Company. The Board has placed on record its appreciation of his immense contribution while serving as Managing Director of the Company and for his leadership, building strong foundation that helped the Company reaching greater heights, achieving substantial growth and impressive performance on all important parameters.

Mr. Umesh Revankar who has been working with the Company for last 24 years in charge of operations has been promoted as CEO & Managing Director. The Board of Directors of the Company in its meeting held on February 10, 2012 have appointed him as an Additional Director as well as Managing Director of the Company with effect from April 1, 2012 subject to approval of shareholders. Mr. Revankar has been instrumental in successfully managing the operations of the business of the Company, building the model of financing of pre-owned vehicles and new vehicles and for the substantial growth in business of the Company from its humble beginning. In accordance with Section 260 of the Companies Act, 1956, Mr. Umesh Revankar will hold office of Additional Director upto the date of the ensuing Annual General Meeting. The necessary resolutions for approval of shareholders are proposed in the Notice of the ensuing Annual General Meeting for his appointment as Director and

also for his appointment as Managing Director and payment of remuneration for a period of five years with effect from April 1, 2012.

Mr. S. Venkatakrishnan has resigned as a Director of the Company from May 8, 2012. The Board of Directors in its meeting held on May 8, 2012 appointed Mr. R. Sridhar as Director in the casual vacancy caused by resignation of Mr. S. Venkatakrishnan. Your Company will continue to receive benefit of Mr. Sridhar's advice and rich experience in the financial services sector in the capacity of non-executive director.

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. M. M. Chitale and Mr. Adit Jain would retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. However, they have expressed desire not to seek re-appointment as Director due to other commitments and responsibilities. As such, resolutions are proposed in the Notice of the forthcoming Annual General Meeting to this effect and also not to fill up the vacancy caused by the retirement of the said Directors at this meeting or any adjourned meeting thereof. The Board has placed on record its appreciation of the invaluable services rendered by Mr. Venkatakrishnan, Mr. M.M. Chitale and Mr. Adit Jain.

Mr. M. S. Verma and Mr. S. M. Bafna would retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 217(2AA) the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) That such accounting policies as mentioned in Schedule 2.1 of the Accounts have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts have been prepared on a going concern basis.

RBI GUIDELINES

The Company has made necessary changes in its Fair Practice Code in line with Circular dated March 26, 2012 of Reserve Bank of India. The Company continues to comply with all the requirements prescribed by the Reserve Bank of India, from time to time as applicable to it.

CORPORATE GOVERNANCE

The Report on Corporate Governance forms part of the Annual Report, and is annexed herewith.

As required by the Listing Agreement, Auditors' Report on Corporate Governance and a declaration by the Managing Director with regard to Code of Conduct are attached to the said Report.

The Management Discussion & Analysis is given as a separate statement forming part of the Annual Report.

Further, as required under Clause 49 of the Listing Agreement, a certificate, duly signed by the Managing Director and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2012, was submitted to the Board of Directors at their meeting held on May 8, 2012. The certificate is attached to the Report on Corporate Governance.

AWARD FOR EXCELLENCE IN FINANCIAL REPORTING FROM ICAI

The directors are pleased to inform that your Company's Annual Report for the year ended March 31, 2011, has been adjudged as the winner of the gold award amongst the entries received under the Category V - Financial Services Sector (other than Banking and Insurance) of the Institute of Chartered Accountants of India (ICAI) Awards for Excellence in Financial Reporting. Earlier, the Company's Annual Report for the year ended March 31, 2009 had won silver award for excellence in Financial Reporting.

AUDITORS

M/s. S. R. Batliboi & Co., Chartered Accountants, Mumbai and M/s. G. D. Apte & Co., Chartered Accountants, Mumbai, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Certificates have been received from them to the effect that their re-appointment as Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. They have also confirmed that they hold a valid peer review certificate as prescribed under clause 41(1)(h) of the Listing Agreement. Members are requested to consider their re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the requirement under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:

- The Company has no activity involving conservation of energy or technology absorption.
- The Company does not have any Foreign Exchange Earnings.
- Outgo under Foreign Exchange - Rs. Nil.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to all the Shareholders of the Company, excluding the statement of particulars of employees under Section 217(2A) of the Companies Act, 1956. Any Shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Head Office of the Company, and the same will be sent by post.

ACKNOWLEDGEMENT

The Board of Directors would like to place on record their gratitude for the guidance and cooperation extended by Reserve Bank of India and the other regulatory authorities. The Board takes this opportunity to express their sincere appreciation for the excellent patronage received from the Banks and Financial Institutions and for the continued enthusiasm, total commitment, dedicated efforts of the executives and employees of the Company at all levels. We are also deeply grateful for the continued confidence and faith reposed on us by the Shareholders, Depositors, Debenture holders and Debt holders.

For and on behalf of the Board of Directors

Arun Duggal
 Chairman

Mumbai
 May 08, 2012

DIRECTORS' REPORT (Contd.)

ANNEXURE TO THE DIRECTORS' REPORT, 2011-12						
Particulars	Shriram Transport Finance Company Limited Employees Stock Option Scheme, 2005					
a) Option granted	4,941,000 equity shares of Rs.10 each					
b) The pricing formula	Rs.35 per Option					
c) Options vested	3,903,950					
d) Options exercised (as at March 31, 2012)	3,740,550					
e) The total number of shares arising as a result of exercise of options	3,740,550 equity shares of Rs.10 each					
f) Options lapsed (as at March 31, 2012)	1,004,700					
g) Variations of terms of options	Nil					
h) Money realized by exercise of options	130,919,250					
i) Total number of option in force (as at March 31, 2012)	195,750					
j) Director and Employees to whom options were granted during the year:						
i) Director(s) including Managing Director and Senior Management personnel	None					
ii) Any other employee who received a grant of options amounting to 5 percent or more of options granted	None					
iii) Identified employees who were granted options equal to or exceeding 1 percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None					
k) Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share"	Rs.55.54					
i) Methods of calculation of employee compensation cost	Intrinsic Value Method					
ii) Difference between the employee compensation cost so computed at i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options	Employee Compensation Cost As per intrinsic value method – Rs.57.42 lacs As per fair value method using Black Scholes Model-Rs.52.14 lacs Difference in cost is Rs.5.28 lacs					
iii) The impact of this difference on Profits and on EPS of the Company	Impact on Profits and EPS Amortisation for the FY 11-12 As per intrinsic value method – Rs.57.42 lacs As per fair value method using Black Scholes Model-Rs.52.14 lacs Impact on profit-Rs.5.28 lacs Impact on diluted EPS-Re0.05					
l)	Series I	Series II	Series III	Series IV	Series V	Series VI
Weighted average exercise price	Rs.35.00	Rs.35.00	Rs.35.00	Rs.35.00	Rs.35.00	Rs.35.00
Weighted average fair value	Rs.59.04	Rs.91.75	Rs.74.85	Rs.136.40	Rs.253.90	Rs.201.45
m) Fair Value of option based on Black Scholes methodology						
Series I	Yr 1	Yr 2	Yr 3	Yr 4		
Expected Volatility (%)	38.44	38.44	38.44	38.44		
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50		
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00		
Average risk-free interest rate (%)	5.98	6.33	6.54	6.73		
Expected dividend rate (%)	2.31	2.31	2.31	2.31		
Expected life of Options	6.09 years					
Grant date	31.10.2005					
Closing market price of share on date of option grant	Rs.93.30					

m) Series II	Yr 1	Yr 2	Yr 3	Yr 4
Expected Volatility (%)	19.89	19.89	19.89	19.89
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	6.64	6.83	6.93	7.26
Expected dividend rate (%)	2.52	2.52	2.52	2.52
Expected life of Options	6.49 years			
Grant date	01.01.2006			
Closing market price of share on date of option grant	Rs.130.10			
Series III	Yr 1	Yr 2	Yr 3	Yr 4
Expected Volatility (%)	31.85	31.85	31.85	31.85
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	6.96	7.10	7.26	7.40
Expected dividend rate (%)	2.52	2.52	2.52	2.52
Expected life of Options	7.01 years			
Grant date	09.10.2006			
Closing market price of share on date of option grant	Rs.111.25			
Series IV	Yr 1	Yr 2	Yr 3	Yr 4
Expected Volatility (%)	41.51	41.51	41.51	41.51
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	7.68	7.76	7.82	7.87
Expected dividend rate (%)	0.89	0.89	0.89	0.89
Expected life of Options	7.88 years			
Grant date	17.08.2007			
Closing market price of share on date of option grant	Rs.168.05			
Series V	Yr 1	Yr 2	Yr 3	Yr 4
Expected Volatility (%)	69.22	69.22	69.22	69.22
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	9.41	9.36	9.34	9.36
Expected dividend rate (%)	1.63	1.63	1.63	1.63
Expected life of Options	8.78 years			
Grant date	15.07.2008			
Closing market price of share on date of option grant	Rs.294.50			
Series VI	Yr 1	Yr 2	Yr 3	Yr 4
Expected Volatility (%)	64.80	64.80	64.80	64.80
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	5.00	5.00	5.00	5.00
Average risk-free interest rate (%)	4.03	4.68	5.20	5.64
Expected dividend rate (%)	1.96	1.96	1.96	1.96
Expected life of Options	9.60 years			
Grant date	13.05.2009			
Closing market price of share on date of option grant	Rs.245.25			

REPORT ON CORPORATE GOVERNANCE

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE IS AIMED AT:

- (a) Enhancing long term Shareholder value through
 - Assisting the top management in taking sound business decisions; and
 - Prudent financial management.
- (b) Achieving transparency and professionalism in all decisions and activities of the Company.
- (c) Achieving excellence in Corporate Governance by
 - Conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible.
 - Reviewing periodically the existing systems and controls for further improvements.

BOARD OF DIRECTORS

Composition

The Board of Directors of the Company consists of professionals from varied disciplines. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director, who functions under the overall supervision, direction and control of the Board of Directors of the Company. The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. Some of the powers of the Board have also been delegated to Committees, which monitor the day-to-day affairs relating to operational matters. The Board thus exercises close control over the overall functioning of the Company with a view to enhance the Shareholder value.

The Independent Directors have made disclosures confirming that there are no material, financial and/or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

During the year under review, seven meetings of the Board of Directors were held on April 29, 2011, June 24, 2011, July 26, 2011, October 12, 2011, November 09, 2011, December 21, 2011, and February 10, 2012.

The maximum gap between any two meetings was not more than four months. The thirty second Annual General Meeting was held on June 24, 2011.

As mandated by Clause 49, as of March 31, 2012, none of the Director holds membership in more than ten Board level Committees and Chairmanship in more than five Committees. The necessary disclosures regarding Committee positions have been made by the Directors.

As of March 31, 2012, the Company's Board comprised of ten members. The Chairman of the Board is non-executive Director. The Managing Director is an Executive of the Company.

The agenda papers along with the explanatory notes for Board Meetings are sent in advance to the Directors. In some instances, documents are tabled at the meetings and presentations are also made by the respective executives on the matters related to them at the Board or Committee Meetings.

The names and categories of Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and number of memberships/chairmanships of Directors in other Boards and Board Committees are as follows:

COMPOSITION OF BOARD AS OF MARCH 31, 2012

Name of the Director and Category of Directorship	No. of Board Meetings attended	Whether attended the last AGM	Total no. of Directorships	Total no. of Memberships of the Committees of Board		Total no. of Chairmanships of the committees of Board	
				Memberships in Audit / Investor grievance Committee(s)	Memberships in other Committee(s)	Chairmanships in Audit / Investor grievance Committee(s)	Chairmanships in other Committee(s)
Mr. Arun Duggal Chairman-Non-Executive Non-Independent	6	Yes	18	2	8	5	1
Mr. R. Sridhar Managing Director-Executive	7	Yes	4	1	-	-	1
Mr. M. S. Verma Non-Executive, Independent	5	Yes	6	2	1	2	4
Mr. S. M. Bafna Non-Executive, Independent	5	Yes	17	-	-	-	-
Mr. M. M. Chitale Non-Executive, Independent	6	Yes	11	5	4	5	-
Mr. Adit Jain Non-Executive, Independent	2	Yes	6	1	-	-	-
Mr. S. Lakshminarayanan Non-Executive, Independent	5	No	4	-	-	-	-
Mr. Puneet Bhatia Non-Executive, Nominee of Newbridge India Investments II Ltd.	4	No	7	-	-	-	-
Mr. Ranvir Dewan Non-Executive, Nominee of Newbridge India Investments II Ltd.	5	Yes	7	1	1	-	-
Mr. S. Venkatakrisnan Non-Executive, Non-Independent	6	Yes	23	3	-	1	3

Notes:

1. While considering the total number of directorships of Directors, their directorships in private companies, Section 25 companies and foreign companies, if any, have been included and their directorship in the Company has been excluded.
2. The memberships and chairmanships of Directors in committees do not include their memberships and chairmanships in the Company.
3. The memberships and chairmanships of Directors in committees include their memberships and chairmanships in the wholly owned subsidiaries of the Company.
4. None of the above directors are related inter-se.
5. Mr. R. Sridhar has resigned as Managing Director of the Company w.e.f. April 01, 2012. The Board of Directors appointed Mr. Umesh Revankar as Managing Director designated as "CEO and Managing Director" for a period of five years w.e.f. April 01, 2012, subject to approval of Shareholders.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Policy for prohibition of Insider Trading: In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code for Prohibition of Insider Trading for Directors/Officers and Designated employees of the Company, relating to dealings by them in the securities of the Company.

The Code also provides for periodical disclosures from Directors/Officers and Designated employees as well as pre-clearance of transactions by such persons.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

Terms of Reference

The terms of reference of the Audit Committee, inter alia includes:

- Overseeing the financial reporting process.
- To ensure proper disclosure in the quarterly, half yearly and Annual Financial Statements.
- To recommend appointment, re-appointment of auditors and the fixing of their remuneration. Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the Financial Statements before submission to the Board.
- Reviewing, with the management, performance of statutory and Internal auditors, adequacies of the internal control systems.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- Discussing with Internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal examinations by the Internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To discuss with the management, the senior internal audit executives and the statutory auditor/s the Company's major risk exposures and guidelines and policies to govern the processes by which risk assessment and risk management is undertaken by the Company, including discussing the Company's major financial risk exposures and steps taken by management to monitor and mitigate such exposures and from time to time conferring with another Committee/s of the Board about risk exposures and policies within the scope of such other Committee's oversight.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- To review the financial Statements, in particular, the investments made by the unlisted subsidiary company/ies.

During the year under review, four meetings were held on April 29, 2011, July 25, 2011, November 09, 2011 and February 10, 2012. The maximum gap between any two meetings was not more than four months.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. M. S. Verma – Chairman	Non-Executive, Independent	3
Mr. Puneet Bhatia	Non-Executive, Nominee of Newbridge India Investments II Ltd.	3
Mr. M. M. Chitale	Non-Executive, Independent	3
Mr. S. M. Bafna	Non-Executive, Independent	3

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors, Internal Auditor, the Managing Director and the Chief Financial Officer and the Head of Accounts Department of the Company attend and participate in the meetings of the Audit Committee.

REMUNERATION COMPENSATION AND NOMINATION COMMITTEE

The Remuneration Compensation and Nomination Committee comprising of non-executive Independent Director's, constitution of which is non- mandatory requirement, was constituted by the Board.

Terms of Reference

The terms of reference of the Remuneration Compensation and Nomination Committee, inter alia includes:

Executive Remuneration

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to determination on their behalf and on behalf of the Shareholders with agreed terms of reference, the Company's policy on specific remuneration packages and any compensation payment for the Managing Director/ Whole-time Directors and Executive Directors. The role of the Committee includes:

- To provide independent oversight of and to consult with management regarding the Company's compensation, bonus, pension and other benefit plans, policies and practices applicable to the Company's executive management.
- To develop guidelines for and annually review and approve (a) the annual basic salary, (b) the annual incentive and bonus, including the specific goals and amount and (c) equity compensation for the Managing Director and the other executive officers of the Company.

- To review and approve (a) employment agreements, severance arrangements and change in control agreements/ provisions and (b) any other benefits, compensation or arrangements for the Managing Director and the other executive officers of the Company.

Employees Stock Option Scheme (ESOS)

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to ESOS including, administration of the Company's stock incentive plans, and other similar incentive plans, and interpret and adopt rules for the operation thereof.

The Committee's responsibility also covers establishment of guidelines for and approval of the grant of stock Options to key employees, officers and directors of the Company, including determination of the number of shares to be covered by each Option, whether the Option will be an incentive stock Option or otherwise, and the vesting schedule for such Options.

During the year under review, four meetings of the Committee were held on April 29, 2011, July 26, 2011, November 09, 2011 & February 10, 2012.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. Adit Jain - Chairman	Non-Executive-Independent	1
Mr. Puneet Bhatia	Non-Executive-Nominee of Newbridge India Investments II Ltd.	3
Mr. M. M. Chitale	Non-Executive-Independent	3
Mr. S. M. Bafna	Non-Executive-Independent	3

REMUNERATION POLICY OF THE COMPANY

For Managing Director

The Managing Director is paid a fixed quantum of salary and perquisites. He is also eligible for such percentage of commission/incentive as may be recommended by the Remuneration Compensation and Nomination Committee based on the overall performance of the Company, which shall be within the overall limits permissible under the Companies Act, 1956 and as approved by the Shareholders. Remuneration paid to the Managing Director for the financial year 2011 - 2012 is given elsewhere in this Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

For Non Executive Independent Directors

Non Executive Directors get sitting fees for attending each meeting of the Board of Directors/Committees thereof and reimbursement of out-of-pocket expenses incurred, wherever applicable, for attending such meetings. The sitting

fee is payable only to Independent Directors. The sitting fee payable per meeting is as under:

- | | | |
|----------------------|---|--------------|
| a) Board meeting | - | Rs. 20,000/- |
| b) Committee meeting | - | Rs. 15,000/- |

The details of sitting fees/remuneration paid to the Directors during the year 2011 - 12 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (Rs.)	Salary, Perquisites & ESOS (Rs.)	Commission (Rs.)	Total (Rs.)
1	Mr. Arun Duggal, Chairman	-	-	-	-
2	Mr. R. Sridhar, Managing Director	-	5,359,609	-	5,359,609
3	Mr. M. S. Verma	145,000	-	-	145,000
4	Mr. S. M. Bafna	415,000	-	-	415,000
5	Mr. M. M. Chitale	210,000	-	-	210,000
6	Mr. Adit Jain	55,000	-	-	55,000
7	Mr. S. Lakshminarayanan	160,000	-	-	160,000
8	Mr. Puneet Bhatia	-	-	-	-
9	Mr. Ranvir Dewan	-	-	-	-
10	Mr. S. Venkatakrishnan	-	-	-	-

Notes:

Mr. R. Sridhar was appointed as the Managing Director of the Company for a period of 5 years with effect from September 15, 2010 by the shareholders at their 31st Annual General Meeting held on June 15, 2010. His remuneration includes salary and incentive of Rs. 2,970,000/- p.a, Perquisites of Rs.1,530,979/- contribution to Provident Fund of Rs. 9,360/- and applicable discount of Rs. 849,270/- on Stock Options. The appointment may be terminated by giving three months notice in writing or salary in lieu thereof. No severance fees are payable on termination of employment.

Details of Shares / Warrants held by the Directors as on March 31, 2012, are as below:

Name of the Director	Share / Warrant holdings
Mr. Arun Duggal, Chairman	-
Mr. R. Sridhar, Managing Director	53,369 shares
Mr. M. S. Verma	-
Mr. S. M. Bafna	1,200 shares
Mr. M. M. Chitale	-
Mr. Adit Jain	-
Mr. S. Lakshminarayanan	-
Mr. Puneet Bhatia	-
Mr. Ranvir Dewan	-
Mr. S. Venkatakrishnan	4,448 shares

Note: The Board of Directors in the meeting held on May 08, 2012 renamed the existing Remuneration and Compensation Committee as Remuneration Compensation and Nomination Committee. The additional terms of reference of the Remuneration Compensation and Nomination Committee include recommendation of appointment to the Board.

SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending to and redressal of the grievances of the Shareholders and the investors of the Company.

The Committee in particular looks into:

- The listing of securities on stock exchanges.
- The Shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividends and matters related thereto.
- The matters that can facilitate better investor services and relations.
- Attending to investors' queries and complaints regarding transfer, dividend, annual reports, etc.
- Attending to complaints of investors routed by SEBI/ Stock Exchanges/RBI.
- The amounts transferable to Investor Education and Protection Fund.
- The profile of investors.
- Taking decisions in connection with issue of global depository receipts, and
- The secretarial audits.

During the year, the Committee met four times on April 29, 2011, July 26, 2011, November 09, 2011 and February 10, 2012.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. S. Lakshminarayanan – Chairman	Non Executive-Independent	4
Mr. R. Sridhar	Managing Director-Executive	4

The status of investor grievances is monitored by the Committee periodically and the minutes of the Committee are made available to the Board. The complaints received from the Shareholders, SEBI, Stock Exchanges, and others are reviewed and they are replied to by the Company/ Share Transfer Agents regularly. The status of the pending complaints as well as the system of redressal mechanism is reviewed by the Committee periodically.

Shareholder/Investor Complaints:

Status of Complaints on equity shares	No. of Complaints
Complaints pending as on April 01, 2011	NIL
Complaints received during the period April 01, 2011 to March 31, 2012	6
Complaints identified and reported under Clause 41 of the Listing Agreement	6
Complaints disposed off during the year ended March 31, 2012	6
Complaints unresolved as of March 31, 2012	NIL

These complaints have been attended on time and none of the complaints were pending for a period exceeding 30 days. Mr. K. Prakash, Vice President (Corporate Affairs) & Company Secretary, the Compliance Officer, retired on August 31, 2011 & thereafter Mr. Vivek M. Achwal, Company Secretary has been designated as Compliance Officer from September 02, 2011.

BANKING AND FINANCE COMMITTEE

Terms of Reference

The Banking and Finance Committee has been formed to monitor resources mobilisation and to ensure efficient and timely decisions on the matters relating to banking and finance activities of our Company. The Committee meets regularly to discharge its functions.

During the year under review, the Committee met 23 times.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. R. Sridhar - Chairman	Managing Director-Executive	23
Mr. Parag Sharma	Member	23
Mr. Vinay Kelkar	Member	23

REPORT ON CORPORATE GOVERNANCE (Contd.)

ASSET LIABILITY MANAGEMENT COMMITTEE

Terms of reference

The Committee is responsible for assisting the Board of Directors in Balance Sheet planning from risk-return perspective including the strategic management of interest and liquidity risk. Its function includes -

- Liquidity risk management
- Management of market risks
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analysing future business environment and preparation of contingency plans.

During the year under review, the Committee met four times on April 29, 2011, July 25, 2011, October 28, 2011 and February 10, 2012.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. R. Sridhar - Chairman	Managing Director-Executive	4
Mr. Ranvir Dewan	Non-Executive-Nominee of Newbridge India Investments II Ltd.	3
Mr. Parag Sharma	Member	4

GENERAL BODY MEETINGS

Details of location and time of holding the last three AGMs:

Year	AGM	Location	Date & Time
2008-09	30th AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	July 24, 2009 4:00 P.M.
2009-10	31st AGM	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai - 600 018	June 15, 2010. 11.00 A.M.
2010-11	32nd AGM	Sri Thyaga Brahma Gana Sabha, 'VaniMahal', 103, G.N Road, T. Nagar, Chennai - 600 017.	June 24, 2011 at 11.00 A.M

- a) At the 30th AGM held on July 24, 2009, special resolution was passed whereby Article 36 of the Articles of Association of the Company relating to use of Common Seal was modified.

- b) At the 31st AGM held on June 15, 2010, no special resolution was passed.
- c) At the 32nd AGM held on June 24, 2011, special resolution was passed whereby Articles 46 to 49 and Articles 64 to 81 be deleted and the existing article from 50 to 63 renumbered as articles 46 to 59.
- d) Postal Ballot - During the year 2011 -12, no resolution was passed through Postal Ballot.
- e) At the ensuing Annual General Meeting to be held on July 05, 2012, no special resolution is proposed for passing through Postal Ballot.

SUBSIDIARY COMPANIES

The Company has two wholly owned subsidiaries by name Shriram Equipment Finance Company Limited (SEFCL) and Shriram Automall India Limited (SAIL). These subsidiary companies are non-material unlisted subsidiaries of the Company.

Mr. M. S. Verma and Mr. S. Lakshminarayanan, independent directors of the Company, are directors on the Board of Directors of SEFCL and SAIL respectively.

The Audit Committee of the Company regularly reviews the financial statements, in particular, the investments, if any, made by the subsidiary companies. Besides, the minutes of the board meetings of the subsidiaries are placed at the Board meeting of the Company periodically. There are no significant transactions and arrangements entered into by the subsidiary companies during the financial year ended March 31, 2012 requiring it to be brought to the attention of the Board of Directors of the Company.

The disclosures in terms of clause 32 of the Listing Agreement relating to Loans and advances in the nature of loans to subsidiaries are given in the Annual Report of the Company.

Shriram Equipment Finance Company Limited (SEFCL)

SEFCL is engaged in equipment financing business and was incorporated on December 15, 2009. It has been registered as a Non-Deposit Taking NBFC vide certificate dated October 08, 2010 issued by Reserve Bank of India under Section 45 IA (4) of Reserve Bank of India Act, 1934.

Board of Directors of Shriram Equipment Finance Company Limited:

The composition of the Board of Directors of SEFCL is as follows.

1. Mr. M. S. Verma - Chairman
2. Mr. R. Sridhar
3. Mr. G. S. Sundararajan and,
4. Mr. Amol Jain

Capital Structure of Shriram Equipment Finance Company Limited:

The Authorised Share Capital of the Company was increased from Rs.250 Crore to Rs, 1000 Crore. Further the Paid up capital of the company was increased by the Company by issuing Compulsory Convertible Preference shares of Rs. 100 Crore to its holding company Shriram Transport Finance Company Limited. The Capital Structure of SEFCL as on March 31, 2012 is as follows.

Particulars	As at March 31, 2012	As at March 31, 2011
(Rs.)		
Authorised Capital		
250,000,000 (March 31 2011 : 100,000,000) Equity Shares of Rs. 10/- each	2,500,000,000	1,000,000,000
75,000,000 (March 31 2011 : 15,000,000) Compulsorily Convertible Preference Shares of Rs. 100/- each	7,500,000,000	1,500,000,000
	10,000,000,000	2,500,000,000
Issued Subscribed and Fully Paid Up Capital		
10,000,000 (March 31 2011 : 10,000,000) Equity Shares of Rs. 10/- each	100,000,000	100,000,000
25,000,000 (March 31 2011 : 15,000,000) Compulsorily Convertible Preference Shares of Rs. 100/- each	2,500,000,000	1,500,000,000
	2,600,000,000	1,600,000,000

Shriram Automall India Limited (SAIL)

SAIL intends to provide a trading platform for the sale of pre-owned commercial vehicles, showrooms for branded new and refurbished pre-owned commercial vehicles, as well as commercial vehicles repossessed by financing companies. It also intends to provide electronic advertising and trading infrastructure in these "Automalls".

Board of Directors of Shriram Automall India Limited

1. Mr. S. Lakshminarayanan - Chairman
2. Mr. Umesh Revankar
3. Mr. D.V. Ravi and,
4. Mr. Gaurav Trehan

Capital Structure of Shriram Automall India Limited

The Authorised Share Capital of the Company was increased from Rs.15 Crore to Rs. 100 Crore. The Paid up capital of the company was increased by issuing 20,000,000 Equity Shares of Rs. 10 each aggregating to Rs. 20,00,00,000 to its Holding company Shriram Transport Finance Company Limited. The Capital Structure of SAIL as on March 31, 2012 is as follows:

Particulars	As at March 31, 2012	As at March 31, 2011
(Rs.)		
Authorised Capital		
100,000,000 (March 31 2011 : 15,000,000) Equity Shares of Rs. 10/- each	1,000,000,000	150,000,000
	1,000,000,000	150,000,000
Issued Subscribed and Fully Paid up capital		
30,000,000 (March 31 2011 : 10,000,000) Equity Shares of Rs. 10/- each	300,000,000	100,000,000
	300,000,000	100,000,000

REPORT ON CORPORATE GOVERNANCE (Contd.)

In terms of the Circular No: 51/12/2007-CL-III dated February 08, 2011 of the Ministry of Corporate Affairs, Government of India, the Board of Directors of the Company has by resolution given their consent for not attaching the Annual Reports of the subsidiaries to the Balance Sheet of the Company. The Consolidated financial statements of the Company with that of the subsidiaries duly audited by the Company's statutory auditors are presented elsewhere in the Annual Report. The consolidated financial statements attached to this Annual Report are prepared in compliance with the applicable Accounting Standards and Listing Agreement.

The annual reports and the annual accounts of the subsidiaries and the related detailed information shall be made available to shareholders of the Company and the subsidiaries seeking such information at any point of time. The annual accounts of the subsidiaries shall also be kept for inspection by any shareholders at the Registered Office of the Company and of the respective subsidiaries. The Company shall furnish hard copy of details of accounts of the subsidiaries to any shareholder on demand.

Further, the annual accounts of the subsidiaries shall be available on the website of the Company viz. www.stfc.in and shall also be provided to the Shareholders on their written request to the Company.

Disclosures

There are no materially significant related party transactions with the Company's promoters, directors, key managerial personnel or their relatives, which may have potential conflict with the interest of the Company at large.

Disclosures on transactions with related parties, as required under the Indian Accounting Standard 18, have been incorporated in the Notes to the Accounts.

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

The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Clause 49 of the Listing Agreement. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also posted on the website of the company.

The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

The Company has complied with all the mandatory requirements as stipulated in Clause 49 of the Listing Agreement and fulfilled the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges;

- a. The Company has set up a Remuneration Compensation and Nomination Committee. Please see para on Remuneration Compensation and Nomination Committee for details.
- b. The Company has adopted the Whistle Blower Policy.

Capital Audit

The capital audit as required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated 31/12/2002 and SEBI Circular No. CIR/MRD/DP/30/2010, a Qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors.

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

Certification by the Managing Director and the Chief Financial Officer is provided elsewhere in the Annual Report.

MEANS OF COMMUNICATION

The audited financial results, the quarterly results and half-yearly results of the Company are published in English (The Economic Times) and Tamil newspapers (Makkal Kural). They are also available on the company's website: www.stfc.in. Press release are also given in the leading newspapers and also posted on company's website.

Pursuant to Clause 52 of the Listing Agreement, the Company has been registered with the Corporate Filing and Dissemination System (CFDS). The Company commenced CFDS by filing unaudited financial results from December 31, 2008 and shareholding pattern and corporate governance report from March 31, 2009 with CFDS. The CFDS has become mandatory w.e.f. April 01, 2010 and Shareholders/ Investors can view the information by visiting the website of CFDS viz. www.corpfiling.co.in

33rd ANNUAL GENERAL MEETING

a.	Date and Time	July 05, 2012 at 11.00 A.M
b.	Venue	Narada Gana Sabha (Main Hall), No.314, TTK Road, Alwarpet, Chennai – 600 018
c.	Book Closure Date	June 25, 2012 to July 05, 2012(both days inclusive)
d.	Dividend	An Interim Dividend of 25% was declared by the Board of Directors at its meeting held on November 09, 2011 and the payments thereof were effected on December 02, 2011. The payment of final dividend, upon declaration by the shareholders at the Annual General Meeting, will be made on or after July 09, 2012
e.	Financial Calendar	2012 - 2013
	Annual General Meeting	September 2013
	Unaudited results for the quarter ending June 30, 2012	Last week of July, 2012
	Unaudited results for the quarter/ half - year ending September 30, 2012	Last week of October 2012
	Unaudited results for the quarter ending December 31, 2012	Last week of January 2013
	Audited results for the year ending March 31, 2013	May 2013
f.	Stock Code	
	BSE Limited	511218
	National Stock Exchange of India Limited	SRTRANSFIN
	Demat ISIN in NSDL & CDSL	INE721A01013

The Company has paid the listing fees for the financial year 2012-13 to the above stock exchanges.

As there has no trades in the equity shares of the Company in Madras Stock Exchange Limited (MSE) since February, 2000, the Board of Directors and the shareholders of the company have decided for voluntary delisting of our Company's equity shares from MSE. The Company's request for Voluntary Delisting of equity shares has been accepted by Madras Stock Exchange Limited (MSE) and accordingly the equity shares of the Company have been delisted from MSE w.e.f. December 22, 2011. The equity shares of the Company will continue to be listed on NSE & BSE having nationwide trading terminals.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Company's Non-Convertible Debentures (NCDs) offered for subscription to public under the Prospectus dated July 16, 2009, May 06, 2010 and June 16, 2011 are listed on NSE and BSE. The ISIN details for these NCDs are as under:

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates	Put and Call option
NCD 2009							
Secured NCDs (Option I)	INE721A07952	BSE - 934785 NSE- N1	11.00% (*)	SEMI-ANNUAL	27/08/2009	<ul style="list-style-type: none"> • 40% of Face value to be redeemed on 26/08/2012 • 40% of Face value to be redeemed on 26/08/2013 • 20% of Face value to be redeemed on 26/08/2014 	NA
Secured NCDs (Option II)	INE721A07960	BSE - 934786 NSE - N2	11.25% (*)	ANNUAL	27/08/2009	<ul style="list-style-type: none"> • 40% of Face value to be redeemed on 26/08/2012 • 40% of Face value to be redeemed on 26/08/2013 • 20% of Face value to be redeemed on 26/08/2014 	NA
Secured NCDs (Option III)	INE721A07978	BSE - 934787 NSE -N3	11.03% to be compounded quarterly	CUMULATIVE : QUARTERLY	27/08/2009	26/08/2014	Note :(#)
Secured NCDs (Option IV)	INE721A07986	BSE - 934788 NSE - N4	11.00%	ANNUAL	27/08/2009	26/08/2014	Note :(#)
Secured NCDs (Option V)	INE721A07994	BSE - 934789 NSE - N5	10.75%	ANNUAL	27/08/2009	26/08/2012	NA
NCD 2010							
Secured NCDs (Option I) (Reserved Individuals)	INE721A07AL7	BSE - 934793 NSE - N6	9.75% (*)	ANNUAL	02/06/2010	01/06/2015	Note: (@)
Secured NCDs (Option I) (Unreserved Individuals)	INE721A07AK9	BSE - 934794 NSE - N7	9.50%	ANNUAL	02/06/2010	01/06/2015	Note: (@)
Secured NCDs (Option I) (Others)	INE721A07AJ1	BSE - 934795 NSE - N8	9.00%	ANNUAL	02/06/2010	01/06/2015	Note: (@)
Secured NCDs (Option II) (Reserved Individuals)	INE721A07AO1	BSE - 934796 NSE - N9	10.25% (*)	SEMI-ANNUAL	02/06/2010	01/06/2017	Note - (\$)

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates	Put and Call option
Secured NCDs (Option II) (Unreserved Individuals)	INE721A07AN3	BSE - 934797 NSE - NA	10.00%	SEMI-ANNUAL	02/06/2010	01/06/2017	Note - (\$)
Secured NCDs (Option II) (Others)	INE721A07AM5	BSE - 934798 NSE - NB	9.50%	SEMI-ANNUAL	02/06/2010	01/06/2017	Note - (\$)
Secured NCDs (Option III) (Reserved Individuals)	INE721A07AR4	BSE - 934799 NSE - NC	10.5% (*)	ANNUAL	02/06/2010	<ul style="list-style-type: none"> • 40% of Face value to be redeemed on 01/06/2013 • 40% of Face value to be redeemed on 01/06/2014 • 20% of Face value to be redeemed on 01/06/2015 	NA
Secured NCDs (Option III) (Unreserved Individuals)	INE721A07AQ6	BSE - 934800 NSE - ND	10.25%	ANNUAL	02/06/2010	<ul style="list-style-type: none"> • 40% of Face value to be redeemed on 01/06/2013 • 40% of Face value to be redeemed on 01/06/2014 • 20% of Face value to be redeemed on 01/06/2015 	NA
Secured NCDs (Option III) (Others)	INE721A07AP8	BSE - 934801 NSE - NE	9.75%	ANNUAL	02/06/2010	<ul style="list-style-type: none"> • 40% of Face value to be redeemed on 01/06/2013 • 40% of Face value to be redeemed on 01/06/2014 • 20% of Face value to be redeemed on 01/06/2015 	NA
Unsecured double bond NCDs (Option IV) reserved Individuals)	INE721A08984	BSE - 934802 NSE - NF	NA	NA	02/06/2010	100% to be redeemed on 01/12/2016 plus a premium of Rs.1,000/-	NA
Unsecured double bond NCDs (Option IV) (Unreserved Individuals)	INE721A08976	BSE - 934803 NSE - NG	NA	NA	02/06/2010	100% to be redeemed on 01/03/2017 plus a premium of Rs.1,000/-	NA
Unsecured double bond NCDs (Option IV) (Others)	INE721A08968	BSE - 934804 NSE - NH	NA	NA	02/06/2010	100% to be redeemed on 01/06/2017 plus a premium of Rs.1,000/-	NA

REPORT ON CORPORATE GOVERNANCE (Contd.)

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates	Put and Call option
Unsecured NCDs (Option V) (Reserved Individuals)	INE721A08AC4	BSE - 934805 NSE - NI	11.00%	ANNUAL	02/06/2010	01/06/2017	NA
Unsecured NCDs (Option V) (Unreserved Individuals)	INE721A08AB6	BSE - 934806 NSE - NJ	10.75%	ANNUAL	02/06/2010	01/06/2017	NA
Unsecured NCDs (Option V) (Others)	INE721A08AA8	BSE - 934807 NSE - NK	10.25%	ANNUAL	02/06/2010	01/06/2017	NA
NCD 2011							
Secured NCDs (Option I) (Reserved)	INE721A07AV6	BSE - 934811 NSE - NL	11.60%	ANNUAL	12/07/2011	11/07/2016	Note - (^)
Secured NCDs (Option I) (Unreserved)	INE721A07AW4	BSE - 934812 NSE - NM	11.35%	ANNUAL	12/07/2011	11/07/2016	Note - (^)
Secured NCDs (Option I) (Others)	INE721A07AX2	BSE - 934810 NSE - NN	11.10%	ANNUAL	12/07/2011	11/07/2016	Note - (^)
Secured NCDs (Option II) (Reserved)	INE721A07AY0	BSE - 934814 NSE - NO	11.35%	ANNUAL	12/07/2011	11/07/2014	NA
Secured NCDs (Option II) (Unreserved)	INE721A07AZ7	BSE - 934815 NSE - NP	11.10%	ANNUAL	12/07/2011	11/07/2014	NA
Secured NCDs (Option II) (Others)	INE721A07BA8	BSE - 934813 NSE - NQ	11%	ANNUAL	12/07/2011	11/07/2014	NA

Note:

- (*) - Senior Citizens (First Allottee) shall be entitled to an additional interest at the rate of 0.25 % per annum.
- (#) - Put / Call option after 26-Aug-2013
- (@) - Put / Call option from 02-June- 2013
- (\$) - Put / Call option from 02-June-2015
- Not Applicable: NA
- (^)- Put / Call option from 12-July-2015

Pursuant to Section 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividends up to financial year – 2003-04 (final Dividend), 2004-05 (interim Dividend), have been transferred to the Investor Education and Protection Fund established by the Central Government. No claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment to be made in respect of such claim. Members who have not yet encashed their dividend warrant(s) for the financial years from – 2004-05 (final dividend) are requested to make their claims without any delay to the Company's Registrar and Share Transfer Agents, Integrated Enterprises (India) Limited.

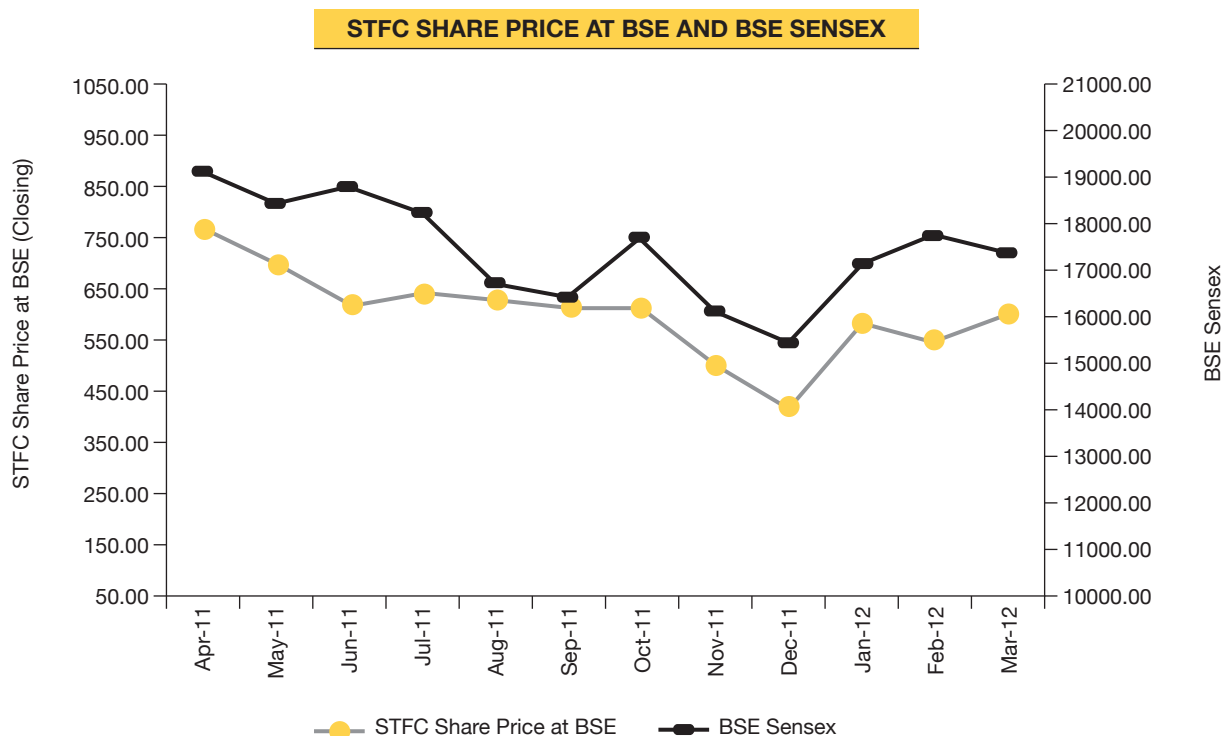
GENERAL SHAREHOLDER INFORMATION

g. Stock Market Data

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 2012, are given below:

Months	BSE Ltd.			National Stock Exchange of India Ltd.		
	Share Prices		Volume	Share Prices		Volume
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	
April, 11	831.85	771.20	560,537	849.70	772.25	5,959,538
May, 11	784.25	606.00	3,270,297	787.00	606.85	36,010,099
June, 11	715.00	588.00	1,815,803	715.75	585.05	15,060,327
July, 11	707.85	620.00	1,503,740	708.00	607.00	11,402,354
August, 11	662.00	551.00	898,928	664.15	555.55	12,452,227
September, 11	707.00	589.15	833,853	708.65	589.00	9,526,328
October, 11	680.00	533.00	964,566	638.50	532.35	8,623,325
November, 11	621.00	442.00	520,422	621.00	490.10	10,366,154
December, 11	586.30	416.05	1,804,570	583.00	416.65	15,076,257
January, 12	614.95	416.00	1,085,365	615.00	416.35	11,847,209
February, 12	615.00	536.70	888,338	615.70	495.00	10,216,343
March, 12	616.05	526.00	1,132,112	615.95	515.00	4,660,543

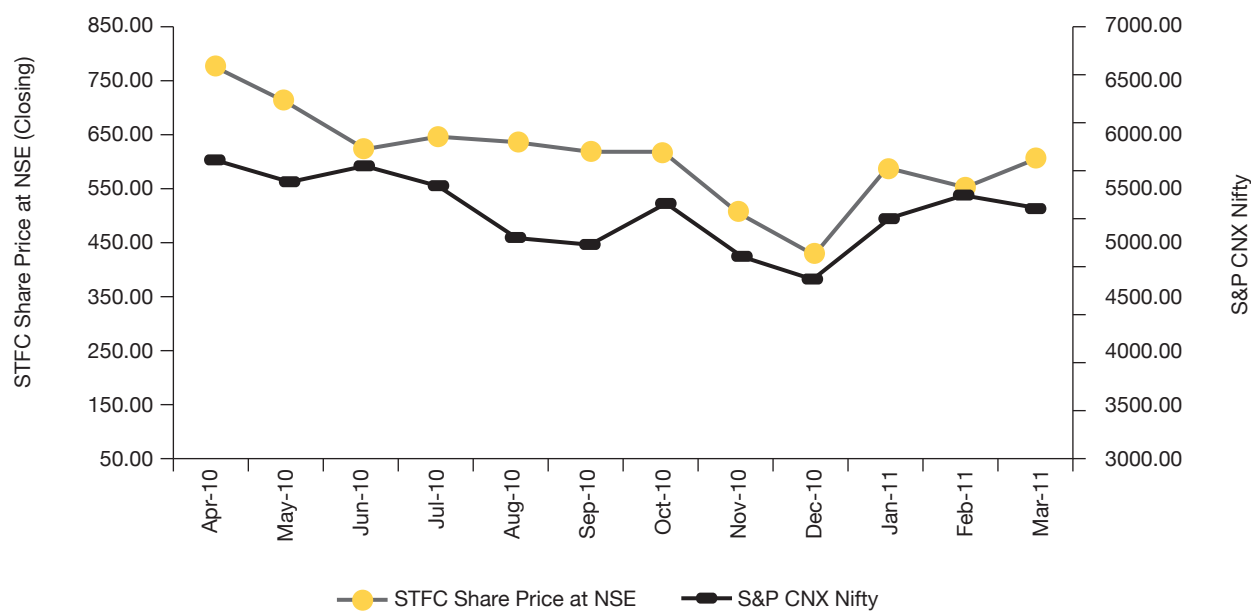
h. Shriram Transport Finance Company Limited (STFC) Share Price performance in comparison to BSE Sensex and S&P CNX Nifty:



REPORT ON CORPORATE GOVERNANCE (Contd.)

STFC SHARE PRICE AT NSE AND S&P CNX NIFTY

STFC Share Price at NSE and S&P CNX Nifty



i. Registrar and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Integrated Enterprises (India) Limited

2nd Floor, Kences Towers,

No. 1, Ramakrishna Street,

North Usman Road, T Nagar,

Chennai - 600 017

Ph.: 044 - 2814 0801 - 03 Fax no: 044 - 28142479

Email: corpserv@integratedindia.in

Website: www.integratedindia.in

j. Share Transfer System:

The authority to approve share transfers has been delegated by the Board of Directors to the Share Transfer Committee. Requests received for transfer of shares are attended to once in a fortnight.

k. Distribution of shareholding as on March 31, 2012

No. of Equity shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
1 - 500	36,512	82.16	5,360,759	2.37
501 - 1000	4,888	11.00	3,648,886	1.61
1001 - 2000	1,579	3.55	2,269,036	1.00
2001 - 3000	479	1.08	1,191,863	0.53
3001 - 4000	183	0.41	647,282	0.29
4001 - 5000	163	0.37	742,412	0.33
5001 - 10000	238	0.54	1,677,656	0.74
10001 and above	398	0.89	210,762,674	93.13
Total	44,440	100.00	226,300,568	100.00

I. Categories of shareholders as on March 31, 2012

Category of Shareholders	No. of shares held	% of shareholding
Promoters and Promoter Group	103,278,335	45.64
Mutual Funds / UTI	5,291,284	2.34
Financial Institutions / Banks	208,345	0.09
Foreign Institutional Investors	88,798,540	39.24
Bodies Corporate	10,159,776	4.49
Individuals	17,530,203	7.74
NRI's / OCB's/ Foreign National	376,880	0.17
Trust	247,618	0.11
Clearing Members	408,882	0.18
Limited liability Partnership	705	0.00
Grand Total	226,300,568	100.00

m. Dematerialization of shares and liquidity

The Company's scrip forms part of the compulsory Demat segment for all investors effective from July 24, 2000. To facilitate the investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Integrated Enterprises (India) Limited. As on March 31, 2012, the total of 219,376,552 equity shares constituting 96.94 % of the paid up capital, have been dematerialized.

- n.** The Company has not issued any GDRs/ADRs, warrants or other instruments which are pending for conversion.

o. Address for correspondence & Registered Office:
Registered Office:

Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India.
 Tel.: 91-44-24990356
 Fax: 91-44-24993272

Head Office:

Wockhardt Towers, Level-3, West Wing, C-2, G-Block, Bandra-Kurla Complex, Bandra - (East), Mumbai - 400 051. Phone: 91-22 – 40959595.
 Fax: 91-22 - 40959596/97, Website: www.stfc.in

Email ID for Investor Grievance:

The following email ID has been designated for communicating investors' grievances. secretarial@stfc.in

p. Locations

List of branches are mentioned in the "Our Reach" Section on page no. 6 in the Annual Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

DETAILS PURSUANT TO CLAUSE 49 IV (G) (I) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING REAPPOINTMENT

Mr. M. S. Verma

Mr. M. S. Verma is a non-executive Director on our Board. A career banker, with over fifty years of experience in banking and finance, Mr. Verma retired as the Chairman of India's largest commercial bank, State Bank of India in 1998 and has since then served as advisor to the RBI, non-executive Chairman, IDBI Bank and Chairman of the Country's Telecommunication Regulatory Body, the Telecom Regulatory Authority of India (TRAI). Currently, he is Director and Member of Committees of several public and private limited Companies namely Asian Heart Institute & Research Centre Pvt. Ltd., International Asset Reconstruction Company Pvt. Ltd. (Chairman – Strategy Policy & Process Committee, Asset Acquisition & Reconstruction Committee & Governance Board of IARF – I and Member – Fund Committee – IARF -I), Moser Baer Projects Private Limited (Chairman – Audit Committee), Visa Steel Limited (Chairman – Banking Finance Committee and Member – Audit Committee and Share Transfer and Investor Grievance Committee), Visa Power Limited (Chairman – Audit Committee) and Shriram Equipment Finance Company Limited. He is a member of governing Board/Council/Committees of educational and research institutions of national and international importance like the National Council of Applied Economic Research (NCAER) and Jawaharlal Nehru University (JNU). He is not holding any Equity Shares in Shriram Transport Finance Company Limited as on March 31, 2012.

Mr. S. M. Bafna

Mr. S. M. Bafna is a non-executive Director on our Board. Mr. Bafna is a science graduate from Mumbai and began his career in the year 1984. He started independent dealership of Tata Motors at Ratnagiri, Maharashtra in the year 1995 and Mumbai dealership in the year 2001. His company has been one of the leading dealers for Tata Motors Limited. He also holds dealerships of vehicles manufactured by Honda, Hyundai and Maruti Udyog Limited. Mr. Bafna has over 28 years of experience in the automobile industry. He is holding 1,200 Equity Shares in Shriram Transport Finance Company Limited as on March 31, 2012. He is on the Board of Directors of several Private Companies and Public Limited Companies namely Bafna Motors (Mumbai) Pvt. Ltd., Bafna Motors (Ratnagiri) Pvt. Ltd., Bafna Motors Pvt. Ltd., Kishor Transport Services Pvt. Ltd., Rushabh Motors Pvt. Ltd., BNB Containers Pvt. Ltd., Urjayant Estate Pvt. Ltd., Bafna Health Care Pvt. Ltd., Bafna Aviation Pvt. Ltd., ABCN Logistics Private Limited, Transport Solutions India Private Limited, Bafna Consultancy Services Private Limited, Bafna Motorcycles Private Limited, Panchavati Automobile Private Limited, Toyota Logistic Kishor India Pvt. Ltd., Sewa Finance Ltd., Isuta Electronics (India) Ltd.

PROFILE OF DIRECTOR PROPOSED FOR APPOINTMENT AS A DIRECTOR AT THE ENSUING ANNUAL GENERAL MEETING

Mr. Umesh Revankar holds a bachelor's degree in Business Management from Mangalore University and MBA in Finance. He had attended Advanced Management Program at Harvard Business School. Mr. Revankar started his career with Shriram Group as an Executive Trainee in the year 1987. He is with Shriram group for the last 24 years and possesses extensive experience in the financial services industry. During his stint with the Group, he has shouldered various responsibilities and worked in several key roles of business operations. The details of other directorships and Committee memberships of Mr. Umesh Revankar have been furnished in the Explanatory statement of the Notice of the ensuing 33rd Annual General Meeting of the Company accompanying this Report.

CEO/CFO CERTIFICATION

We, to the best of our knowledge and belief, certify that-

- a. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2012 and that to the best of our knowledge and belief;
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;
 - i. There were no material deficiencies in internal controls over financial reporting during the year;
 - ii. All the significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statement; and
 - iii. There were no instances of significant fraud of which we are aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mumbai
May 08, 2012

UMESH REVANKAR
Managing Director

PARAG SHARMA
Chief Financial Officer

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

The Board of Directors of Shriram Transport Finance Company Limited at its Meeting held on January 29, 2005 adopted Code of Conduct as amended on October 27, 2010 to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the revised Clause 49 of the Listing Agreement with the Stock Exchanges where the shares of the Company are listed.

As provided under Clause 49 of the Listing Agreement executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2012.

UMESH REVANKAR
Managing Director

Mumbai
May 08, 2012

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Shriram Transport Finance Company Limited,

We S. R. Batliboi & Co. ("SRB") and G.D.Apte & Co. ("GDA") have jointly examined the compliance of conditions of Corporate Governance by Shriram Transport Finance Company Limited ('the Company'), for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 S.R. Batliboi & Co.

Firm Registration No: 301003E

Chartered Accountants

per **Viren H. Mehta**

Partner

Membership No.: 048749

Mumbai

May 08, 2012

For G. D. Apte & Co.

Firm Registration No: 100515W

Chartered Accountants

CM Dixit

Partner

Membership No.: 17532

Mumbai

May 08, 2012

FINANCIAL SECTIONS

STANDALONE

FINANCIAL SECTION

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AUDITORS' REPORT

To,

The Members of

Shriram Transport Finance Company Limited

1. We S.R. Batliboi & Co. ("SRB") and G.D.Apte & Co. ("GDA") have jointly audited the attached Balance Sheet of Shriram Transport Finance Company Limited ("the Company") as at March 31, 2012 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- iii. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
- v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S.R. BATLIBOI & Co.**
 Firm registration number: 301003E
Chartered Accountants

per Viren H. Mehta
Partner
 Membership No.: 048749
 Mumbai
 May 08, 2012

For **G. D. Apte & Co.**
 Firm registration number: 100515W
Chartered Accountants

C.M. Dixit
Partner
 Membership No: 17532
 Mumbai
 May 08, 2012

ANNEXURE

REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

RE: SHRIRAM TRANSPORT FINANCE COMPANY LIMITED ('THE COMPANY')

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company is a Non-Banking Financial Company ('NBFC') engaged in the business of giving loans and does not maintain any inventory. Therefore the provisions of clause 4(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted unsecured loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 299.99 lacs and the year- end balance of loans granted to such parties was Rs. 186.76 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore provision of clause iii(f) and iii(g) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas and accordingly the question on commenting on whether there is a continuing failure to correct major weakness in the internal control system of the company does not arise.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to customs duty and excise duty are not applicable to the Company.

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE (Contd.)

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in lacs)	Years to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands	4,126.01	A.Y. 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	500.25	A.Y. 2004-05	CIT (Appeals)
Finance Act, 1994 (Service Tax)	Service tax on hire purchase and lease transactions	8,406.10	2003-04 to 2009-10	Commissioner of Service Tax. (Refer Note 7 to the financial statements)
Finance Act, 1994 (Service Tax)	Service Tax demands	315.00	2003-04 & 2004-05	Commissioner of Central Excise and Customs
Andhra Pradesh Value Added Tax	Value Added Tax	348.41	2004-05 to 2008-09	Andhra Pradesh High Court.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order, are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained other than funds temporarily invested pending utilization of the funds for the intended use.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 32,066 and 99,999.93 secured non convertible debentures of Rs 1,000,000 and Rs.1,000 each respectively. The Company has created security or charge in respect of debentures issued, expect for 5,000 secured non convertible debentures of Rs. 1,000,000 each which have been issued recently in the month of March. We are informed by the management that the company is taking steps to create security for the debentures issued.
- (xx) We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S.R. BATLIBOI & Co.**
 Firm registration number: 301003E
 Chartered Accountants

For **G. D. Apte & Co.**
 Firm registration number: 100515W
 Chartered Accountants

per Viren H. Mehta
 Partner
 Membership No.: 048749
 Mumbai
 May 08, 2012

C.M. Dixit
 Partner
 Membership No: 17532
 Mumbai
 May 08, 2012

BALANCE SHEET

AS AT MARCH 31, 2012

(Rs. in lacs)

Particulars	Note No	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	22,632.46	22,618.47
(b) Reserves and surplus	4	576,598.79	467,820.83
		599,231.25	490,439.30
(2) Non-current liabilities			
(a) Long-term borrowings	5	1,468,683.97	1,246,103.02
(b) Other Long term liabilities	6	183,685.75	235,715.57
(c) Long term provisions	7	136,905.61	100,643.00
		1,789,275.33	1,582,461.59
(3) Current liabilities			
(a) Short-term borrowings	8	304,023.56	80,234.79
(b) Trade payables		47,564.15	33,318.81
(c) Other current liabilities	6	819,293.03	957,863.74
(d) Short-term provisions	7	18,360.44	18,545.60
		1,189,241.18	1,089,962.94
Total		3,577,747.76	3,162,863.83
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		3,624.70	3,594.81
(ii) Intangible assets		146.17	44.26
(b) Non-current investments	10	56,027.49	39,142.66
(c) Deferred tax assets (net)	11	21,667.50	15,368.69
(d) Long term loans and advances	12	1,572,971.32	1,425,239.75
(e) Other non-current assets	13	10,366.68	8,055.39
		1,664,803.86	1,491,445.56
(2) Current assets			
(a) Current investments	14	339,417.21	325,423.23
(b) Cash and bank balances	15	530,809.22	357,237.71
(c) Short-term loans and advances	12	1,034,705.33	982,068.91
(d) Other current assets	13	8,012.14	6,688.42
		1,912,943.90	1,671,418.27
Total		3,577,747.76	3,162,863.83

Significant Accounting Policies 2.1

The notes referred to above form an integral part of the financial statements.

As per our report of even date
For **S.R.BATLIBOI & Co.**
Firm Registration No. 301003E
Chartered Accountants

For **G. D. Apte & Co.**
Firm Registration No. 100515W
Chartered Accountants

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

per **Viren H. Mehta**
Partner
Membership No. 048749

C. M. Dixit
Partner
Membership No. 17532

Umesh Revankar
Managing Director
R Sridhar
Director

Mumbai
May 08, 2012

Vivek M. Achwal
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2012

(Rs. in lacs)

Particulars	Note No	Year Ended March 31, 2012	Year Ended March 31, 2011
INCOME			
Revenue from operations	16	588,917.16	537,240.04
Other income	17	470.50	2,865.41
Total		589,387.66	540,105.45
EXPENDITURE			
Employee benefit expenses	18	37,005.63	35,821.25
Finance cost	19	246,120.55	229,055.43
Depreciation and amortisation	9	1,346.35	1,082.07
Other expenses	20	39,994.76	36,906.60
Provisions & write offs	21	76,829.35	52,347.34
Total		401,296.64	355,212.69
Profit before taxation		188,091.02	184,892.76
Provision for taxation			
Current tax		68,644.87	69,801.32
Deferred tax	11	(6,298.81)	(7,896.56)
Total tax expense / (income)		62,346.06	61,904.76
Profit after tax from continuing operations		125,744.96	122,988.00
Earnings per share			
	22		
Basic (Rs.)		55.59	54.49
Diluted (Rs.)		55.54	54.41
Nominal value of equity share (Rs.)		10.00	10.00
Significant Accounting Policies	2.1		
The notes referred to above form an integral part of the financial statements			

As per our report of even date
 For **S.R.BATLIBOI & Co.**
 Firm Registration No. 301003E
 Chartered Accountants

per **Viren H. Mehta**
 Partner
 Membership No. 048749

Mumbai
 May 08, 2012

For **G. D. Apte & Co.**
 Firm Registration No. 100515W
 Chartered Accountants

C. M. Dixit
 Partner
 Membership No. 17532

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

Umesh Revankar **R Sridhar**
 Managing Director Director

Vivek M. Achwal
 Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2012

(Rs. in lacs)

Particulars	March 31, 2012	March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	188,091.02	184,892.76
Depreciation and amortisation	1,346.35	1,082.07
Loss / (profit) on sale of fixed assets (net)	42.40	36.75
Provision for diminution in value of investments	178.66	(79.87)
Employees Stock option compensation cost	57.42	116.85
Premium on Government Securities	0.64	3.40
Amortisation of Discount on Government Securities	(73.14)	(52.64)
Issue expenses for equity shares	152.78	152.96
Public issue expenses for non convertible debentures	1,458.74	1,046.41
Provision for credit loss on securitisation	18,806.24	17,795.15
Provisions for non performing assets and bad debt written off	57,236.31	29,750.36
Provisions for standard assets	608.14	4,881.70
Provision for gratuity	461.08	291.04
Provision for leave encashment	106.54	507.90
Operating profit before working capital changes	268,473.18	240,424.84
Movements in working capital:		
Increase / (decrease) in trade payables	14,245.34	24,723.91
Increase / (decrease) in provisions	1,929.27	9,230.60
Increase / (decrease) in provision for service tax- contested	345.71	-
Increase / (decrease) in other liabilities	(69,141.16)	149,480.09
Increase / (decrease) in investments	(18,987.29)	(162,093.05)
Increase / (decrease) in investments in subsidiaries	(12,000.00)	(16,785.00)
Decrease / (increase) in loans and advances	(242,219.94)	(390,149.66)
Decrease/(increase) in bank deposits (having original maturity of more than three months)(net)	41,999.94	10,550.14
Decrease / (increase) in other assets	(1,341.42)	(763.70)
Cash generated from operations	(16,696.37)	(135,381.83)
Direct taxes paid (net of refunds)	(69,834.58)	(69,162.44)
Net cash flow from / used in operating activities (A)	(86,530.95)	(204,544.27)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(1,572.48)	(345.05)
Proceeds from sale of fixed assets	54.23	27.25
Net cash used in investing activities (B)	(1,518.25)	(317.80)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(Rs. in lacs)

Particulars	March 31, 2012	March 31, 2011
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	13.99	64.28
Securities premium on issue of equity capital	34.99	155.49
Amount received from institutional borrowing	917,407.01	815,481.66
Amount received from Public issue of non convertible debentures	99,999.93	49,999.99
Increase / (decrease) in Retail borrowings	42,874.42	118,264.77
Repayment of institutional borrowing	(708,211.46)	(841,497.00)
Buyback of Public issue non convertible debentures	(27,505.26)	-
Issue expenses for equity shares paid	-	(11.05)
Public issue expenses for non convertible debentures paid	(1,867.43)	(1,174.12)
Dividend paid	(14,702.90)	(14,659.17)
Tax on dividend	(2,384.94)	(2,434.70)
Net cash from financing activities (C)	305,658.35	124,190.15
Net increase / (decrease) in cash and cash equivalents (A + B + C)	217,609.15	(80,671.92)
Cash and Cash Equivalents at the beginning of the year	165,137.64	245,809.57
Cash and Cash Equivalents at the end of the year	382,746.79	165,137.65

(Rs. in lacs)

Components of Cash and Cash Equivalents	March 31, 2012	March 31, 2011
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
i) Cash on hand	4,827.08	3,119.60
ii) Cheques on hand	5,384.45	2,702.24
iii) Balances with scheduled banks in:		
Current accounts	209,486.14	85,121.70
Balance held in escrow account *	-	100.07
Unpaid dividend accounts *	499.39	382.44
Deposits with original maturity of less than three months	162,549.72	73,711.59
Total cash and cash equivalents (Note 15)	382,746.78	165,137.64

*These balances are not available for use by the Company as they represent corresponding unpaid dividend liability and balance held in escrow account.

As per our report of even date
For **S.R.BATLIBOI & Co.**
Firm Registration No. 301003E
Chartered Accountants

per **Viren H. Mehta**
Partner
Membership No. 048749

Mumbai
May 08, 2012

For **G. D. Apte & Co.**
Firm Registration No. 100515W
Chartered Accountants

C. M. Dixit
Partner
Membership No. 17532

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

Umesh Revankar **R Sridhar**
Managing Director Director

Vivek M. Achwal
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE 1 CORPORATE INFORMATION

Shriram Transport Finance Company Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The company provides finance for commercial vehicles, construction equipments and other loans.

NOTE 2 BASIS OF PREPARATION

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under Companies Accounting Standard Rules, 2006, as amended, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for the change in accounting policy explained below.

2.1 Significant Accounting Policies**(a) Change in accounting policy****Presentation and disclosure of financial statements**

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation and disclosures made in the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year. For further details, refer note 34.

(b) Current / Non-current classification of assets / liabilities

Pursuant to applicability of Revised Schedule VI on presentation of financial statements for the financial year ended March 31, 2012; the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/ liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

(c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE 2 BASIS OF PREPARATION (Contd.)

(d) Tangible/Intangible Fixed Assets, Depreciation/Amortisation and Impairment

Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use.

Depreciation on tangible fixed assets

Depreciation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful lives of the respective fixed assets and are greater than and equal to the corresponding rates prescribed in Schedule XIV of the Act. During the year, consequent to the re-assessment and reduction in the estimated useful life of the certain items of fixed assets falling in the category of Plant & Equipment, Office equipments, Furniture & Fixtures, Computers and Vehicles depreciation rates are revised as follows (refer note 33):

Particulars	Old rates (SLM)	Revised rates (SLM)	Schedule XIV rates (SLM)
Plant and Equipment	4.75%	10%	4.75%
Furniture and Fixtures	6.33%	10%	6.33%
Office Equipments	4.75%	10%	4.75%
Computers	16.21%	20%	16.21%
Vehicles	9.50%	20%	9.50%

Leasehold improvement is amortised on SLM over the lease term subject to a maximum of 60 months.

All fixed assets individually costing Rs. 5,000/- or less are fully depreciated in the year of installation.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful life of the intangible asset.

Particulars	Rates (SLM)
Computer Software	33.33%

Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(e) Investments

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

(f) Provisioning / Write-off of assets

Non performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Delinquencies on assets securitised/assigned are provided for based on management estimates of the historical data.

Provision on standard assets is made as per the notification DNBS.PD.CC.No.207/ 03.02.002 /2010-11 issued by Reserve Bank of India.

(g) Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the balance sheet date and loans securitised.

(h) Leases

Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(i) Foreign currency translation

Initial recognition

Transactions in foreign currency entered into during the year are recorded at the exchange rates prevailing on the date of the transaction.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

Conversion

Monetary assets and liabilities denominated in foreign currency are translated in to Rupees at exchange rate prevailing on the date of the Balance Sheet.

Exchange differences

All exchange differences are dealt with in the statement of profit and loss.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Income from financing activities is recognised on the basis of internal rate of return. Service tax on charges/fees is collected by the Company as an intermediary and accordingly revenue is presented on net basis.
- ii. Income recognised and remaining unrealised after installments become overdue for six months or more in case of secured/unsecured loans and twelve months or more in case of financial lease transactions are reversed and are accounted as income when these are actually realised.
- iii. Additional finance charges / additional interest are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.
- iv. Gains arising on securitisation/direct assignment of assets is recognised over the tenure of securities issued by SPV/agreements as per guideline on securitisation of standard assets issued by RBI, loss, if any is recognised upfront. Expenditure in respect of securitisation /direct assignment (except bank guarantee fees for credit enhancement) is recognised upfront. Bank gurarantee fees for credit enhancement are amortised over the tenure of the agreements. Securitisation deferred consideration receivable comprises of Company's share of future interest strip receivables in case of a par structure securitised / assigned deals.
- v. Interest income on fixed deposits/margin money, call money (Collaterised Borrowing and Lending Obligation), certificate of deposits, pass through certificates, subordinate debts, government securities and treasury bills is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Discount, if any, on government and other securities acquired as long term investments is recognised on a time proportion basis over the tenure of the securities.
- vi. Dividend is recognised as income when right to receive payment is established by the date of balance sheet.
- vii. Profit/loss on the sale of investments is computed on the basis of weighted average cost of investments and recognized at the time of actual sale/redemption.
- viii. Income from operating lease is recognized as rentals, as accrued on straight line basis over the period of the lease.

(k) Retirement and other employee benefits

Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Leave Encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(l) Income tax

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The un-recognised deferred tax assets are re-assessed by the Company at each balance sheet date and are recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(m) Segment reporting policies

Identification of segments:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Unallocated items:

Unallocated items include income and expenses which are not allocated to any reportable business segment

Segment Policies :

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(p) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand, remittances in transit and short term investments with an original maturity of three months or less.

(q) Equity shares and Debentures issue expenses

Expenses incurred on issue of equity shares are charged to statement of profit and loss on a straight line basis over a period of 10 years.

Public issue expenses, other than the brokerage, incurred on issue of debentures are charged off on a straight line basis over the weighted average tenor of underlying debentures. The brokerage incurred on issue of debentures is treated as expenditure in the year in which it is incurred.

Expenses incurred for private placement of debentures, are charged to statement of profit and loss in the year in which they are incurred.

(r) Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to statement of Profit & Loss in the year in which they are incurred.

(s) Employee stock compensation costs

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

(t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
NOTE 3 SHARE CAPITAL		
Authorised		
335,000,000 (March 31, 2011: 335,000,000) Equity Shares of Rs.10/- each	33,500.00	33,500.00
20,000,000 (March 31, 2011: 20,000,000) Preference Shares of Rs.100/- each	20,000.00	20,000.00
	53,500.00	53,500.00
Issued, Subscribed & Fully Paid up		
Equity Shares 226,300,568 (March 31, 2011: 226,160,668) equity shares of Rs. 10/- each	22,630.06	22,616.07
	22,630.06	22,616.07
48,000 equity shares of Rs.10/- each (Rs 5/- each paid up forfeited)	2.40	2.40
Total	22,632.46	22,618.47

	As at March 31, 2012		As at March 31, 2011	
	Numbers of shares	Rs. in lacs	Numbers of shares	Rs. in lacs
a. Reconciliation of the equity shares outstanding at the beginning and at end of reporting period.				
Shares outstanding at the beginning of the year	226,160,668	22,616.07	225,517,818	22,551.78
Issued during the period - Employee stock option scheme [Refer Note 25]	139,900	13.99	642,850	64.29
Shares outstanding at the end of the year	226,300,568	22,630.06	226,160,668	22,616.07

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per equity share dividend recognized as distributions to equity shareholders was Rs. 6.50 (March 31, 2011 : Rs. 6.50).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares reserved for issue under options

The Company has reserved 195,750 equity shares for issue under the employee stock option scheme 2005. Except for 61,300 equity shares which are unvested as of March 31, 2012, the remaining equity shares reserved for issue are vested and are exercisable as at March 31, 2012. The vesting date for unvested 14,100 equity shares is May 12, 2012, for 28,400 unvested equity shares is July 14, 2012 and for 18,800 unvested equity shares is May 12, 2013.

d. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The company has issued total 3,583,300 equity shares (March 31 2011 : 3,600,650) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee service.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 3 SHARE CAPITAL (Contd.)

e. Details of shareholders holding more than 5% equity shares in the company

Details of shareholding	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Equity shares of Rs. 10/- each				
Shriram Holdings (Madras) Private Limited	93,371,512	41.26%	93,371,512	41.29%
Genesis Indian Investments Company Limited	16,807,413	7.43%	13,650,013	6.04%

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

- f. The Board of Directors at its meeting held on December 21, 2011, has approved the Scheme of Arrangement for merger of Shriram Holdings (Madras) Private Limited into the Company, subject to the approval of shareholders, the Hon'ble High court and other necessary regulatory approvals. The Scheme has been filed with Hon'ble High Court of Judicature at Madras on March 28, 2012. The Appointed Date of merger is fixed at April 01, 2012.

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
NOTE 4 RESERVES AND SURPLUS		
Capital reserve	17.03	17.03
Capital redemption reserve	5,388.35	5,388.35
Securities Premium Account		
Balance as per last account	175,099.59	174,419.57
Add: Addition on ESOPs exercised	34.98	160.71
Add: Transferred from stock options outstanding	187.45	519.31
Closing balance	175,322.02	175,099.59
Debenture redemption reserve		
Balance as per last account	31,823.68	10,442.08
Add: Transfer from statement of Profit and Loss	20,312.44	21,381.60
Closing balance	52,136.12	31,823.68
Stock option outstanding		
Employee stock option outstanding	240.58	426.74
Less : Deferred employee compensation outstanding	16.06	72.19
Closing balance	224.52	354.55
Other Reserves		
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934		
Balance as per last account	75,999.79	51,399.79
Add: Transfer from statement of Profit and Loss	25,200.00	24,600.00
Closing balance	101,199.79	75,999.79
General reserve		
Balance as per last account	38,553.63	26,253.63
Add: Transfer from statement of Profit and Loss	12,600.00	12,300.00
Closing balance	51,153.63	38,553.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
NOTE 4 RESERVES AND SURPLUS (Contd.)		
Surplus in statement of Profit and Loss		
Balance as per last account	140,584.21	93,001.65
Add: Profit for the current year	125,744.96	122,988.00
Add: Excess provision written back - tax on dividend	35.18	-
Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(25,200.00)	(24,600.00)
Transfer to general reserve	(12,600.00)	(12,300.00)
Transfer to debenture redemption reserve	(20,312.44)	(21,381.60)
Interim dividend	(5,656.48)	(5,638.46)
Tax on dividend	(917.62)	(936.45)
Proposed final dividend (amount per share Rs. 4.00 (March 31, 2011: Rs. 4.00))	(9,052.02)	(9,046.43)
Tax on proposed dividend	(1,468.46)	(1,502.50)
Net surplus statement of Profit and Loss	191,157.33	140,584.21
Total reserves and surplus	576,598.79	467,820.83

(Rs. in lacs)

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current maturities*	Non Current portion	Current maturities*
NOTE 5 LONG TERM BORROWINGS				
Subordinated debts (Unsecured)	304,374.96	25,208.32	315,983.75	13,400.53
Redeemable non convertible debentures				
Secured	664,438.56	134,734.54	333,986.29	141,297.36
Less: Unamortised discount	(5,139.57)	-	-	-
	659,298.99	134,734.54	333,986.29	141,297.36
Unsecured	52,860.00	-	-	-
Less: Unamortised discount	(2,261.72)	-	-	-
	50,598.28	-	-	-
Term loans from banks				
Unsecured	10,000.00	11,174.03	21,174.03	30,294.74
Secured	338,576.64	319,422.29	475,374.59	430,625.37
Fixed deposits (Unsecured)	100,387.65	19,989.23	94,146.91	18,799.32
Term loans from Financial institutions / Corporates				
Secured	5,000.00	19,500.00	5,000.00	20,414.44
Unsecured	-	10,000.00	-	7,000.00
Inter corporate deposits (unsecured)	-	-	-	1.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(Rs. in lacs)

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current maturities*	Non Current portion	Current maturities*
NOTE 5 LONG TERM BORROWINGS (Contd.)				
Loans and advances from related parties				
Subordinated debts (Unsecured)				
from Associate	413.40	-	413.40	-
from Managing Director	12.31	-	12.31	-
from Relative of Managing Director	7.00	-	7.00	-
Redeemable non convertible debentures (secured)				
from Managing Director	14.74	-	4.74	-
	1,468,683.97	540,028.41	1,246,103.02	661,833.49

*Amount disclosed under the head other current liabilities

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total Amount
	<10%	>=10% <12%	>=12% <14%	> 14%	
	Amount	Amount	Amount	Amount	
A) Subordinated Debt -Unsecured					
i) Privately Placed Subordinated debts of Rs. 100,000/- each					
Terms of repayment as on March 31, 2012					
Long term borrowing					
Over 60 months	-	13,769.00	4,541.00	-	18,310.00
48-60 Months	-	5,000.00	5,000.00	-	10,000.00
36-48 Months	-	25,577.00	-	-	25,577.00
24-36 months	-	15,000.00	5,500.00	-	20,500.00
12-24 months	-	-	5,510.00	-	5,510.00
Total	-	59,346.00	20,551.00	-	79,897.00
Terms of repayment as on March 31, 2011					
Long term borrowing					
Over 60 months	-	18,769.00	9,541.00	-	28,310.00
48-60 Months	-	25,577.00	-	-	25,577.00
36-48 Months	-	15,000.00	5,500.00	-	20,500.00
24-36 months	-	-	5,510.00	-	5,510.00
Total	-	59,346.00	20,551.00	-	79,897.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total Amount
	<10%	>=10% <12%	>=12% <14%	> 14%	
	Amount	Amount	Amount	Amount	
NOTE 5 LONG TERM BORROWINGS (Contd.)					
ii) Privately Placed Subordinated debts of Rs. 1,000,000/- each					
Terms of repayment as on March 31, 2012					
Long term borrowing					
Over 60 months	25,000.00	50,420.00	5,000.00	-	80,420.00
48-60 Months	-	5,000.00	-	-	5,000.00
36-48 Months	35,000.00	-	-	-	35,000.00
12-24 months	-	15,000.00	-	-	15,000.00
Total	60,000.00	70,420.00	5,000.00	-	135,420.00
Terms of repayment as on March 31, 2011					
Long term borrowing					
Over 60 months	25,000.00	50,420.00	5,000.00	-	80,420.00
48-60 Months	35,000.00	-	-	-	35,000.00
24-36 months	-	15,000.00	-	-	15,000.00
Total	60,000.00	65,420.00	5,000.00	-	130,420.00
iii) Privately placed Subordinated debts of Rs. 1,000/- each					
Terms of repayment as on March 31, 2012					
Long term borrowing					
Over 60 months	1,487.28	11,494.46	-	-	12,981.74
48-60 Months	46.99	3,487.45	-	-	3,534.44
36-48 Months	-	5,551.41	0.50	-	5,551.91
24-36 months	-	8,038.37	21,903.35	-	29,941.72
12-24 months	-	22,400.37	6,770.18	-	29,170.55
Grand Total	1,534.27	50,972.06	28,674.03	-	81,180.36

(Rs. in lacs)

Redeemable at par within	Rate of interest				Total Amount
	<10%	>=10% <12%	>=12% <14%	> 14%	
	Amount	Amount	Amount	Amount	
Current maturity					
Upto 12 months	-	25,202.69	-	5.63	25,208.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total Amount
	<10%	>=10% <12%	>=12% <14%	> 14%	
	Amount	Amount	Amount	Amount	
(Rs. in lacs)					
Terms of repayment as on March 31, 2011					
Long term borrowing					
Over 60 months	1,534.27	6,382.38	-	-	7,916.65
48-60 Months	-	5,551.41	0.50	-	5,551.91
36-48 Months	-	8,038.37	21,903.35	-	29,941.72
24-36 months	-	22,400.37	6,770.18	-	29,170.55
12-24 months	-	25,202.69	-	5.63	25,208.32
Grand Total	1,534.27	67,575.22	28,674.03	5.63	97,789.15
Current maturity					
Upto 12 months	3.60	13,396.53	-	0.40	13,400.53

Option Detail	Rate of interest	(Rs. in lacs)		Redeemable at par on
		As at March 31, 2012	As at March 31, 2011	
iv) Public issue of Subordinated debt of Rs. 1,000/- each (2010)-quoted Long term borrowing				
Option -IV	10.41%	91.00	91.00	1-Jun-17
	10.81%	1,687.00	1,687.00	1-Mar-17
	11.25%	3,746.08	3,746.08	1-Dec-16
Option -V	10.25%	110.30	110.30	1-Jun-17
	10.75%	204.32	204.32	1-Jun-17
	11.00%	2,471.61	2,471.61	1-Jun-17
Total		8,310.31	8,310.31	

Total Subordinated Debts	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current maturities	Non Current portion	Current maturities
i+ii+iii+iv	304,807.67	25,208.32	316,416.46	13,400.53
Less: issued to related parties	432.71	-	432.71	-
Net	304,374.96	25,208.32	315,983.75	13,400.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest					Total Amount
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14% < 16%	>= 16%	
	Amount	Amount	Amount	Amount	Amount	
B) Non Convertible Debenture -Secured						
i) Privately placed Redeemable Non Convertible Debentures of Rs. 1,000/- each						
Terms of repayment as on March 31, 2012						
Long term borrowing						
Over 60 months	-	-	939.52	-	-	939.52
48-60 months	1.84	4,053.22	719.88	0.88	-	4,775.82
36-48 months	1,670.80	1,919.18	-	792.92	-	4,382.90
24-36 months	688.44	97,619.12	6.40	311.80	-	98,625.76
12-24 months	46,749.25	35,493.34	1,997.99	282.32	0.48	84,523.38
Grand Total	49,110.33	139,084.86	3,663.79	1,387.92	0.48	193,247.38
Current maturity						
upto 12 months	33,646.60	31,864.11	1,820.93	0.70	479.04	67,811.38
Terms of repayment as on March 31, 2011						
Long term borrowing						
Over 60 months	-	-	1,659.40	0.88	-	1,660.28
48-60 months	1,673.10	975.00	-	792.92	-	3,441.02
36-48 months	622.10	1,873.64	6.40	311.80	-	2,813.94
24-36 months	43,824.59	33,958.04	1,998.38	282.32	0.48	80,063.81
12-24 months	18,311.97	31,924.58	1,821.28	0.70	479.04	52,537.57
Grand Total	64,431.76	68,731.26	5,485.46	1,388.62	479.52	140,516.62
Current maturity						
upto 12 months	26,745.75	17,312.74	34,721.19	824.96	692.72	80,297.36

Nature of Security

Secured by equitable mortgage of immovable property. Further secured by charge on plant and machinery, furniture and other fixed assets of the Company, charge on Company's hypothecation loans, other loans, advances and investments of the Company subject to prior charges created or to be created in favour of the Company's bankers, financial institutions and others.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company. The Company may grant loan against the security of NCDs upon the terms and conditions as may be decided by the Company and subject to applicable statutory and/or regulatory requirements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

(ii) Privately Placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

Long term borrowing

(Rs. in lacs)			
Rate of interest	As at March 31, 2012	As at March 31, 2011	Redeemable at par on
10.60%	625.00	-	13-Sep-21 *
10.50%	625.00	-	13-Sep-17 *
10.00%	50,000.00	-	21-Mar-17
10.45%	2,000.00	-	22-Dec-16
10.50%	1,500.00	-	16-Dec-16
10.50%	3,000.00	-	12-Dec-16
10.75%	16,000.00	-	24-Aug-16
9.90%	1,300.00	-	6-Apr-15
9.92%	2,600.00	-	2-Mar-15
9.92%	18,200.00	-	9-Feb-15
10.35%	2,500.00	-	29-Dec-14
10.35%	7,500.00	-	26-Dec-14
10.30%	9,000.00	-	16-Dec-14
10.32%	2,010.00	-	15-Dec-14
10.42%	3,500.00	-	12-Dec-14
10.42%	1,000.00	-	2-Dec-14
10.48%	6,000.00	-	25-Nov-14
10.00%	4,000.00	-	24-Nov-14
10.45%	1,000.00	-	23-Oct-14
10.50%	12,500.00	-	22-Aug-14
10.40%	20,000.00	-	27-Jul-14
10.65%	2,000.00	-	10-Jun-14
9.95%	4,090.00	-	24-Apr-14
9.95%	7,500.00	-	19-Dec-13
10.23%	2,500.00	-	19-Dec-13
10.25%	10,000.00	-	19-Dec-13
10.25%	2,500.00	-	17-Dec-13
10.25%	2,550.00	-	9-Dec-13
10.30%	1,500.00	-	4-Dec-13
13.00%	1,000.00	1,000.00	26-Nov-13
10.30%	850.00	-	25-Nov-13
13.00%	30,000.00	30,000.00	3-Nov-13
10.05%	2,500.00	-	10-Oct-13
10.18%	500.00	-	13-Sep-13
10.05%	2,500.00	-	10-Sep-13
10.10%	10,000.00	-	2-Sep-13
9.85%	460.00	-	14-Aug-13
10.10%	500.00	-	9-Aug-13

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

(ii) Privately Placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each (Contd.)

(Rs. in lacs)			
Rate of interest	As at March 31, 2012	As at March 31, 2011	Redeemable at par on
9.90%	2,880.00	-	19-Jul-13
10.15%	20,000.00	-	19-Jul-13
10.05%	1,390.00	-	8-Jul-13
10.55%	12,500.00	-	4-Jul-13
10.02%	1,000.00	-	24-Jun-13
10.20%	1,000.00	-	24-Jun-13
10.20%	7,500.00	-	20-Jun-13
10.21%	500.00	-	12-Jun-13
10.15%	440.00	-	6-Jun-13
10.25%	3,000.00	-	3-Jun-13
9.85%	470.00	-	30-May-13
10.25%	2,700.00	-	30-May-13
10.25%	670.00	-	29-May-13
10.25%	1,500.00	-	28-May-13
10.25%	1,500.00	-	27-May-13
10.25%	300.00	-	23-May-13
8.50%	-	20,000.00	14-May-13
8.30%	2,500.00	2,500.00	6-May-13
9.00%	2,500.00	2,500.00	4-May-13
TOTAL	308,160.00	56,000.00	

* Partly paid to the extent of Rs. 50,000/-

(Rs. in lacs)			
Rate of interest	As at March 31, 2012	As at March 31, 2011	Redeemable at par on
Current maturity			
9.00%	5,000.00	-	28-Mar-13
10.50%	15,000.00	-	4-Jul-12
9.00%	-	5,000.00	28-Mar-12
11.75%	-	5,000.00	28-Mar-12
12.95%	-	1,500.00	15-Sep-11
12.95%	-	8,000.00	1-Sep-11
8.75%	-	12,500.00	30-Jun-11
10.50%	-	10,000.00	20-Jun-11
9.85%	-	15,000.00	2-May-11
10.00%	-	2,500.00	20-Apr-11
9.00%	-	1,500.00	5-Apr-11
TOTAL	20,000.00	61,000.00	

Nature of Security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

iii) Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each -(2009)

Terms of repayment

Long term borrowing

(Rs. in lacs)					
Option Detail	Rate of interest	As at March 31, 2012	As at March 31, 2011	Redeemable at par on	Put and Call option
Option -I	11.00%	1,744.97	1,744.97	26-Aug-14	-
	11.00%	3,489.95	3,489.95	26-Aug-13	-
	11.00%	-	3,489.95	26-Aug-12	-
Option -II	11.25%	1,474.92	1,474.92	26-Aug-14	-
	11.25%	2,949.84	2,949.84	26-Aug-13	-
	11.25%	-	2,949.84	26-Aug-12	-
Option -III	11.03%	10,422.51	10,422.51	26-Aug-14	26-Aug-13
Option -IV	11.00%	2,274.12	2,274.12	26-Aug-14	26-Aug-13
Option -V	10.75%	-	66,988.63	26-Aug-12	-
Total		22,356.31	95,784.73		

Terms of repayment

Current maturity

(Rs. in lacs)					
Option Detail	Rate of interest	As at March 31, 2012	As at March 31, 2011	Redeemable at par on	Put and Call option
Option -I	11.00%	3,489.95	-	26-Aug-12	-
Option -II	11.25%	2,949.84	-	26-Aug-12	-
Option -V	10.75%	40,483.37	-	26-Aug-12	-
Total		46,923.16	-		

Nature of Security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

The funds raised from the Public issue of 9,999,996 secured Non-Convertible Debenture aggregating to Rs. 99,999.96 lacs have been utilised, after meeting the expenditure of and related to the Public issue, for various financing activities of the Company including lending, investments and repayment of borrowings

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company. The Company may grant loan against the security of NCDs upon the terms and conditions as may be decided by the Company and subject to statutory and/or regulatory requirements.

Subject to the provisions of The Companies Act, 1956, where the company has fully redeemed or repurchased any Secured NCD(s), the company shall have the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or reissue.

The Company has bought back Non- convertible Debentures of Rs. 4,215.23 lacs on 12-Mar-2010 and Rs. 3,000.00 lacs on 27-March-2012 and Rs. 23,505.26 lacs on 28-March-2012.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

iv) Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2010)

Terms of repayment

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2012	As at March 31, 2011	Redeemable at par on	Put and Call option
Option -I	9.00%	3,398.67	3,398.67	1-Jun-15	1-Jun-13
	9.50%	10,495.95	10,495.95	1-Jun-15	1-Jun-13
	9.75%	1,859.85	1,859.85	1-Jun-15	1-Jun-13
Option -II	9.50%	897.03	897.03	1-Jun-17	1-Jun-15
	10.00%	832.20	832.20	1-Jun-17	1-Jun-15
	10.25%	4,525.13	4,525.13	1-Jun-17	1-Jun-15
Option -III	9.75%	808.45	808.45	1-Jun-15	-
	10.25%	841.68	841.68	1-Jun-15	-
	10.50%	2,286.04	2,286.04	1-Jun-15	-
	9.75%	1,616.90	1,616.90	1-Jun-14	-
	10.25%	1,683.36	1,683.36	1-Jun-14	-
	10.50%	4,572.08	4,572.08	1-Jun-14	-
	9.75%	1,616.90	1,616.90	1-Jun-13	-
	10.25%	1,403.36	1,683.36	1-Jun-13	-
	10.50%	3,852.08	4,572.08	1-Jun-13	-
Total		40,689.68	41,689.68		

Nature of Security

Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 41,689.68 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company. The Company may grant loan against the security of NCDs upon the terms and conditions as may be decided by the Company and subject to statutory and/or regulatory requirements.

Subject to the provisions of The Companies Act, 1956, where the company has fully redeemed or repurchased any Secured NCD(s), the company shall have the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or reissue.

The Company has bought back Non- convertible Debentures of Rs. 1,000.00 lacs on 14-July-2011.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

v) Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2011)

Terms of repayment

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2012	As at March 31, 2011	Redeemable at par on	Put and Call option
Option -I	11.60%	53,470.83	-	11-Jul-16	12-Jul-15
	11.35%	24,313.78	-	11-Jul-16	12-Jul-15
	11.10%	7,340.36	-	11-Jul-16	12-Jul-15
Option -II	11.35%	3,462.05	-	11-Jul-14	-
	11.10%	3,173.19	-	11-Jul-14	-
	11.00%	8,239.72	-	11-Jul-14	-
Total		99,999.93			

Nature of Security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 99,999.93 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company. The Company may grant loan against the security of NCDs upon the terms and conditions as may be decided by the Company and subject to statutory and/or regulatory requirements.

Subject to the provisions of The Companies Act, 1956, where the company has fully redeemed or repurchased any Secured NCD(s), the company shall have the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or reissue.

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current maturities	Non Current portion	Current maturities
Total non-convertible debentures- secured				
i+ii+iii+iv+v	664,453.30	134,734.54	333,991.03	141,297.36
Less: issued to related parties	14.74	-	4.74	-
Net	664,438.56	134,734.54	333,986.29	141,297.36

C) Redeemable non-convertible debentures-Unsecured

Privately Placed Unsecured Redeemable non-convertible debentures of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2012

Long term borrowing

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	<10%	>=10% <12%	
	Amount	Amount	Amount
36-48 Months	-	2,150.00	2,150.00
24-36 months	-	30,830.00	30,830.00
12-24 months	2,280.00	17,600.00	19,880.00
Grand Total	2,280.00	50,580.00	52,860.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

D) Term Loan from bank- Unsecured

As at March 31, 2012

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
24-36 months	10.27%	23 instalments of Monthly frequency	-	11,174.03
12-24 months	14.50%	Bullet	10,000.00	-
Grand Total			10,000.00	11,174.03

As at March 31, 2011

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
24-36 months	10.27%	23 instalments of Monthly frequency	11,174.03	30,294.74
12-24 months	13.25%	Bullet	10,000.00	-
Grand Total			21,174.03	30,294.74

E) Term loans from Banks -Secured

As at March 31, 2012

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months (* refer security details)	8.75% to 13.50%	10 to 60 installments of monthly, quarterly and half yearly frequency	67,297.16	25,525.48
36-48 months	9.10% to 14.15%	1 to 48 installments of bullet, monthly, quarterly and half yearly frequency	152,408.08	150,186.50
24-36 months	8.85% to 14.50%	1 to 36 installments of bullet, monthly, quarterly, half yearly and yearly frequency	114,351.40	83,560.79
12-24 months	9.4% to 12.4%	1 to 24 installments of bullet and monthly frequency	4,520.00	35,149.52
upto 12 months	10.45% to 10.50%	Bullet	-	25,000.00
Grand Total			338,576.64	319,422.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

		(Rs. in lacs)
Nature of Security		As at March 31, 2012
a) *	includes secured by hypothecation of vehicles for own use	28.44
b)	Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans	657,970.50
Total		657,998.94

As at March 31, 2011

Terms of repayment

					(Rs. in lacs)
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities	
48-60 months (* refer security details)	8.75% to 12.50%	16 to 60 installments of monthly and quarterly frequency	26,685.86	10,788.09	
36-48 months	8.10% to 13.75%	1 to 48 installments of bullet, monthly and quarterly frequency	254,915.95	190,062.41	
24-36 months	7.40% to 13.50%	1 to 36 installments of bullet, monthly, quarterly and yearly frequency	158,622.38	132,161.77	
12-24 months	8.00% to 11.50%	1 to 24 , bullet, monthly and quarterly frequency	35,150.40	40,613.10	
upto 12 months	6.50% to 9.50%	Bullet	-	57,000.00	
Grand Total			475,374.59	430,625.37	

		(Rs. in lacs)
Nature of Security		As at March 31, 2011
a) *	includes secured by hypothecation of vehicles for own use	36.07
b)	Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans	905,963.89
Total		905,999.96

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

	(Rs. in lacs)	
	As at March 31, 2012	
	As at March 31, 2011	
F) Fixed deposits- Unsecured -Refer Note 27		
Long term borrowing		
Redeemable at par over a period of 12 to 60 months	100,387.65	94,146.91
Current maturity		
Redeemable at par within a period of 12 months	19,989.23	18,799.32

G) Term Loan from financial institution/corporates -Secured

As at March 31, 2012

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
24-36 months	9.25%	Bullet	5,000.00	-
upto 12 months	11.02%	Bullet	-	19,500.00
Grand Total			5,000.00	19,500.00

Nature of Security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypthecaton loans.

As at March 31, 2011

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
Above 60 months	8.75 % to 9.00%	72 instalments of Monthly frequency	-	514.44
48-60 months	12.50%	5 Instalments of annual frequency	-	1,500.00
24-36 months	9.25% to 13.50%	1 to 33 Instalments of Bullet and Monthly frequency	5,000.00	1,900.00
upto 12 months	9.25 % to 11.25%	Bullet Repayment	-	16,500.00
Grand Total			5,000.00	20,414.44

Nature of Security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypthecaton loans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 5 LONG TERM BORROWINGS (Contd.)

H) Term Loan from financial institution/corporates -Unsecured

Terms of repayment

As at March 31, 2012

(Rs.in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
upto 12 months	12.18%	Bullet Repayment	-	10,000.00
Grand Total			-	10,000.00
Terms of repayment				
As at March 31, 2011				
12-24 months	8.75%	Bullet Repayment	7,000.00	-
Grand Total			7,000.00	-
I) Inter corporate Deposits -Unsecured				
As at March 31, 2011				
12-24 months	7.00%	16 Instalments of quarterly frequency	-	1.73
Grand Total			-	1.73

NOTE 6 OTHER LIABILITIES

(Rs. in lacs)

	As at March 31, 2012		As at March 31, 2011	
	Long term	Short term	Long term	Short term
Current maturities of long term debts (Note 5)	-	540,028.41	-	661,833.49
Interest accrued but not due on loans	55,815.66	53,687.59	50,482.28	47,111.58
Application money on redeemable non convertible debentures	1,379.18	-	856.25	-
Application money on Subordinated debts	204.05	-	64.19	-
Investor Education and Protection Fund shall be credited by the following amounts (as and when due)				
Unclaimed dividend	-	499.40	-	382.44
Unclaimed matured deposits and interest accrued thereon	-	810.29	-	312.18
Unclaimed matured debentures and interest accrued thereon	-	7,825.98	-	7,134.64
Unclaimed matured subordinate debts and interest accrued thereon	-	2,346.27	-	1,518.20
Temporary credit balance in bank accounts	-	22,414.42	-	42,057.60
Tax Deducted at Source	-	1,253.57	-	736.61
Service tax payable	-	-	-	-
Statutory Dues pertaining to employees	-	270.38	-	246.43
Service tax- contested	-	8,751.82	-	8,406.10
Value Added Tax	-	412.34	-	-
Securitization deferred income *	111,537.39	169,022.61	169,920.13	188,124.47
Payable on account of forward contracts	-	11,969.95	-	-
Retention and others	14,749.47	-	14,392.72	-
	183,685.75	819,293.03	235,715.57	957,863.74

* Includes Securitization deferred income realised Rs. 10,218.15 lacs (March 31, 2011:Rs. 22,531.73 lacs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 7 PROVISIONS

	(Rs. in lacs)			
	As at March 31, 2012		As at March 31, 2011	
	Long term	Short term	Long term	Short term
For employee benefits				
For gratuity	1,275.78	88.98	856.84	46.83
For leave encashment and availment	-	1,176.10	-	1,069.56
For Others				
For non-performing assets	59,606.48	-	45,411.86	-
For standard assets [Refer note 1(e) of Note 2.1]	3,275.59	2,214.25	2,957.86	1,923.84
For credit loss on securitisation	72,747.76	-	51,416.44	595.80
For income tax	-	4,360.64	-	4,360.64
[net of advance tax Rs. 114,196.98 lacs (March 31, 2011: Rs. 44,362.40 lacs)]				
Proposed dividend	-	9,052.02	-	9,046.43
Corporate dividend tax	-	1,468.46	-	1,502.50
	136,905.61	18,360.44	100,643.00	18,545.60

NOTE 8 SHORT TERM BORROWINGS

(Rs. in lacs)			
		As at March 31, 2012	As at March 31, 2011
From Banks- Secured			
Term loans		26,426.77	32,000.00
Loans repayable on demand			
Cash credit		277,596.79	48,234.79
		304,023.56	80,234.79
Tenor	Rate of interest	Repayment Details	As at March 31, 2012
a) Term loans From bank -Secured			
Terms of repayment			
upto 12 months	7.66 % to 11.00%	Bullet	26,426.77
Grand Total			26,426.77
Tenor	Rate of interest	Repayment Details	As at March 31, 2011
upto 12 months	7.85 % to 9.50%	Bullet	32,000.00
Grand Total			32,000.00

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans

(Rs. in lacs)			
		As at March 31, 2012	As at March 31, 2011
b) Cash Credit from bank			
Secured by hypothecation of specific assets covered under hypothecation loan agreements		277,596.79	48,234.79
Total		277,596.79	48,234.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 9 TANGIBLE AND INTANGIBLE FIXED ASSETS

Particulars	(Rs. in lacs)											
	Tangible Assets										Intangible Assets	
	Land - Freehold	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Leasehold Improvement	Tangible Assets	Total Assets	Computer software		
Gross Block												
As at April 1, 2010	10.18	449.31	3,237.49	-	1,249.53	173.08	3,747.74	8,867.33	-	606.72		
Change in classification as per Revised Schedule VI				189.96	(189.96)							
Additions	-	-	32.84	8.33	111.59	58.92	122.49	334.17		10.81		
Deletions	-	-	83.92	5.07	18.55	55.95	103.56	267.05		-		
Transfer from Investment property on expiry of lease (Refer note 10)	-	76.51	-	-	-	-	-	76.51		-		
As at March 31, 2011	10.18	525.82	3,186.41	193.22	1,152.61	176.05	3,766.67	9,010.96		617.53		
Additions	-	0.21	739.20	5.64	139.61	6.13	509.75	1,400.54		171.93		
Deletions	-	-	139.25	9.42	41.21	39.39	358.78	588.05		-		
Adjustment	-	-	1.72	(1.72)	-	-	-	-		-		
As at March 31, 2012	10.18	526.03	3,788.08	187.72	1,251.01	142.79	3,917.64	9,823.45		789.46		
Depreciation												
As at April 1, 2010	-	56.73	1,358.37	-	538.87	99.67	2,476.33	4,529.97		537.44		
Change in classification as per Revised Schedule VI			-	76.26	(76.26)							
Charge for the year	-	7.32	388.26	10.31	56.36	17.16	563.27	1,042.68		35.83		
Deletions	-	-	60.60	2.54	13.49	31.70	94.78	203.11		-		
Transfer from Investment property on expiry of lease (Refer note 10)	-	46.61	-	-	-	-	-	46.61		-		
As at March 31, 2011	-	110.66	1,686.03	84.03	505.48	85.13	2,944.82	5,416.15		573.27		
Charge for the year	-	8.60	587.43	18.78	170.50	34.22	454.49	1,274.02		70.02		
Deletions	-	-	99.28	2.92	28.57	26.61	334.04	491.42		-		
Adjustment	-	-	0.45	(0.45)	-	-	-	-		-		
As at March 31, 2012	-	119.26	2,174.63	99.44	647.41	92.74	3,065.27	6,198.75		643.29		
As at March 31, 2011	10.18	415.16	1,500.38	109.19	647.13	90.92	821.85	3,594.81		44.26		
As at March 31, 2012	10.18	406.77	1,613.45	88.28	603.60	50.05	852.37	3,624.70		146.17		

Depreciation and amortisation (Refer Note No. 33)

	Year ended	
	March 31, 2012	March 31, 2011
on tangible assets	1,274.02	1,042.68
on intangible assets	70.02	35.83
on investment property (note no 10)	2.31	3.56
Total	1,346.35	1,082.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 10 NON-CURRENT INVESTMENTS

	Face value	Quantity As at March 31, 2012	Quantity As at March 31, 2011	Amount As at March 31, 2012	Amount As at March 31, 2011
(Rs. in lacs)					
Investment property (at cost less accumulated depreciation)					
Cost of land and building given on operating lease [During the year 2010-11 Rs 76.51 lacs transferred to Fixed Asset schedule on expiry of lease (refer note 9)]				211.66	211.66
Less: accumulated depreciation [During the year 2010-11, Rs 46.61 lacs transferred to Fixed Asset schedule on expiry of lease (refer note 9)]				9.56	7.24
Net Block				202.10	204.42
Non trade (valued at cost unless stated otherwise)					
A. Shares : Fully paid up					
a) Quoted - Equity shares					
Investment in associates					
Shriram Asset Management Company Limited (40% Share) #	10	2,400,000	2,400,000	240.00	240.00
b) Unquoted - Equity shares					
Investment in wholly owned subsidiaries					
Shriram Equipment Finance Company Limited	10	10,000,000	10,000,000	1,000.00	1,000.00
Shriram Automall India Limited (Purchased 20,000,000 share of Face value of Rs. 10/- each during the year)	10	30,000,000	10,000,000	3,000.00	1,000.00
Investment in other companies					
State Industrial Investment Corporation of Maharashtra Limited	10	50,000	50,000	40.00	40.00
Credential Finance Limited (At cost less provision for other than temporary diminution in value of Rs. 25.00 lacs)	10	25,000	25,000	-	-
Ashley Transport Services Limited (At cost less provision for other than temporary diminution in value of Rs. 142.50 Lacs)	100	225,000	225,000	-	-
c) Unquoted - Preference shares					
Investment in wholly owned subsidiaries					
Shriram Equipment Finance Company Limited (Purchased 10,000,000, 0.01% Compulsorily Convertible Preference shares of Face value of Rs. 100/- each)	100	25,000,000	15,000,000	25,000.00	15,000.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 10 NON-CURRENT INVESTMENTS (Contd.)

	Face value	Quantity As at March 31, 2012	Quantity As at March 31, 2011	Amount As at March 31, 2012	Amount As at March 31, 2011
(Rs. in lacs)					
B. Government Securities [Refer note 27]					
Quoted					
6.13% GOI Loan 2028	100	176,000	176,000	177.67	177.78
6.35% GOI Loan 2020	100	2,500,000	2,500,000	2,345.94	2,326.04
6.49% GOI. Loan 2015	100	500,000	500,000	488.54	484.93
6.90% GOI Loan 2019	100	5,000,000	5,000,000	4,715.74	4,676.63
7.02% GOI Loan 2016	100	400,000	400,000	394.52	393.26
7.40% GOI. Loan 2012	100	-	13,500	-	13.71
7.80% GOI Loan 2020	100	2,500,000	2,500,000	2,493.76	2,492.99
8.13% GOI Loan 2022	100	2,500,000	2,500,000	2,502.85	2,483.30
8.24% GOI. Loan 2027	100	500,000	500,000	496.85	496.64
8.26% GOI Loan 2027	100	2,500,000	2,500,000	2,484.32	2,527.79
12.40% GOI Loan 2013	100	85,000	85,000	85.10	85.17
8.26% GOI Loan 2027 (Purchased during the year)	100	5,000,000	-	4,860.10	-
C. Unquoted - Investment in Subordinate Debts					
Yes Bank Limited	1,000,000	500	500	5,000.00	5,000.00
D. Unquoted - Venture Capital Fund					
ICICI Investment Management Company Limited	10,000	5,000	5,000	500.00	500.00
Aggregate Value of Quoted Investments				56,027.49	39,142.66
Cost of acquisition				21,487.49	16,602.66
Market Value				20,810.16	16,670.01
Aggregate Value of Unquoted Investments					
Cost of acquisition				34,540.00	22,540.00
Aggregate Provision for diminution in value of investments				167.50	167.50

These shares are subject to restrictive covenants of regulatory authority.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 11 DEFERRED TAX ASSETS (NET)

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
Deferred tax asset		
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	429.50	317.68
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	3,956.04	3,670.63
Provision for securitization	16,394.19	10,537.72
Provision for standard assets	1,781.18	1,621.60
Gross deferred tax assets (A)	22,560.91	16,147.63
Deferred tax liability		
Debenture Issue Expenses	893.41	778.94
Gross deferred tax liability (B)	893.41	778.94
Net deferred tax assets (A-B)	21,667.50	15,368.69

NOTE 12 LOANS AND ADVANCES

	(Rs. in lacs)			
	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current portion #	Non Current portion	Current portion #
Unsecured, considered good				
Capital Advances	68.22	-	137.90	-
Security Deposits	2,150.10	855.06	1,865.72	876.92
Secured, considered good				
Hypothecation loans	1,297,821.65	776,917.44	1,181,825.65	712,620.65
Retained interest on securitisation	6,489.41	2,783.28	-	-
Other loans	253.18	558.60	631.15	358.92
Unsecured, considered good				
Unsecured loans ^	227.04	51,150.61	192.83	38,333.31
Advance - hypothecation loans	-	2,632.04	-	530.09
Doubtful				
Secured Hypothecation loans	68,231.05	-	51,967.80	-
Unsecured loan	1,147.55	-	115.99	-
Unsecured, considered good				
Advance recoverable from subsidiaries (Refer Note 28)* \$	41,023.88	521.88	-	13,923.71
Advances recoverable in cash or in kind or for value to be received	29,302.36	14,136.72	286.02	26,367.74
Securitisation Deferred Consideration Receivable	121,562.66	182,039.02	184,676.87	183,999.39
Other loans and advances -Unsecured, considered good				
Service tax credit (input) receivable	-	173.39	-	141.50
Prepaid expenses	771.07	2,937.29	806.38	4,916.68
Advance income tax (net of provision for taxation) [net of provision for income tax Rs. 171,280.76 lacs (March 31, 2011: Rs. 171,280.76 lacs)]	3,923.15	-	2,733.44	-
	1,572,971.32	1,034,705.33	1,425,239.75	982,068.91

Includes current maturities of long term loans and advances

^ Advance given to the Company in which a director is interested Rs. 186.76 lacs (March 31, 2011: Rs. 112.00 lacs)

* Advance given to subsidiary M/s. Shriram Equipment Finance Company Limited Rs. 41,023.88 lacs (March 31, 2011: Rs. 11,167.86 lacs)

\$ Advance given to subsidiary M/s. Shriram Automall India Limited Rs. 521.88 lacs (March 31, 2011: Rs. 2,755.86 lacs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 13 OTHER ASSETS

(Rs. in lacs)

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current portion	Non Current portion	Current portion
Margin money deposit with banks (Note 15)	7,311.12	-	5,273.43	-
Interest accrued on investments	268.65	1,476.40	147.99	731.29
Interest accrued on fixed deposits with banks	352.29	5,019.96	185.63	4,710.98
Public issue expenses for non convertible debentures	1,390.62	1,363.00	1,251.56	1,093.37
Issue expenses for equity shares	1,044.00	152.78	1,196.78	152.78
	10,366.68	8,012.14	8,055.39	6,688.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 14 CURRENT INVESTMENTS

	Face value	Quantity As at March 31, 2012	Quantity As at March 31, 2011	Amount As at March 31, 2012	Amount As at March 31, 2011
Current portion of long term investments (valued at cost unless otherwise mentioned)					
a) Quoted: Government Securities [Refer note 27]					
12.00% Tamilnadu Loan 2011	100	-	3,000	-	3.00
This security is redeemable on October 3, 2011 at par					
7.40% GOI. Loan 2012	100	13,500	-	13.52	-
This security is redeemable on May 3, 2012 at par					
b) Unquoted: Pass Through Certificates					
ISTF Loan Trust	10,000,000	-	70	-	7,424.18
(Fixed Discount Rate of 8.4% XIRR)					
This security is redeemable on March 20, 2012 at par					
Current Investments (At lower of cost and fair value)					
a) Quoted: Government Securities					
8.69% Kerala 2022	100	1,000,000	-	978.18	-
(At cost less provision for diminution in value of Rs. 31.60 Lacs)					
8.71% Andhra Pradesh 2022	100	1,000,000	-	984.78	-
(At cost less provision for diminution in value of Rs. 26.30 Lacs)					
8.79% GOI Loan 2021	100	1,900,000	-	1,992.84	-
(At cost less provision for diminution in value of Rs. 16.89 Lacs)					
8.83% GOI Loan 2041	100	4,000,000	-	4,024.83	-
(At cost less provision for diminution in value of Rs. 95.20 Lacs)					
9.02% Uttar Pradesh 2021	100	2,000,000	-	2,024.35	-
9.03% Kerala 2021	100	1,400,000	-	1,409.28	-
(At cost less provision for diminution in value of Rs. 8.68 Lacs)					
9.04% West Bengal 2021	100	100,000	-	104.56	-
b) Quoted: Treasury Bills					
91 Days T Bill 15th April 2011	100	-	500	-	0.49
Redeemed during the year					
c) Unquoted: Investment in Certificate of Deposit with Banks					
Allahabad Bank		15,000	29,500	14,655.55	28,899.98
Andhra Bank		8,000	-	7,616.41	-
Axis Bank		5,000	-	4,876.10	-
Bank of Baroda		10,000	-	9,692.83	-
Bank of India		20,000	-	19,267.76	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 14 CURRENT INVESTMENTS (Contd.)

	Face value	Quantity		Amount As at March 31, 2012	Quantity		Amount As at March 31, 2012	Amount	
		As at March 31, 2012	As at March 31, 2011		As at March 31, 2011	As at March 31, 2011		As at March 31, 2011	As at March 31, 2011
Bank of Maharashtra		19,900	15,000	19,403.88		15,000	14,681.75		
Canara Bank		17,500	70,500	16,796.30		70,500	68,886.10		
Central Bank of India		20,000	37,500	19,142.19		37,500	36,686.34		
Corporation Bank		15,000	10,000	14,591.86		10,000	9,768.53		
Dhanlaxmi Bank		-	5,000	-		5,000	4,905.63		
Federal Bank Limited		-	10,000	-		10,000	9,568.82		
Industrial Development Bank of India Limited		25,000	7,500	23,609.72		7,500	7,330.00		
Indian Bank		20,000	-	19,880.77		-	-		
Indian Overseas Bank		7,500	30,000	7,150.62		30,000	29,384.42		
Indusind Bank Limited		2,500	-	2,435.28		-	-		
ING Vysya Bank		5,000	-	4,914.54		-	-		
Jammu & Kashmir Bank		10,000	-	9,755.75		-	-		
Karur Vysya Bank		5,000	-	4,885.60		-	-		
Oriental Bank of Commerce		10,500	-	9,896.59		-	-		
Punjab & Sindh Bank		20,000	5,000	19,527.29		5,000	4,844.71		
Punjab National Bank		18,000	40,000	17,438.95		40,000	39,097.67		
South Indian Bank		5,000	-	4,892.35		-	-		
State Bank of Bikaner & Jaipur		5,000	-	4,925.82		-	-		
State Bank of Mysore		17,500	-	16,931.18		-	-		
State Bank of Patiala		2,500	-	2,444.04		-	-		
State Bank of Travancore		7,500	-	7,308.43		-	-		
Syndicate Bank		15,000	-	14,631.92		-	-		
Tamil Nad Mercantile Bank		2,500	-	2,435.50		-	-		
UCO Bank		22,500	50,000	21,962.08		50,000	48,826.93		
Union Bank of India		2,000	-	1,949.02		-	-		
United Bank of India		5,000	-	4,866.54		-	-		
Vijaya Bank		-	15,500	-		15,500	15,114.68		
				339,417.21			325,423.23		
Aggregate Value of Quoted Investments									
Cost of acquisition				11,532.34			3.49		
Market Value				11,464.08			4.00		
Aggregate Value of Unquoted Investments									
Cost of acquisition				327,884.85			325,419.74		
Aggregate Provision for diminution in value of investments				178.66			-		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 15 CASH AND BANK BALANCES

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current portion	Non Current portion	Current portion
(Rs. in lacs)				
Cash and cash equivalents				
i) Balances with scheduled banks in:				
Current accounts	-	209,486.14	-	85,121.70
Balance held in escrow account	-	-	-	100.07
Unpaid dividend accounts	-	499.39	-	382.44
Deposits with original maturity of less than three months	-	162,549.72	-	73,711.59
ii) Cheques on hand	-	5,384.45	-	2,702.24
iii) Cash on hand	-	4,827.08	-	3,119.60
	-	382,746.78	-	165,137.64
Other bank balances				
Deposits with original maturity for more than 12 months	-	6,023.93	-	1,272.19
Deposits with original maturity for more than 3 months but less than 12 months	-	4,348.70	-	13,849.16
Margin money deposit #	7,311.12	137,689.81	5,273.43	176,978.72
	7,311.12	148,062.44	5,273.43	192,100.07
Amount disclosed under non-current assets (Note 13)	(7,311.12)		(5,273.43)	
	-	530,809.22	-	357,237.71

Includes deposits of Rs. 120,293.42 lacs (March 31, 2011 : Rs. 170,794.31 lacs) pledged with Banks as margin for credit enhancement, Rs. 22,750.21 lacs (March 31, 2011: Rs. 11,112.38 lacs) as margin for guarantees for credit enhancement and Rs. 1,957.31 lacs (March 31, 2011: Rs. 345.44 lacs) pledged as lien against loans taken.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 16 REVENUE FROM OPERATIONS

	(Rs. in lacs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest income on:-		
- loan portfolio and related charges	343,631.35	350,121.90
- securitisation and direct assignment	209,345.42	158,500.91
- Margin money on securitisation/ assignments	12,180.87	11,525.89
- deposits with banks	4,938.00	3,353.43
- long term investments	2,841.60	1,095.04
- current investments	6,299.16	5,415.57
Other financial services		
Bad debt recovery	611.01	634.30
Dividend on long term investments [includes dividend from subsidiary Rs. 1.50 lacs (March 31, 2011: Rs. Nil)]	2.00	2.13
Profit on sale of current investments (net)	9,067.75	6,590.87
	588,917.16	537,240.04

NOTE 17 OTHER INCOME

Buyer-seller facilitation fees	-	2,703.21
Income from operating lease	10.02	22.14
Miscellaneous income	460.48	140.06
	470.50	2,865.41

NOTE 18 EMPLOYEE BENEFIT EXPENSES

Salaries, other allowances and bonus	34,106.52	33,594.47
Gratuity expenses	595.99	299.07
Contribution to provident and other funds	1,865.36	1,433.00
Expense on Employee Stock Option Scheme	57.42	116.85
Staff welfare expenses	380.34	377.86
	37,005.63	35,821.25

NOTE 19 FINANCE COST

Interest expense		
Debentures	74,393.13	59,004.24
Subordinated debts	40,220.95	36,709.70
Fixed deposits	11,865.97	6,206.52
Loans from banks	97,315.54	102,756.72
Loans from institutions and others	5,110.15	6,514.52
Commercial paper	290.59	458.82
Other borrowing costs		
Professional charges - resource mobilisation	4,267.79	5,694.87
Processing charges on loans	1,815.94	2,542.50
Brokerage	6,624.06	7,520.04
Sourcing fees	398.56	85.87
Service charges	2,359.13	515.22
Amortisation of NCD Public issue expenses	1,458.74	1,046.41
	246,120.55	229,055.43

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 20 OTHER EXPENSES

	(Rs. in lacs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Rent	5,836.21	4,870.72
Electricity expenses	672.74	537.63
Repairs & maintenance		
- Buildings	0.91	1.09
- Others	1,211.88	1,316.85
Rates & taxes	164.95	310.82
Printing & stationery	1,412.37	1,539.67
Travelling & conveyance	3,527.86	4,154.55
Advertisement	252.79	1,328.69
Business Promotion	836.92	445.86
Royalty	1,572.22	1,497.04
Directors' sitting fees	9.85	8.90
Insurance	384.49	262.81
Communication expenses	2,573.92	2,313.17
Payment to auditor [Refer note 32]		
As Auditor:		
- Audit fees	111.36	96.00
- Tax audit fees	5.31	3.03
- Out of pocket	4.29	3.68
In any other manner:		
- Certification	6.55	6.16
Bank charges	2,828.54	2,671.14
Fees on sale of second loss credit / liquidity facilities	1,842.24	3,595.56
Processing charges on securitization	1,173.65	1,311.27
Professional charges on securitization	5,577.65	4,162.68
Legal & professional charges	2,193.94	1,313.16
Donations	539.55	272.06
Loss on sale of fixed assets (net)	42.40	36.75
Issue expenses for equity shares	152.78	152.96
Miscellaneous expenses	7,059.39	4,694.35
	39,994.76	36,906.60

NOTE 21 PROVISIONS & WRITE OFFS

	(Rs. in lacs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Provision for non performing assets	14,194.63	7,151.12
Provision for standard assets [Refer note (e) of Note 2.1]	608.14	4,881.70
Provision for credit loss on securitisation	18,806.24	17,795.15
Provision for diminution in value of investments	178.66	(79.87)
Bad debts written off	43,041.68	22,599.24
	76,829.35	52,347.34

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 22 EARNINGS PER SHARE

Particulars	For the year ended	For the year ended
	March 31, 2012	March 31, 2011
Net Profit after tax as per statement of profit and loss (Rs. in lacs) (A)	125,744.96	122,988.00
Weighted average number of equity shares for calculating Basic EPS (in lacs) (B)	2,262.04	2,257.27
Weighted average number of equity shares for calculating Diluted EPS (in lacs) (C)	2,263.85	2,260.39
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	55.59	54.49
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	55.54	54.41
Particulars	For the year ended	For the year ended
	March 31, 2012	March 31, 2011
Weighted average number of equity shares for calculating Basic EPS (in lacs)	2,262.04	2,257.27
Add : Equity shares for no consideration arising on grant of stock options under ESOP (in lacs)	1.81	3.12
Weighted average number of equity shares in calculating Diluted EPS (in lacs)	2,263.85	2,260.39

NOTE 23 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS:

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

Consequent to the adoption of revised AS 15 'Employee Benefits' issued under Companies Accounting Standard Rules, 2006, as amended, the following disclosures have been made as required by the standard:

Statement of Profit and Loss

Net employee benefit expense (recognized in employee cost)

(Rs. in lacs)

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Current service cost	227.11	222.17
Interest cost on benefit obligation	72.29	61.63
Expected return on plan assets	NA	NA
Net actuarial (gain) / loss recognised in the year	306.76	39.79
Past service cost	Nil	Nil
Net benefit expense*	606.16	323.59

* Net benefit expense includes Rs. 10.17 Lacs (March 31, 2011: Rs. 24.52 lacs) transferred to/from subsidiary company.

Balance sheet

Details of Provision for gratuity

(Rs. in lacs)

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	1,364.76	903.67
Fair value of plan assets	NA	NA
	1,364.76	903.67
Less: Unrecognised past service cost	Nil	Nil
Plan asset / (liability)	(1,364.76)	(903.67)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 23 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS: (Contd.)

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in lacs)

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Opening defined benefit obligation	903.67	612.63
Interest cost	72.29	61.63
Current service cost	227.11	222.17
Benefits paid	(145.07)	(32.55)
Actuarial (gains) / losses on obligation	306.76	39.79
Closing defined benefit obligation	1,364.76	903.67

The Company would not contribute any amount to gratuity in 2011-12 as the scheme is unfunded.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
	%	%
Investments with insurer	NA	NA

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Discount Rate	8.50%	8.00%
Increase in compensation cost	5.00%	5.00%
Employee Turnover*	5% and 10%	5% and 10%

The estimates of future salary increases, considered in actuarial valuation, are on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

*5% in case of employees with service period of more than 5 years and 10% for all other employees.

Amounts for the Current and previous four years are as follows:

(Rs. in lacs)

Particulars	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	1,364.76	903.67	612.63	463.92	322.76
Plan assets	NA	NA	NA	NA	NA
Surplus / (deficit)	(1,364.76)	(903.67)	(612.63)	(463.92)	(322.76)
Experience adjustments on plan liabilities	338.86	74.98	55.56	37.57	101.94
Experience adjustments on plan assets	NA	NA	NA	NA	NA

NOTE 24 The Company is engaged in financing activities. It operates in a single business and geographical segment

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 25 EMPLOYEE STOCK OPTION PLAN

	Series I	Series II	Series III	Series IV	Series V	Series VI
Date of grant	31-Oct-05	1-Apr-06	9-Oct-06	17-Aug-07	15-Jul-08	13-May-09
Date of Board/committee Approval	19-Oct-05	22-Feb-06	6-Sep-06	17-Aug-07	15-Jul-08	13-May-09
Date of Shareholder's approval	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05
Number of options granted	2,962,500	832,500	910,000	109,000	77,000	50,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity

Graded Vesting Period

After 1 year of grant date	10% of options granted	10% of options granted	10% of options granted	10% of options granted	10% of options granted	10% of options granted
After 2 years of grant date	20% of options granted	20% of options granted	20% of options granted	20% of options granted	20% of options granted	20% of options granted
After 3 years of grant date	30% of options granted	30% of options granted	30% of options granted	30% of options granted	30% of options granted	30% of options granted
After 4 years of grant date	40% of options granted	40% of options granted	40% of options granted	40% of options granted	40% of options granted	40% of options granted
Exercisable period	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date
Vesting Conditions	On achievement of predetermined targets.					

	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
The details of Series I have been summarized below:				
Outstanding at the beginning of the period	115,100	35.00	189,550	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	33,200	35.00	68,700	35.00
Less: Expired during the period	-	-	5,750	-
Outstanding at the end of the period	81,900	35.00	115,100	35.00
Exercisable at the end of the period	81,900	-	115,100	-
Weighted average remaining contractual life (in years)		6.09		7.09
Weighted average fair value of options granted		59.04		59.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 25 EMPLOYEE STOCK OPTION PLAN (Contd.)

	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
The details of Series II have been summarized below:				
Outstanding at the beginning of the period	24,000	35.00	251,300	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	10,500	35.00	227,300	35.00
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period	13,500	35.00	24,000	35.00
Exercisable at the end of the period	13,500	-	24,000	-
Weighted average remaining contractual life (in years)		6.49		7.49
Weighted average fair value of options granted		91.75		91.75
The details of Series III have been summarized below:				
Outstanding at the beginning of the period	55,250	35.00	357,900	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	16,200	35.00	294,650	35.00
Less: Expired during the period	-	-	8,000	-
Outstanding at the end of the period	39,050	35.00	55,250	35.00
Exercisable at the end of the period	39,050	-	55,250	-
Weighted average remaining contractual life (in years)		7.01		8.02
Weighted average fair value of options granted		74.85		74.85
The details of Series IV have been summarized below:				
Outstanding at the beginning of the period	42,400	35.00	74,200	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	42,400	-	31,800	35.00
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period	-	35.00	42,400	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)		7.88		8.89
Weighted average fair value of options granted		136.40		136.40
The details of Series V have been summarized below:				
Outstanding at the beginning of the period	53,900	35.00	69,300	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	25,500	35.00	15,400	35.00
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period	28,400	35.00	53,900	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)		8.78		9.78
Weighted average fair value of options granted		253.90		253.90

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 25 EMPLOYEE STOCK OPTION PLAN (Contd.)

	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
The details of Series VI have been summarized below:				
Outstanding at the beginning of the period	45,000	35.00	50,000	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	12,100	35.00	5,000	35.00
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period	32,900	35.00	45,000	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)		9.60		10.61
Weighted average fair value of options granted		201.45		201.45

The weighted average share price for the period over which stock options were exercised was Rs. 614.98 (March 31, 2011: Rs.717.18)

The details of exercise price for stock options outstanding at the end of the year are:

March 31, 2012

Series	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Series I	Rs.35/-	81,900	6.09	Rs.35/-
Series II	Rs.35/-	13,500	6.49	Rs.35/-
Series III	Rs.35/-	39,050	7.01	Rs.35/-
Series IV	Rs.35/-	-	7.88	Rs.35/-
Series V	Rs.35/-	28,400	8.78	Rs.35/-
Series VI	Rs.35/-	32,900	9.60	Rs.35/-

The details of exercise price for stock options outstanding at the end of the year are:

March 31, 2011

Series	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Series I	Rs.35/-	115,100	7.09	Rs.35/-
Series II	Rs.35/-	24,000	7.49	Rs.35/-
Series III	Rs.35/-	55,250	8.02	Rs.35/-
Series IV	Rs.35/-	42,400	8.89	Rs.35/-
Series V	Rs.35/-	53,900	9.78	Rs.35/-
Series VI	Rs.35/-	45,000	10.61	Rs.35/-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 25 EMPLOYEE STOCK OPTION PLAN (Contd.)

Stock Options granted

Series I:

The weighted average fair value of stock options granted was Rs.59.04. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2005	2006	2007	2008
Weighted average share price (Rs.)	93.30	93.30	93.30	93.30
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	38.44	38.44	38.44	38.44
Historical Volatility	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	5.98	6.33	6.54	6.73
Expected dividend rate (%)	2.31	2.31	2.31	2.31

Series II :

The weighted average fair value of stock options granted was Rs.91.75. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2006	2007	2008	2009
Weighted average share price (Rs.)	130.10	130.10	130.10	130.10
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	19.89	19.89	19.89	19.89
Historical Volatility	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	6.64	6.83	6.93	7.26
Expected dividend rate (%)	2.52	2.52	2.52	2.52

Series III :

The weighted average fair value of stock options granted was Rs.74.85. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2006	2007	2008	2009
Weighted average share price (Rs.)	111.25	111.25	111.25	111.25
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	31.85	31.85	31.85	31.85
Historical Volatility (%)	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	6.96	7.10	7.26	7.40
Expected dividend rate (%)	2.52	2.52	2.52	2.52

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 25 EMPLOYEE STOCK OPTION PLAN (Contd.)

Stock Options granted (Contd.)

Series IV :

The weighted average fair value of stock options granted was Rs. 136.40. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2007	2008	2009	2010
Weighted average share price (Rs.)	168.05	168.05	168.05	168.05
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	41.51	41.51	41.51	41.51
Historical Volatility (%)	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	7.68	7.76	7.82	7.87
Expected dividend rate (%)	0.89	0.89	0.89	0.89

Series V :

The weighted average fair value of stock options granted was Rs. 253.90. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2008	2009	2010	2011
Weighted average share price (Rs.)	294.50	294.50	294.50	294.50
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	69.22	69.22	69.22	69.22
Historical Volatility (%)	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	9.41	9.36	9.34	9.36
Expected dividend rate (%)	1.63	1.63	1.63	1.63

Series VI :

The weighted average fair value of stock options granted was Rs. 201.45. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2009	2010	2011	2012
Weighted average share price (Rs.)	245.25	245.25	245.25	245.25
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	64.80	64.80	64.80	64.80
Historical Volatility (%)	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	5.00	5.00	5.00	5.00
Average risk-free interest rate (%)	4.03	4.68	5.20	5.64
Expected dividend rate (%)	1.96	1.96	1.96	1.96

The expected volatility was determined based on historical volatility data equal to the NSE volatility rate of Bank Nifty which is considered as a comparable peer group of the Company. To allow for the effects of early exercise, it was assumed that the employees will exercise the options within six months from the date of vesting in view of the exercise price being significantly lower than the market price.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 25 EMPLOYEE STOCK OPTION PLAN (Contd.)

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Total compensation cost pertaining to employee share-based payment plan (entirely equity settled)	57.42	116.85
Liability for employee stock options outstanding as at year end	240.58	426.74
Deferred compensation cost	16.06	72.19

Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

	Year ended March 31, 2012	Year ended March 31, 2011
Profit as reported (Rs. in lacs)	125,744.96	122,988.00
Add: Employee stock compensation under intrinsic value method (Rs. in lacs)	57.42	116.85
Less: Employee stock compensation under fair value method (Rs. in lacs)	52.14	116.64
Proforma profit (Rs. in lacs)	125,750.24	122,988.21
Earnings per share		
Basic (Rs.)		
- As reported	55.59	54.49
- Proforma	55.54	54.49
Diluted (Rs.)		
- As reported	55.54	54.41
- Proforma	55.50	54.41
Nominal Value (Rs)	10.00	10.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 26 LEASES

In case of assets taken on lease

The Company has taken various office premises, furniture and fixtures, computers and plant and machinery under operating lease. The lease payments recognized in the statement of profit & loss are Rs. 5,836.21 lacs (March 31, 2011: Rs. 4,870.72 lacs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements. There are no sub leases.

The future minimum lease payments in respect of non-cancellable operating lease as at the balance sheet date are summarized below :

	As at March 31, 2012	As at March 31, 2011
	(Rs. in lacs)	
Minimum Lease Payments:		
Not later than one year	1,349.20	823.18
Later than one year but not later than five years	441.39	588.34
Later than five years	10.07	28.20

NOTE 27 In accordance with the Reserve Bank of India circular no.RBI/2006-07/ 225 DNBS (PD) C.C No. 87/03.02.004/2006-07 dated January 4, 2007, the Company has created a floating charge on the statutory liquid assets comprising of investment in Government Securities to the extent of Rs. 21,674.50 lacs (March 31, 2011: Rs. 16,677.50 lacs) in favour of trustees representing the public deposit holders of the Company.

NOTE 28 RELATED PARTY DISCLOSURE

Subsidiaries	Shriram Equipment Finance Company Ltd. (SEFCL) (from December 15, 2009) Shriram Automall India Limited (SAIL) (from February 11, 2010)
Other Related Parties	
Enterprises having significant influence over the Company	Shriram Holdings (Madras) Private Limited Shriram Capital Limited Newbridge India Investments II Limited Shriram Ownership Trust
Associates	Shriram Asset Management Company Limited
Key Managerial Personnel	R Sridhar, Managing Director
Relatives of Key Managerial Personnel	Mrs. Padmapriya Sridhar (spouse)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 28 RELATED PARTY DISCLOSURE

(Rs. in lacs)

	Enterprises having significant influence over the Company		Subsidiaries		Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Payments/Expenses												
Employee Benefits for key management personnel	-	-	-	-	-	-	53.60	67.90	-	-	53.60	67.90
Royalty	1,572.22	1,497.04	-	-	-	-	-	-	-	-	1,572.22	1,497.04
Data Sourcing Fees	398.56	85.87	-	-	-	-	-	-	-	-	398.56	85.87
Service Charges	3,937.97	515.22	-	-	-	-	-	-	-	-	3,937.97	515.22
Business Promotion	100.96	50.00	-	-	-	-	-	-	-	-	100.96	50.00
Equity Dividend	6,106.28	6,069.15	-	-	-	-	4.71	8.55	2.63	2.63	6,113.62	6,080.33
Interest on Subordinate Debt	-	-	-	-	68.27	60.76	1.48	1.11	0.86	0.64	70.61	62.51
Interest on NCD	-	-	-	-	-	-	1.30	0.40	-	-	1.30	0.40
Investment in shares	-	-	2,000.00	1,785.00	-	-	-	-	-	-	2,000.00	1,785.00
Investment in Preference shares	-	-	10,000.00	15,000.00	-	-	-	-	-	-	10,000.00	15,000.00
Expenses	-	-	1,157.65	-	-	-	-	-	-	-	1,157.65	-
Rent paid	-	-	-	-	1.36	1.80	-	-	-	-	1.36	1.80
Administrative Expenses	-	-	90.34	-	-	-	-	-	-	-	90.34	-
Unsecured loan	31,500.00	3,700.00	27,201.23	13,918.67	-	-	-	-	-	-	58,701.23	17,618.67
Receipts/Income												
Rental Deposit Received	-	49.00	-	-	-	-	-	-	-	-	-	49.00
Expenses	-	-	400.37	-	-	-	-	-	-	-	400.37	-
Unsecured loan	32,700.00	-	-	-	-	-	-	-	-	-	32,700.00	-
Interest on Unsecured Loan	607.52	132.69	2,780.52	-	-	-	-	-	-	-	3,388.04	132.69
Rent & Electricity	7.88	7.87	-	-	5.40	5.40	-	-	-	-	13.28	13.27
Dividend on Preference Share	-	-	1.50	-	-	-	-	-	-	-	1.50	-
Application money of NCD	-	-	-	-	-	-	10.00	-	-	-	10.00	-
Guarantees Given by the Company to third parties	-	-	(30,900.00)	31,400.00	-	-	-	-	-	-	(30,900.00)	31,400.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 28 RELATED PARTY DISCLOSURE (Contd.)

Balance Outstanding at the year end

(Rs. in lacs)

	Enterprises having significant influence over the Company		Subsidiaries		Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Share Capital	10,327.83 # *	9,337.15 #	-	-	-	-	5.34	10.83	4.05	4.05	10,337.22	9,952.03
Investment in shares	-	-	4,000.00 @&	2,000.00 @&	240.00	240.00	-	-	-	-	4,240.00	2,240.00
Investment in Preference shares	-	-	25,000.00 &	15,000.00 &	-	-	-	-	-	-	25,000.00	15,000.00
Unsecured loan	2,500.00 *	3,700.00 *	41,215.28	13,923.71	-	-	-	-	-	-	43,715.28	17,623.71
Interest Receivable on Unsecured Loan	30.11 *	-	330.48	-	-	-	-	-	-	-	360.59	-
Expenses Recoverable	-	-	164.98	-	-	-	-	-	-	-	164.98	-
Non convertible Debenture	-	-	-	-	-	-	14.74	4.74	-	-	14.74	4.74
Rent Receivable	-	0.66 *	-	-	-	-	-	-	-	-	-	0.66
Royalty Payable	-	344.17 µ	-	-	-	-	-	-	-	-	-	344.17
Data Sourcing Fees payable	-	61.14 µ	-	-	-	-	-	-	-	-	-	61.14
Service Charges payable	1,056.80 µ	366.84 µ	-	-	-	-	-	-	-	-	1,056.80	366.84
Subordinated debt	-	-	-	-	413.40	413.40	12.31	12.31	7.00	7.00	432.71	432.71
Interest payable on subordinated debt	-	-	-	-	201.91	140.46	2.59	1.11	1.50	0.64	206.00	142.21
Guarantees Given by the Company to third parties	-	-	500.00 @&	31,400.00 @&	-	-	-	-	-	-	500.00	31,400.00

Denotes transactions with Shiriram Capital Limited *

Denotes transactions with Shiriram Holdings (Madras) Private Limited #

Denotes transactions with Shiriram Equipment Finance Company Limited (SEFCL) &

Denotes transactions with Shiriram Automall India Limited (SAIL) @

Denotes transactions with Shiriram Ownership Trust µ

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 29 CONTINGENT LIABILITIES NOT PROVIDED FOR

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
a. Demands in respect of Service tax [Amount of Rs. 15.00 lacs (March 31, 2011: Rs. 15.00 lacs) has been paid under protest]	Nil	330.00
b. Disputed sales tax demand [Amount of Rs. 63.92 lacs (March 31, 2011: Rs. 63.92 lacs) has been paid by the Company]	Nil	412.33
c. In respect of Income tax demands/ESOP disallowance	5,691.53	7,794.91
d. Guarantees and Counter Guarantees	233,498.60	194,058.28

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities.

Commitments not provided for

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
a. Estimated amount of contracts remaining to be executed on capital account	858.68	-
b. Uncalled amount in investment in ICICI Investment Management Company Limited	2,000.00	2,000.00

NOTE 30 SECURITISATION/ DIRECT ASSIGNMENT

The Company sells loans through securitisation and direct assignment.

The information on securitisation of the Company as an originator is given below:

	(Rs. in lacs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Total number of loan assets	152,029	71,400
Total book value of loan assets (Rs. in lacs)	323,044.35	71,830.42
Sale consideration received (Rs. in lacs)	323,044.35	71,830.42
Gain on account of securitisation * (Rs. in lacs)	72,935.88	12,983.62

* Gain on securitisation is amortised over the period of the loan.

	(Rs. in lacs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Outstanding credit enhancement		
- Fixed Deposit	28,063.66	15,519.46
- Guarantees given by third parties	30,205.86	17,446.00
- Guarantees given by the Company	-	-
Outstanding liquidity facility		
- Fixed Deposit	-	882.28
Retained Interest on securitisation	9,272.68	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 30 SECURITISATION/ DIRECT ASSIGNMENT (Contd.)

The information on direct assignment of the Company as an originator is given below:

	(Rs. in lacs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Total number of loan assets	184,623	360,700
Total book value of loan assets (Rs. in lacs)	511,569.09	948,530.92
Sale consideration received (Rs. in lacs)	515,912.79	951,837.86
Gain on account of direct assignment * (Rs. in lacs)	108,740.02	286,346.61

* Gain on direct assignment deals is amortised over the period of the loan.

	(Rs. in lacs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Outstanding credit enhancement		
- Fixed Deposit	85,104.09	139,409.28
- Guarantees given by third parties	195,804.76	140,303.58
- Guarantees given by the Company	6,920.48	4,093.00
Outstanding liquidity facility		
- Fixed Deposit	7,125.66	14,983.29

NOTE 31 Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
The principal amount remaining unpaid to supplier as at the end of the year	-	0.43
The interest due thereon remaining unpaid to supplier as as the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

NOTE 32 In addition to the auditors remuneration shown in operating and other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non convertible debentures of Rs. 44.24 lacs (March 31, 2011: Rs. 39.85 lacs) [including out of pocket expenses of Rs. 0.12 lacs (March 31, 2011: Rs. 0.14 lacs)] have been amortised as per note 13 and shown under other assets.

NOTE 33 Consequent to the re-assessment and reduction in the estimated useful life of the certain items of fixed assets falling in the category of Plant & Equipment, Office equipments, Furniture & Fixtures and Vehicles, the net depreciation charge for the year is higher by Rs. 254.31 lacs with a corresponding decrease in the net block of fixed assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 34 PREVIOUS YEARS FIGURES

Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. Except accounting for dividend on investments in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet. The following is a summary of the effects that revised Schedule VI had on presentation of balance sheet of the company for the year ended March 31, 2011:

Pre-revised Schedule VI

Heading	Amount	Adjustment	Amount	Heading	Amount	Nature of Adjustment
Sources of funds				Equity and liabilities		
Shareholders' Funds				Shareholders' Funds		
Share capital	22,618.47		22,618.47	Share capital		
Stock option Outstanding	354.55	(354.55)	-			Stock option Outstanding disclosed as part of reserves
Reserves and surplus	467,466.28	354.55	467,820.83			
	490,439.30	-	490,439.30			
Loan funds				Non-current liabilities (NCL)		
Secured loans	1,486,937.59					
Unsecured loans	501,233.71					
	1,988,171.30	(742,068.28)	1,246,103.02	Long term borrowings		Refer working note 1
Deferred payment liabilities	-		-			Refer working note 1
				Trade payables	33,318.81	Non-current components
				Other long term liabilities	235,715.57	Refer working note 2
				Long term provisions	100,643.00	Non-current components
	2,478,610.60	(405,709.71)	2,106,219.70			
Current liabilities and provisions				Current liabilities		
				Short term borrowings	80,234.79	Refer working note 1
Sundry creditors				Trade payables	-	Non-current components regrouped as NCL
Current liabilities	557,204.76	400,658.98	957,863.74	Other current liabilities		Refer working note 3
Provisions	125,028.76	(106,483.16)	18,545.60	Short-term provisions		Refer working note 4
	682,233.52	374,410.60	1,056,644.13			
	3,160,844.12	(31,299.11)	3,162,863.83			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 34 PREVIOUS YEARS FIGURES (Contd.)

Heading	Amount	Adjustment	Amount	Heading	Nature of Adjustment
Application of funds				Assets	
Fixed assets			-	Fixed assets	
Net block	3,843.49		3,594.81	Tangible assets	
CWIP including capital advances			-	Capital work in progress	Capital advances disclosed as loan and advances
			-		
Intangible assets			44.26	Intangible assets	
Investments	365,069.90	(325,927.24)	39,142.66	Non-current investments	Refer working note 5
Deferred tax assets (net)	15,368.69		15,368.69	Deferred tax assets (net)	
Assets under financing activities	1,986,561.09	(561,321.34)	1,425,239.75	Long-term loans and advances	Refer working note 6
	-	8,055.39	8,055.39	Other non-current assets	Non-current component of bank balances, other debtors and interest accrued, etc.
	2,370,843.17	(879,193.18)	1,491,445.56		
Current assets, loans and advances				(Current Asset)	
Investment	-	325,423.23	325,423.23	Current investments	Current component
Cash and bank balances	362,511.14	(5,273.43)	357,237.71	Cash and bank balances	Non-current components regrouped as NCA
Loan and advances	418,004.12	564,064.79	982,068.91	Short-term loans and advances	Refer working note 6
Other current assets	5,791.20	897.22	6,688.42	Other current assets	Refer working note 8
Miscellaneous exp	3,694.49	(3,694.49)			Regrouped as other assets
	790,000.95	881,417.32	1,671,418.27		
	3,160,844.12		3,162,863.83		

(Rs. in lacs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

WORKING NOTES

		(Rs. in lacs)
1	Long term borrowings	
	Secured and unsecured loans as per pre-revised schedule VI	1,988,171.30
	Less: Loans having original maturity of less than 12 months maturity regrouped as short-term borrowings	(80,234.79)
	Less: Current portion of long-term borrowings	(661,833.49)
		(742,068.28)
		1,246,103.02
2	Other long-term liabilities	
	Amount as per pre-revised Schedule VI	-
	Add: Non current component of	
	Interest accrued but not due on loans	50,482.28
	Application money on redeemable non convertible debentures	856.25
	Application money on Subordinated debts	64.19
	Securitization deferred income	169,920.13
	Retention and others	14,392.72
		235,715.57
		235,715.57
3	Other current liabilities	
	Current liabilities as per pre-revised Schedule VI	557,204.76
	Add: Current portion of long-term borrowings	661,833.49
	Add: Service tax contested regrouped to other current liability	8,406.10
	Less: Sundry creditors shown in Trade payable	(33,318.81)
	Less: Non current component of	
	Interest accrued but not due on loans	(50,482.28)
	Application money on redeemable non convertible debentures	(856.25)
	Application money on Subordinated debts	(64.19)
	Securitization deferred income	(169,920.13)
	Retention and others	(14,392.72)
	Less: Discount on GOI grouped with investments	(546.23)
		400,658.98
		957,863.74
4	Short-term provisions	
	Provisions as per pre-revised Schedule VI	125,028.76
	Less: Long term provisions	(100,643.00)
	Less: Provision for diminution in value of investments grouped with investments	(167.50)
	Less: Service tax contested regrouped to other current liability	(8,406.10)
	Add: Advance tax shown gross in other non- current assets	2,733.44
		(106,483.16)
		18,545.60
5	Non-current investments	
	Investments as per pre-revised Schedule VI	365,069.90
	Add: Investment in property	204.42
	Add: Premium on GOI	5.30
	Less: Current portion of investments	(325,423.23)
	Less: Discount on GOI grouped with investments	(546.23)
	Less: Provision for diminution in value of investments grouped with investments	(167.50)
		(325,927.24)
		39,142.66

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

WORKING NOTES (Contd.)

		(Rs. in lacs)
6	Long-term loans and advances	
	Assets under financing activities as per pre-revised Schedule VI	1,986,561.09
	Add: non-current component of Advance recoverable in cash or kind	286.02
	Add: non-current component of Securitisation Deferred Consideration Receivable	184,676.87
	Add: non-current component of Capital Advances	137.90
	Add: non-current component of Security Deposits	1,865.72
	Add: non-current component of Advance tax	2,733.44
	Add: Non current component of prepaid expense	806.38
	Add: Interest receivable on loans grouped loans and advances	15.31
	Less: current component of Long-term loans and advances	(751,842.98)
		(561,321.34)
		1,425,239.75
7	Short-term loans and advances	
	Loans and advances as per pre-revised Schedule VI	418,004.12
	Add: Current component of Long-term loans and advances	751,842.98
	Less: Non-current component of	
	Security deposit	(1,865.72)
	Advance recoverable in cash or kind	(286.02)
	Securitisation Deferred Consideration Receivable	(184,676.87)
	Capital Advances	(137.90)
	Prepaid expense	(806.38)
	Premium on GOI	(5.30)
		564,064.79
		982,068.91
8	Other current assets	
	Other current assets as per pre-revised Schedule VI	5,791.20
	Add: Current portion of miscellaneous expenditure	1,246.15
	Less: Non-current component of interest receivable	(185.63)
	Less: Interest receivable on loans and advances regrouped to long term loans and advances	(163.30)
		897.22
		6,688.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON-BANKING FINANCIAL (DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007 (Contd.)

(Rs. in lacs)

	Amount outstanding	Amount overdue
5. Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity		NIL
(b) Preference		NIL
(ii) Debenture and Bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (Please specify)		NIL
2. Unquoted :		
(i) Shares : (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others: (a) Investment in Certificate of Deposits		327,884.81
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity		240.00
(b) Preference		NIL
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		32,577.73
(v) Others (Please specify)		NIL
2. Unquoted :		
(i) Shares : (a) Equity		4,040.00
(b) Preference		25,000.00
(ii) Debentures and Bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others - Venture Capital Fund		500.00
Investment in Subordinate Debts		5,000.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON-BANKING FINANCIAL (DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007 (Contd.)

Category	Amount (Net of provisions)		
	Secured	Unsecured	Total
6. Borrower group-wise classification of assets, financed as in (3) and (4) above :			
Please see Note 2 below			
1. Related Parties **			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	2,089,144.42	50,230.07	2,139,374.49

Category	Amount (Net of provisions)	
	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
Please see note 3 below		
1. Related Parties **		
(a) Subsidiaries	32,849.62	29000.00
(b) Companies in the same group	NIL	NIL
(c) Other related parties	440.40	240.00
2. Other than related parties	365,710.90	365,823.88

* Disclosure is made in respect of available information.

** As per Accounting Standard of ICAI (Please see Note 3)

Particulars	Amount
8. Other information	
(I) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	69,378.62
(ii) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	9,772.13
(iii) Assets acquired in satisfaction of debt	NIL

Notes :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for calculation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

SUMMARY OF **FINANCIAL INFORMATION**
 OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2012
 UNDER SECTION 212(8) OF THE COMPANIES ACT 1956.

(Rs. in lacs)

Particulars	Shriram Equipment Finance Company Limited	Shriram Automall India Limited
Capital	26,000.00	3,000.00
Reserves	5,272.13	(1,422.51) *
Total Assets	193,848.82	2,746.01
Total liabilities	162,576.69	1,168.51
Investment included in total assets	-	-
Turnover	21,011.38	11,546.69
Profit before taxation	7,700.04	(38.28)
Provision for taxation	2,537.78	(7.84)
Profit after taxation	5,162.27	(30.44)
Dividend Including dividend distribution tax	2.91	-

* Represents debit balance in Profit and loss account

CONSOLIDATED

FINANCIAL SECTION

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AUDITORS' REPORT

To,

The Members of

**Shriram Transport Finance Company Limited
(‘the Company’)**

1. We S.R. Batliboi & Co. (‘SRB’) and G.D.Apte & Co. (‘GDA’) have jointly audited the attached consolidated balance sheet of Shriram Transport Finance Company Limited (‘the Company’) and its subsidiaries (collectively referred to as ‘the Group’) and associate as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date (collectively ‘Financial Statements’) annexed thereto. These financial statements are the responsibility of the Company’s management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of associate company, Shriram Asset Management Company Limited whose financial statements reflect Company’s share of net profit after tax of Rs. 6 lacs for the year ended March 31, 2012. These financial statements and other financial information have been audited by other auditors’ whose report has been furnished to us, and our opinion is based solely on the report of other auditors’.
4. We did not jointly audit the financial statements of Subsidiaries, whose financial statements reflect total assets of Rs. 196,595 lacs as at March 31, 2012, the total revenue of Rs. 32,558 lacs and net cash outflows amounting to Rs. 12,534 lacs for the year then ended.

The financial statements of the subsidiaries, Shriram Equipment Finance Company Limited and Shriram Automall India Limited have been audited by S.V. Ghatalia & Associates, Chartered Accountants and G. D. Apte & Co. Chartered Accountants, respectively, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on reports of respective auditors.

5. We report that the consolidated financial statements have been prepared by the Company’s management in accordance with the requirements of Accounting Standard (AS) 21 Consolidated financial statements and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
6. Based on our audit and on consideration of reports of other auditors’ on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2012;
 - (b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For **S.R. BATLIBOI & Co.**
 Firm registration number: 301003E
Chartered Accountants

per Viren H. Mehta
Partner
 Membership No.: 048749
 Mumbai
 May 08, 2012

For **G. D. Apte & Co.**
 Firm registration number: 100515W
Chartered Accountants

C.M. Dixit
Partner
 Membership No: 17532
 Mumbai
 May 08, 2012

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2012

(Rs. in lacs)

Particulars	Note No	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	4	22,632.46	22,618.47
(b) Reserves and surplus	5	580,631.65	466,717.33
		603,264.11	489,335.80
(2) Non-current liabilities			
(a) Long-term borrowings	6	1,516,025.12	1,272,353.03
(b) Other Long term liabilities	7	183,804.08	235,715.57
(c) Long term provisions	8	137,648.48	100,762.93
		1,837,477.68	1,608,831.53
(3) Current liabilities			
(a) Short-term borrowings	9	347,613.74	80,234.79
(b) Trade payables		59,964.48	48,557.03
(c) Other current liabilities	7	836,649.48	966,410.85
(d) Short-term provisions	8	18,815.08	18,797.66
		1,263,042.78	1,114,000.33
Total		3,703,784.57	3,212,167.66
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		5,007.77	3,930.48
(ii) Intangible assets		358.43	143.93
(iii) Capital work-in-progress		-	277.18
(b) Non-current investments	11	27,207.81	22,316.98
(c) Deferred tax assets (net)	12	21,833.97	15,416.68
(d) Long term loans and advances	13	1,652,865.08	1,469,645.40
(e) Other non-current assets	14	10,368.31	8,055.92
		1,717,641.37	1,519,786.57
(2) Current assets			
(a) Current investments	15	339,417.21	325,423.23
(b) Inventories	16	92.88	1,293.61
(c) Trade receivables	17	25.80	1.64
(d) Cash and bank balances	18	532,180.71	371,142.77
(e) Short-term loans and advances	13	1,106,414.44	987,823.26
(f) Other current assets	14	8,012.16	6,696.58
		1,986,143.20	1,692,381.09
Total		3,703,784.57	3,212,167.66

Significant Accounting Policies

3

The notes referred to above form an integral part of the financial statements.

As per our report of even date

For **S.R.BATLIBOI & Co.**

Firm Registration No. 301003E

Chartered Accountants

per **Viren H. Mehta**

Partner

Membership No. 048749

Mumbai

May 08, 2012

For **G. D. Apte & Co.**

Firm Registration No. 100515W

Chartered Accountants

C. M. Dixit

Partner

Membership No. 17532

For and on behalf of the Board of Directors of

Shriram Transport Finance Company Limited

Umesh Revankar

Managing Director

R Sridhar

Director

Vivek M. Achwal

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No	Year Ended March 31, 2012	Year Ended March 31, 2011
(Rs. in lacs)			
INCOME			
Revenue from operations	19	618,691.17	545,472.81
Other income	20	71.96	2,865.41
Total		618,763.13	548,338.22
EXPENDITURE			
Adjustment due to decrease/(increase) in inventory of vehicles		1,197.50	(1,293.61)
Purchase of vehicles		4,443.59	6,924.22
Refurbishment expenses		202.17	271.54
Employee benefit expenses	21	40,759.57	37,106.86
Finance cost	22	253,174.80	229,282.57
Depreciation and amortisation	10	1,737.39	1,129.04
Other expenses	23	43,923.97	38,657.61
Provisions & write offs	24	77,572.81	52,505.88
Total		423,011.81	364,584.12
Profit before taxation		195,751.32	183,754.10
Provision for taxation			
Current tax		71,293.28	69,985.67
Deferred tax	12	(6,417.28)	(7,943.74)
Total tax expense / (income)		64,876.00	62,041.93
Profit after tax		130,875.32	121,712.17
Share of Profit / (Loss) of Associate		6.00	(0.95)
Net profit after taxes, Minority Interest and Share of Profit/(Loss) of Associate		130,881.32	121,711.22
Earnings per share	25		
Basic (Rs.)		57.86	53.92
Diluted (Rs.)		57.81	53.85
Nominal value of equity share (Rs.)		10.00	10.00
Significant Accounting Policies	3		

The notes referred to above form an integral part of the financial statements.

As per our report of even date
 For **S.R.BATLIBOI & Co.**
 Firm Registration No. 301003E
 Chartered Accountants

per **Viren H. Mehta**
 Partner
 Membership No. 048749

Mumbai
 May 08, 2012

For **G. D. Apte & Co.**
 Firm Registration No. 100515W
 Chartered Accountants

C. M. Dixit
 Partner
 Membership No. 17532

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

Umesh Revankar **R Sridhar**
 Managing Director Director

Vivek M. Achwal
 Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2012

(Rs. in lacs)

Particulars	March 31, 2012	March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	195,751.32	183,754.10
Depreciation and amortisation	1,737.39	1,129.04
Loss / (profit) on sale of fixed assets (net)	42.32	36.73
Provision for non moving Inventory	3.23	-
Provision for doubtful advance	16.17	-
Provision for diminution in value of investments	178.66	(79.87)
Employees Stock option compensation cost	57.42	116.85
Premium on Government Securities	0.64	3.40
Amortisation of Discount on Government Securities	(73.14)	(52.64)
Issue expenses for equity shares	152.78	152.96
Public issue expenses for non convertible debentures	1,458.74	1,046.41
Provision for credit loss on securitisation	18,806.24	17,795.15
Provisions for non performing assets and bad debt written off	57,658.25	29,750.36
Provisions for standard assets	929.66	5,040.24
Provision for gratuity	547.26	301.10
Provision for leave encashment	172.50	528.51
Operating profit before working capital changes	277,439.44	239,522.34
Movements in working capital:		
Increase / (decrease) in trade payables	11,407.45	39,959.50
Increase / (decrease) in provisions	1,929.27	9,230.60
Increase / (decrease) in provision for service tax- contested	345.71	-
Increase / (decrease) in other liabilities	(66,463.53)	154,247.04
Increase / (decrease) in investments	(18,987.30)	(162,061.91)
Decrease / (increase) in loans and advances	(343,538.10)	(440,318.23)
Decrease/(increase) in bank deposits (having original maturity of more than three months)(net)	41,998.93	10,750.76
Decrease / (increase) in trade receivables	(24.16)	(1.64)
Decrease / (increase) in inventories	1,197.50	(1,293.61)
Decrease / (increase) in other assets	(1,333.37)	(771.81)
Cash generated from operations	(96,028.16)	(1,50,736.96)
Direct taxes paid (net of refunds)	(72,693.72)	(69,164.30)
Net cash flow from / used in operating activities (A)	(168,721.88)	(219,901.26)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(2,846.84)	(1,100.43)
Proceeds from sale of fixed assets	54.85	27.72
Net cash used in investing activities (B)	(2,791.99)	(1,072.71)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(Rs. in lacs)

Particulars	March 31, 2012	March 31, 2011
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	13.99	64.28
Securities premium on issue of equity capital	34.99	155.49
Amount received from institutional borrowing	993,650.85	845,483.97
Amount received from Public issue of non convertible debentures	99,999.93	49,999.99
Increase / (decrease) in Retail borrowings	42,874.42	118,264.77
Repayment of institutional borrowing	(713,523.96)	(841,497.00)
Buyback of Public issue non convertible debentures	(27,505.26)	-
Issue expenses for equity shares paid	-	(11.05)
Public issue expenses for non convertible debentures paid	(1,867.43)	(1,174.12)
Dividend paid	(14,702.90)	(14,659.17)
Tax on dividend	(2,385.19)	(2,434.70)
Net cash from financing activities (C)	376,589.44	154,192.46
Net increase / (decrease) in cash and cash equivalents (A + B + C)	205,075.56	(66,781.51)
Cash and Cash Equivalents at the beginning of the year	179,042.71	245,824.22
Cash and Cash Equivalents at the end of the year	384,118.27	179,042.71

(Rs. in lacs)

Components of Cash and Cash Equivalents	March 31, 2012	March 31, 2011
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
i) Cash on hand	4,866.22	3,123.51
ii) Cheques on hand	5,584.68	2,884.97
iii) Balances with scheduled banks in:		
Current accounts	210,618.26	93,840.13
Balance held in escrow account *	-	100.07
Unpaid dividend accounts *	499.39	382.44
Deposits with original maturity of less than three months	162,549.72	78,711.59
Total cash and cash equivalents (Refer note 18)	384,118.27	179,042.71

*These balances are not available for use by the Company as they represent corresponding unpaid dividend liability and balance held in escrow account.

As per our report of even date
For **S.R.BATLIBOI & Co.**
Firm Registration No. 301003E
Chartered Accountants

per **Viren H. Mehta**
Partner
Membership No. 048749

Mumbai
May 08, 2012

For **G. D. Apte & Co.**
Firm Registration No. 100515W
Chartered Accountants

C. M. Dixit
Partner
Membership No. 17532

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited

Umesh Revankar **R Sridhar**
Managing Director Director

Vivek M. Achwal
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE 1 BASIS OF PREPARATION

The Consolidated financial statements relates to M/s. Shriram Transport Finance Company Limited (the Company), its subsidiary companies and associate. The Company, its subsidiary companies and associate constitute the Group. The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under Companies Accounting Standard Rules, 2006, as amended, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, except for the change in accounting policy explained below.

NOTE 2 BASIS OF CONSOLIDATION

- (i) The financial statements of the subsidiary companies and the associate used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2012 and are prepared based on the accounting policies consistent with those used by the Company.
- (ii) The financial statements of the Group have been prepared in accordance with the AS 21- 'Consolidated Financial Statements' and AS 23 – 'Accounting for investments in Associates' in Consolidated Financial Statements, notified under the Companies (Accounting Standards) Rules, 2006, as amended and other generally accepted accounting principles in India.
- (iii) The consolidated financial statements have been prepared on the following basis :
- 1 The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.
 - 2 The consolidated financial statements include the share of profit / loss of the associate Company which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of the associate Company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. An Associate is an enterprise in which the investor has significant influence and which is neither a Subsidiary nor a Joint Venture of the Investor.
 - 3 The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
 - 4 Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

- (iv) The following subsidiary companies are considered in the consolidated financial statements:

Sr. No.	Name of the Subsidiary Company	Country of incorporation	Share of ownership interest as at March 31, 2012	Share of ownership interest as at March 31, 2011
1	Shriram Equipment Finance Company Limited (w.e.f. December 15, 2009)	India	100%	100%
2	Shriram Automall India Limited (w.e.f. February 11, 2010)	India	100%	100%

- (v) The details of associate Company are as follows :

Sr. No.	Name of the Subsidiary Company	Country of incorporation	Share of ownership interest as at	
			March 31, 2012	March 31, 2011
1	Shriram Asset Management Company Limited	India	40.00%	40.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

(a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation and disclosures made in the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year. For further details, refer note 37.

(b) Current / Non-current classification of assets / liabilities

Pursuant to applicability of Revised Schedule VI on presentation of financial statements for the financial year ended March 31, 2012; the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non current.

(c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future years.

(d) Tangible/Intangible Fixed Assets, Depreciation/Amortisation and Impairment

Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use.

Depreciation on tangible fixed assets

Depreciation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful lives of the respective fixed assets and are greater than and equal to the corresponding rates prescribed in Schedule XIV of the Act. During the year, consequent to the re-assessment and reduction in the estimated useful life of the certain items of fixed assets falling in the category of Plant & Equipment, Office equipments, Furniture & Fixtures, computers and Vehicles depreciation rates are revised as follows:

Particulars	Old rates (SLM)	Revised rates (SLM)	Schedule XIV rates (SLM)
Plant and Equipment	4.75%	10%	4.75%
Furniture and Fixtures	6.33%	10%	6.33%
Office Equipments	4.75%	10%	4.75%
Computers	16.21%	20%	16.21%
Vehicles	9.50%	20%	9.50%

Leasehold improvement is amortised on SLM over the lease term subject to a maximum of 60 months.

All fixed assets individually costing Rs. 5,000/- or less are fully depreciated in the year of installation.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Amortisation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful life of the intangible asset.

Particulars	Rates (SLM)
Computer Software	33.33%
Trademarks	10.00%

Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(e) Investments

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

(f) Provisioning / Write-off of assets

Non performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Delinquencies on assets securitised/assigned are provided for based on management estimates of the historical data.

Provision on standard assets is made as per the notification DNBS.PD.CC.No.207/ 03.02.002 /2010-11 issued by Reserve Bank of India.

(g) Loans

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the balance sheet date and loans securitised.

(h) Leases

Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of Profit and Loss.

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(i) Foreign currency translation

Initial recognition

Transactions in foreign currency entered into during the year are recorded at the exchange rates prevailing on the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currency are translated in to Rupees at exchange rate prevailing on the date of the Balance Sheet.

Exchange differences

All exchange differences are dealt with in the statement of profit and loss.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange difference on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

(j) Inventories

Inventories of used commercial vehicles are valued at cost or net realisable whichever is less after providing for obsolescence if any. Cost comprises of cost of purchase, refurbishment costs and allocated overheads incurred in bringing the inventory to their present location and condition. Cost of purchase and refurbishment is determined on specific identification basis, while the overheads are allocated as per the estimate based on expected normal activity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

(k) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Income from financing activities is recognised on the basis of internal rate of return. Service tax on charges/fees is collected by the Company as an intermediary and accordingly revenue is presented on net basis.
- ii. Income recognised and remaining unrealised after installments become overdue for six months or more in case of secured/unsecured loans and twelve months or more in case of financial lease transactions are reversed and are accounted as income when these are actually realised.
- iii. Additional finance charges / additional interest are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.
- iv. Gains arising on securitisation/direct assignment of assets is recognised over the tenure of securities issued by SPV/agreements as per guideline on securitisation of standard assets issued by RBI, loss, if any is recognised upfront. Expenditure in respect of securitisation /direct assignment (except bank guarantee fees for credit enhancement) is recognised upfront. Bank guarantee fees for credit enhancement are amortised over the tenure of the agreements. Securitisation deferred consideration receivable comprises of Company's share of future interest strip receivables in case of a par structure securitised / assigned deals.
- v. Interest income on fixed deposits/margin money, call money (CBLO), certificate of deposits, pass through certificates, subordinate debts, government securities and treasury bills is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Discount, if any, on government and other securities acquired as long term investments is recognised on a time proportion basis over the tenure of the securities.
- vi. Dividend is recognised as income when right to receive payment is established by the date of balance sheet
- vii. Profit/loss on the sale of investments is recognized at the time of actual sale/redemption.
- viii. Income from operating lease is recognized as rentals, as accrued on straight line basis over the period of the lease.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

- ix. The revenue from sale of the used commercial vehicles is recognized after execution of the contract to sale and delivery of the vehicle to the buyer. Value added tax on sale of used commercial vehicle is collected by the Company as an intermediary and accordingly revenue is presented on net basis.
- x. Income from services is recognized as per the terms of contracts on accrual basis.
- xi. Pre-mature Dealer payment discount is recognized as per the terms of the agreement.

(l) Retirement and other employee benefits

Provident Fund

All the employees of the Group are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense in the year it is incurred.

Gratuity

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Group accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Leave Encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(m) Income tax

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The un-recognised deferred tax assets are re-assessed by the Group at each balance sheet date and are recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(n) Segment reporting policies

Identification of segments:

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Unallocated items:

Unallocated items include income and expenses which are not allocated to any reportable business segment.

Segment Policies :

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(p) Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(q) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand, remittances in transit and short term investments with an original maturity of three months or less.

(r) Equity shares and Debentures issue expenses

Expenses incurred on issue of equity shares are charged on a straight line basis over a period of 10 years.

Public issue expenses, other than the brokerage, incurred on issue of debentures are charged off on a straight line basis over the weighted average tenor of underlying debentures. The brokerage incurred on issue of debentures is treated as expenditure in the year in which it is incurred.

Expenses incurred for private placement of debentures, are charged to statement of profit and loss in the year in which they are incurred.

(s) Borrowing costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary and other borrowing costs are charged to statement of Profit & Loss in the year in which they are incurred.

(t) Employee stock compensation costs

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

(u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

		(Rs. in lacs)	
		As at March 31, 2012	As at March 31, 2011
NOTE 4	SHARE CAPITAL		
Authorised			
	335,000,000 (March 31, 2011: 335,000,000) Equity Shares of Rs.10/- each	33,500.00	33,500.00
	20,000,000 (March 31, 2011: 20,000,000) Preference Shares of Rs.100/- each	20,000.00	20,000.00
		53,500.00	53,500.00
Issued, Subscribed & Fully Paid up			
Equity Shares			
	226,300,568 (March 31, 2011: 226,160,668) equity shares of Rs. 10/- each	22,630.06	22,616.07
		22,630.06	22,616.07
	48,000 equity shares of Rs.10/- each (Rs 5/- each paid up forfeited)	2.40	2.40
	Total	22,632.46	22,618.47

	As at March 31, 2012		As at March 31, 2011	
	Numbers of shares	Rs. in lacs	Numbers of shares	Rs. in lacs
a. Reconciliation of the equity shares outstanding at the beginning and at end of reporting period.				
Shares outstanding at the beginning of the year	226,160,668	22,616.07	225,517,818	22,551.78
Issued during the period - Employee stock option scheme [Refer note Note 28]	139,900	13.99	6,42,850	64.29
Shares outstanding at the end of the year	226,300,568	22,630.06	226,160,668	22,616.07

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per equity share dividend recognized as distributions to equity shareholders was Rs. 6.50 (March 31, 2011 : Rs. 6.50)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares reserved for issue under options

The Company has reserved 195,750 equity shares for issue under the employee stock option scheme 2005. Except for 61,300 equity shares which are unvested as of March 31, 2012, the remaining equity shares reserved for issue are vested and are exercisable as at March 31, 2012. The vesting date for unvested 14,100 equity shares is May 12, 2012, for 28,400 unvested equity shares is July 14, 2012 and for 18,800 unvested equity shares is May 12, 2013.

d. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The company has issued total 3,583,300 equity shares (March 31 2011 : 3,600,650) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan(ESOP) wherein part consideration was received in form of employee service.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 4 SHARE CAPITAL (Contd.)

e. Details of shareholders holding more than 5% equity shares in the company

Details of shareholding	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Equity shares of Rs. 10/- each				
Shriram Holdings (Madras) Private Limited	93,371,512	41.26%	93,371,512	41.29%
Genesis Indian Investments Company Limited	16,807,413	7.43%	13,650,013	6.04%

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

- f. The Board of Directors at its meeting held on December 21, 2011, had approved the Scheme of Arrangement for merger of Shriram Holdings (Madras) Private Limited into the Company, subject to the approval of shareholders, The Hon'ble High court and other necessary regulatory approvals. The Scheme has been filed with Hon'ble High Court of Judicature at Madras on March 28, 2012. The Appointed Date of merger is fixed at April 01, 2012.

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
NOTE 5 RESERVES AND SURPLUS		
Capital reserve	17.03	17.03
Capital redemption reserve	5,388.35	5,388.35
Securities Premium Account		
Balance as per last account	175,099.59	174,419.57
Add: Addition on ESOPs exercised	34.98	160.71
Add: Transferred from stock options outstanding	187.45	519.31
Closing balance	175,322.02	175,099.59
Debenture redemption reserve		
Balance as per last account	31,823.68	10,442.08
Add: Transfer from statement of Profit and Loss	20,312.44	21,381.60
Closing balance	52,136.12	31,823.68
Stock option outstanding		
Employee stock option outstanding	240.58	426.74
Less : Deferred employee compensation outstanding	16.06	72.19
Closing balance	224.52	354.55
Other Reserves		
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934		
Balance as per last account	76,022.94	51,399.79
Add: Transfer from statement of Profit and Loss	26,232.50	24,623.15
Closing balance	102,255.44	76,022.94
General reserve		
Balance as per last account	38,553.63	26,253.63
Add: Transfer from statement of Profit and Loss	12,600.00	12,300.00
Closing balance	51,153.63	38,553.63

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

		(Rs. in lacs)
		As at March 31, 2012
		As at March 31, 2011
NOTE 5	RESERVES AND SURPLUS (Contd.)	
Surplus in statement of Profit and Loss		
	Balance as per last account	139,457.56
	Add: Profit for the current year	130,881.32
	Add: Excess provision written back - tax on dividend	35.18
Less: Appropriations		
	Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(26,232.50)
	Transfer to general reserve	(12,600.00)
	Transfer to debenture redemption reserve	(20,312.44)
	Interim dividend	(5,656.48)
	Tax on dividend	(917.62)
	Proposed final dividend (amount per share Rs. 4.00 (March 31, 2011: Rs. 4.00))	(9,052.02)
	Tax on proposed dividend	(1,468.46)
	Total appropriations	(76,239.52)
	Net surplus in the statement of Profit and Loss	194,134.54
	Total reserves and surplus	580,631.65

		(Rs. in lacs)			
		As at March 31, 2012		As at March 31, 2011	
		Non Current portion	Current maturities*	Non Current portion	Current maturities*
NOTE 6	LONG TERM BORROWINGS				
	Subordinated debts (Unsecured)	314,044.96	25,208.32	315,983.75	13,400.53
Redeemable non convertible debentures					
	Secured	684,228.56	134,734.54	333,986.29	141,297.36
	Less: Unamortised discount	(8,195.93)	-	-	-
		676,032.63	134,734.54	333,986.29	141,297.36
	Unsecured	52,860.00	-	-	-
	Less: Unamortised discount	(2,261.72)	-	-	-
		50,598.28	-	-	-
Term loans from banks					
	Unsecured	10,000.00	11,174.03	21,174.03	30,294.74
	Secured	359,514.15	329,422.32	501,624.59	434,375.37
	Fixed deposits (Unsecured)	100,387.65	19,989.23	94,146.92	18,799.32
Term loans from Financial institutions / Corporates					
	Secured	5,000.00	19,500.00	5,000.00	20,414.44
	Unsecured	-	10,000.00	-	7,000.00
	Inter corporate deposits (unsecured)	-	-	-	1.73

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(Rs. in lacs)

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current maturities*	Non Current portion	Current maturities*
NOTE 6 LONG TERM BORROWINGS (Contd.)				
Loans and advances from related parties				
Subordinated debts (Unsecured)				
from Associate	413.40	-	413.40	-
from Managing Director	12.31	-	12.31	-
from Relative of Managing Director	7.00	-	7.00	-
Redeemable non convertible debentures (secured)				
from Managing Director	14.74	-	4.74	-
	1,516,025.12	550,028.44	1,272,353.03	665,583.49

*Amount disclosed under the head other current liabilities

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total Amount
	<10%	>=10% <12%	>=12% <14%	> 14%	
	Amount	Amount	Amount	Amount	
A) Subordinated Debt -Unsecured					
i) Privately Placed Subordinated debts of Rs. 100,000/- each					
Terms of repayment as on March 31, 2012					
Long term borrowing					
Over 60 months	-	13,769.00	4,541.00	-	18,310.00
48-60 Months	-	5,000.00	5,000.00	-	10,000.00
36-48 Months	-	25,577.00	-	-	25,577.00
24-36 months	-	15,000.00	5,500.00	-	20,500.00
12-24 months	-	-	5,510.00	-	5,510.00
Total	-	59,346.00	20,551.00	-	79,897.00
Terms of repayment as on March 31, 2011					
Long term borrowing					
Over 60 months	-	18,769.00	9,541.00	-	28,310.00
48-60 Months	-	25,577.00	-	-	25,577.00
36-48 Months	-	15,000.00	5,500.00	-	20,500.00
24-36 months	-	-	5,510.00	-	5,510.00
Total	-	59,346.00	20,551.00	-	79,897.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total Amount
	<10%	>=10% <12%	>=12% <14%	> 14%	
	Amount	Amount	Amount	Amount	
NOTE 6 LONG TERM BORROWINGS (Contd.)					
ii) Privately Placed Subordinated debts of Rs. 1,000,000/- each					
Terms of repayment as on March 31, 2012					
Long term borrowing					
Over 60 months	25,000.00	50,920.00	14170	-	90,090.00
48-60 Months	-	5,000.00	-	-	5,000.00
36-48 Months	35,000.00	-	-	-	35,000.00
12-24 months	-	15,000.00	-	-	15,000.00
Total	60,000.00	70,920.00	14,170.00	-	145,090.00
Terms of repayment as on March 31, 2011					
Long term borrowing					
Over 60 months	25,000.00	50,420.00	5000	-	80,420.00
48-60 Months	35,000.00	-	-	-	35,000.00
24-36 months	-	15,000.00	-	-	15,000.00
Total	60,000.00	65,420.00	5,000.00	-	130,420.00
iii) Privately placed Subordinated debts of Rs. 1,000/- each					
Terms of repayment as on March 31, 2012					
Long term borrowing					
Over 60 months	1,487.28	11,494.46	-	-	12,981.74
48-60 Months	46.99	3,487.45	-	-	3,534.44
36-48 Months	-	5,551.41	0.50	-	5,551.91
24-36 months	-	8,038.37	21,903.35	-	29,941.72
12-24 months	-	22,400.37	6,770.18	-	29,170.55
Grand Total	1,534.27	50,972.06	28,674.03	-	81,180.36
Current maturity					
Upto 12 months	-	25,202.69	-	5.63	25,208.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total Amount
	<10%	>=10% <12%	>=12% <14%	> 14%	
	Amount	Amount	Amount	Amount	
Terms of repayment as on March 31, 2011					
Long term borrowing					
Over 60 months	1,534.27	6,382.38	-	-	7,916.65
48-60 Months	-	5,551.41	0.50	-	5,551.91
36-48 Months	-	8,038.37	21,903.35	-	29,941.72
24-36 months	-	22,400.37	6,770.18	-	29,170.55
12-24 months	-	25,202.69	-	5.63	25,208.32
Grand Total	1,534.27	67,575.22	28,674.03	5.63	97,789.15
Current maturity					
Upto 12 months	3.60	13,396.53	-	0.40	13,400.53

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2012	As at March 31, 2011	Redeemable at par on
iv) Public issue of Subordinated debt of Rs. 1,000/- each (2010)-quoted				
Long term borrowing				
Option -IV	10.41%	91.00	91.00	1-Jun-17
	10.81%	1,687.00	1,687.00	1-Mar-17
	11.25%	3,746.08	3,746.08	1-Dec-16
Option -V	10.25%	110.30	110.30	1-Jun-17
	10.75%	204.32	204.32	1-Jun-17
	11.00%	2,471.61	2,471.61	1-Jun-17
Total		8,310.31	8,310.31	

(Rs. in lacs)

Total Subordinated Debts	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current maturities	Non Current portion	Current maturities
i+ii+iii+iv	314,477.67	25,208.32	316,416.46	13,400.53
Less: issued to related parties	432.71	-	432.71	-
Net	314,044.96	25,208.32	315,983.75	13,400.53

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest					Total Amount
	< 10%	>= 10% < 12%	>= 12% < 14%	>= 14% < 16%	>= 16%	
	Amount	Amount	Amount	Amount	Amount	
B) Non Convertible Debenture -Secured						
i) Privately placed Redeemable Non Convertible Debentures of Rs. 1,000/- each						
Terms of repayment as on March 31, 2012						
Long term borrowing						
Over 60 months	-	-	939.52	-	-	939.52
48-60 Months	1.84	4,053.22	719.88	0.88	-	4,775.82
36-48 Months	1,670.80	1,919.18	-	792.92	-	4,382.90
24-36 months	688.44	97,619.12	6.40	311.80	-	98,625.76
12-24 months	46,749.25	35,493.34	1,997.99	282.32	0.48	84,523.38
Grand Total	49,110.33	139,084.86	3,663.79	1,387.92	0.48	193,247.38
Current maturity						
upto 12 months	33,646.60	31,864.11	1,820.93	0.70	479.04	67,811.38
Terms of repayment as on March 31, 2011						
Long term borrowing						
Over 60 months	-	-	1,659.40	0.88	-	1,660.28
48-60 Months	1,673.10	975.00	-	792.92	-	3,441.02
36-48 Months	622.10	1,873.64	6.40	311.80	-	2,813.94
24-36 months	43,824.59	33,958.04	1,998.38	282.32	0.48	80,063.81
12-24 months	18,311.97	31,924.58	1,821.28	0.70	479.04	52,537.57
Grand Total	64,431.76	68,731.26	5,485.46	1,388.62	479.52	140,516.62
Current maturity						
upto 12 months	26,745.75	17,312.74	34,721.19	824.96	692.72	80,297.36

Nature of Security

Secured by equitable mortgage of immovable property. Further secured by charge on plant and machinery, furniture and other fixed assets of the Company, charge on Company's hypothecation loans, other loans, advances and investments of the Company subject to prior charges created or to be created in favour of the Company's bankers, financial institutions and others.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company. The Company may grant loan against the security of NCDs upon the terms and conditions as may be decided by the Company and subject to applicable statutory and/or regulatory requirements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

ii) Privately Placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each

Terms of repayment

Long term borrowing

Rate of interest	(Rs. in lacs)		
	As at March 31, 2012	As at March 31, 2011	Redeemable at par on
10.60%	625.00	-	13-Sep-21 *
10.50%	625.00	-	13-Sep-17 *
10.00%	50,000.00	-	21-Mar-17
10.45%	2,000.00	-	22-Dec-16
10.50%	1,500.00	-	16-Dec-16
10.50%	3,000.00	-	12-Dec-16
10.75%	16,000.00	-	24-Aug-16
9.90%	1,300.00	-	6-Apr-15
9.92%	2,600.00	-	2-Mar-15
9.92%	18,200.00	-	9-Feb-15
10.20%	2,500.00	-	27-Jan-15
10.20%	1,000.00	-	23-Jan-15
10.35%	2,500.00	-	29-Dec-14
10.35%	7,500.00	-	26-Dec-14
10.30%	9,000.00	-	16-Dec-14
10.32%	2,010.00	-	15-Dec-14
10.42%	3,500.00	-	12-Dec-14
10.42%	1,000.00	-	2-Dec-14
10.75%	1,630.00	-	1-Dec-14
10.48%	6,000.00	-	25-Nov-14
10.00%	4,000.00	-	24-Nov-14
10.75%	8,150.00	-	10-Nov-14
10.45%	1,000.00	-	23-Oct-14
10.75%	500.00	-	23-Oct-14
10.50%	12,500.00	-	22-Aug-14
10.40%	20,000.00	-	27-Jul-14
10.65%	2,000.00	-	10-Jun-14
9.95%	4,090.00	-	24-Apr-14
9.95%	7,500.00	-	19-Dec-13
10.23%	2,500.00	-	19-Dec-13
10.25%	10,000.00	-	19-Dec-13
10.45%	1,500.00	-	19-Dec-13
10.25%	2,500.00	-	17-Dec-13
10.25%	2,550.00	-	9-Dec-13
10.45%	610.00	-	9-Dec-13
10.30%	1,500.00	-	4-Dec-13
13.00%	1,000.00	1,000.00	26-Nov-13
10.30%	850.00	-	25-Nov-13
13.00%	30,000.00	30,000.00	3-Nov-13
10.05%	2,500.00	-	10-Oct-13
10.18%	500.00	-	13-Sep-13
10.37%	500.00	-	13-Sep-13
10.05%	2,500.00	-	10-Sep-13
10.10%	10,000.00	-	2-Sep-13
9.85%	460.00	-	14-Aug-13
10.00%	460.00	-	14-Aug-13

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

ii) Privately Placed Redeemable Non-Convertible Debenture of Rs. 1,000,000/- each (Contd.)

(Rs. in lacs)			
Rate of interest	As at March 31, 2012	As at March 31, 2011	Redeemable at par on
10.10%	500.00	-	9-Aug-13
9.90%	2,880.00	-	19-Jul-13
10.15%	20,000.00	-	19-Jul-13
10.05%	1,390.00	-	8-Jul-13
10.55%	12,500.00	-	4-Jul-13
10.02%	1,000.00	-	24-Jun-13
10.20%	1,000.00	-	24-Jun-13
10.20%	7,500.00	-	20-Jun-13
10.21%	500.00	-	12-Jun-13
10.37%	500.00	-	12-Jun-13
10.15%	440.00	-	6-Jun-13
10.25%	3,000.00	-	3-Jun-13
9.95%	300.00	-	31-May-13
9.85%	470.00	-	30-May-13
10.25%	2,700.00	-	30-May-13
10.25%	670.00	-	29-May-13
10.25%	1,500.00	-	28-May-13
10.25%	1,500.00	-	27-May-13
10.25%	300.00	-	23-May-13
8.50%	-	20,000.00	14-May-13
8.30%	2,500.00	2,500.00	6-May-13
9.00%	2,500.00	2,500.00	4-May-13
10.00%	2,140.00	-	30-Apr-13
TOTAL	327,950.00	56,000.00	

* Partly paid to the extent of Rs. 50,000/-

(Rs. in lacs)			
Rate of interest	As at March 31, 2012	As at March 31, 2011	Redeemable at par on
Current maturity			
9.00%	5,000.00	-	28-Mar-13
10.50%	15,000.00	-	4-Jul-12
9.00%	-	5,000.00	28-Mar-12
11.75%	-	5,000.00	28-Mar-12
12.95%	-	1,500.00	15-Sep-11
12.95%	-	8,000.00	1-Sep-11
8.75%	-	12,500.00	30-Jun-11
10.50%	-	10,000.00	20-Jun-11
9.85%	-	15,000.00	2-May-11
10.00%	-	2,500.00	20-Apr-11
9.00%	-	1,500.00	5-Apr-11
TOTAL	20,000.00	61,000.00	

Nature of Security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

iii) Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each -(2009)

Terms of repayment

Long term borrowing

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2012	As at March 31, 2011	Redeemable at par on	Put and Call option
Option -I	11.00%	1,744.97	1,744.97	26-Aug-14	-
	11.00%	3,489.95	3,489.95	26-Aug-13	-
	11.00%	-	3,489.95	26-Aug-12	-
Option -II	11.25%	1,474.92	1,474.92	26-Aug-14	-
	11.25%	2,949.84	2,949.84	26-Aug-13	-
	11.25%	-	2,949.84	26-Aug-12	-
Option -III	11.03%	10,422.51	10,422.51	26-Aug-14	26-Aug-13
Option -IV	11.00%	2,274.12	2,274.12	26-Aug-14	26-Aug-13
Option -V	10.75%	-	66,988.63	26-Aug-12	-
Total		22,356.31	95,784.73		

Terms of repayment

Current maturity

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2012	As at March 31, 2011	Redeemable at par on	Put and Call option
Option -I	11.00%	3,489.95	-	26-Aug-12	-
Option -II	11.25%	2,949.84	-	26-Aug-12	-
Option -V	10.75%	40,483.37	-	26-Aug-12	-
Total		46,923.16	-		

Nature of Security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The funds raised from the Public issue of 9,999,996 secured Non-Convertible Debenture aggregating to Rs. 99,999.96 lacs have been utilised, after meeting the expenditure of and related to the Public issue, for various financing activities of the Company including lending, investments and repayment of borrowings

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company. The Company may grant loan against the security of NCDs upon the terms and conditions as may be decided by the Company and subject to statutory and/or regulatory requirements.

Subject to the provisions of The Companies Act, 1956, where the Company has fully redeemed or repurchased any Secured NCD(s), the Company shall have the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or reissue.

The Company has bought back Non-convertible Debentures of Rs. 4,215.23 lacs on 12-Mar-2010 and Rs. 3,000.00 lacs on 27-March-2012 and Rs. 23,505.26 lacs on 28-March-2012.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

iv) Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2010)

Terms of repayment

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2012	As at March 31, 2011	Redeemable at par on	Put and Call option
Option -I	9.00%	3,398.67	3,398.67	1-Jun-15	1-Jun-13
	9.50%	10,495.95	10,495.95	1-Jun-15	1-Jun-13
	9.75%	1,859.85	1,859.85	1-Jun-15	1-Jun-13
Option -II	9.50%	897.03	897.03	1-Jun-17	1-Jun-15
	10.00%	832.20	832.20	1-Jun-17	1-Jun-15
	10.25%	4,525.13	4,525.13	1-Jun-17	1-Jun-15
Option -III	9.75%	808.45	808.45	1-Jun-15	-
	10.25%	841.68	841.68	1-Jun-15	-
	10.50%	2,286.04	2,286.04	1-Jun-15	-
	9.75%	1,616.90	1,616.90	1-Jun-14	-
	10.25%	1,683.36	1,683.36	1-Jun-14	-
	10.50%	4,572.08	4,572.08	1-Jun-14	-
	9.75%	1,616.90	1,616.90	1-Jun-13	-
	10.25%	1,403.36	1,683.36	1-Jun-13	-
	10.50%	3,852.08	4,572.08	1-Jun-13	-
Total		40,689.68	41,689.68		

Nature of Security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 41,689.68 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company. The Company may grant loan against the security of NCDs upon the terms and conditions as may be decided by the Company and subject to statutory and/or regulatory requirements.

Subject to the provisions of The Companies Act, 1956, where the Company has fully redeemed or repurchased any Secured NCD(s), the Company shall have the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or reissue.

The Company has bought back Non-convertible Debentures of Rs. 1,000.00 lacs on 14-July-2011.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

v) Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2011)

Terms of repayment

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2012	As at March 31, 2011	Redeemable at par on	Put and Call option
Option -I	11.60%	53,470.83	-	11-Jul-16	12-Jul-15
	11.35%	24,313.78	-	11-Jul-16	12-Jul-15
	11.10%	7,340.36	-	11-Jul-16	12-Jul-15
Option -II	11.35%	3,462.05	-	11-Jul-14	-
	11.10%	3,173.19	-	11-Jul-14	-
	11.00%	8,239.72	-	11-Jul-14	-
Total		99,999.93	-		

Nature of Security

Secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and equitable mortgage of immovable property.

The Company has utilised the entire sum of Rs. 99,999.93 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company. The Company may grant loan against the security of NCDs upon the terms and conditions as may be decided by the Company and subject to statutory and/or regulatory requirements.

Subject to the provisions of The Companies Act, 1956, where the Company has fully redeemed or repurchased any Secured NCD(s), the Company shall have the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or reissue.

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current maturities	Non Current portion	Current maturities
Total non-convertible debentures- secured				
i+ii+iii+iv+v	684,243.30	134,734.54	333,991.03	141,297.36
Less: issued to related parties	14.74	-	4.74	-
Net	684,228.56	134,734.54	333,986.29	141,297.36

C) Redeemable non-convertible debentures- Unsecured

i) Privately Placed Unsecured Redeemable non-convertible debentures of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2012

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		Total
	<10%	>=10% <12%	
	Amount	Amount	Amount
36-48 Months	-	2,150.00	2,150.00
24-36 months	-	30,830.00	30,830.00
12-24 months	2,280.00	17,600.00	19,880.00
Grand Total	2,280.00	50,580.00	52,860.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

D) Term Loan from bank- Unsecured

As at March 31, 2012

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
24-36 months	10.27%	23 instalments of Monthly frequency	-	11,174.03
12-24 months	14.50%	Bullet	10,000.00	-
Grand Total			10,000.00	11,174.03

As at March 31, 2011

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment	Non-Current portion	Current Maturities
24-36 months	10.27%	23 instalments of Monthly frequency	11,174.03	30,294.74
12-24 months	13.25%	Bullet	10,000.00	-
Grand Total			21,174.03	30,294.74

E) Term loans from Banks -Secured

As at March 31, 2012

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months (* refer security details)	8.75% to 13.50%	10 to 60 installments of monthly, quarterly and half yearly frequency	67,297.16	25,525.48
36-48 months	9.10% to 14.15%	1 to 48 installments of bullet, monthly, quarterly, half yearly and yearly frequency	173,345.59	160,186.53
24-36 months	8.85% to 14.50%	1 to 36 installments of bullet, monthly, quarterly, half yearly, yearly frequency	114,351.40	83,560.79
12-24 months	9.4% to 12.4%	1 to 24 installments of bullet and monthly frequency	4,520.00	35,149.52
upto 12 months	10.45% to 10.50%	Bullet	-	25,000.00
Grand Total			359,514.15	329,422.32

(Rs. in lacs)

Nature of Security

	As at March 31, 2012
a) * includes secured by hypothecation of vehicles for own use	28.44
b) Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans	688,908.03
Total	688,936.47

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

E) Term loans from Banks -Secured (Contd.)

As at March 31, 2011

Terms of repayment

				(Rs. in lacs)
Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
48-60 months (* refer security details)	8.75% to 12.50%	16 to 60 installments of monthly and quarterly frequency	26,685.86	10,788.09
36-48 months	8.10% to 13.75%	1 to 48 installments of bullet,monthly,quarterly,half yearly and yearly frequency	281,165.95	193,812.41
24-36 months	7.40% to 13.50%	1 to 36 installments of bullet,monthly,quarterly and yearly frequency	158,622.38	132,161.77
12-24 months	8.00% to 11.50%	1 to 24 , bullet, monthly and quarterly frequency	35,150.40	40,613.10
upto 12 months	6.50% to 9.50%	Bullet	-	57,000.00
Grand Total			501,624.59	434,375.37

(Rs. in lacs)

Nature of Security

	As at March 31, 2011
a) * includes secured by hypothecation of vehicles for own use	36.07
b) Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans	935,963.89
Total	935,999.96

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
F) Fixed deposits- Unsecured -Refer Note 28		
Redeemable at par over a period of 12 to 60 months	100,387.65	94,146.92
Current maturity		
Redeemable at par within a period of 12 months	19,989.23	18,799.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 6 LONG TERM BORROWINGS (Contd.)

G) Term Loan from financial institution/corporates -Secured

As at March 31, 2012

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
24-36 months	9.25%	Bullet	5,000.00	-
upto 12 months	11.02%	Bullet	-	19,500.00
Grand Total			5,000.00	19,500.00

Nature of Security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypthecaton loans.

As at March 31, 2011

Terms of repayment

(Rs. in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
Above 60 months	8.75 % to 9.00%	72 instalments of Monthly frequency	-	514.44
48-60 months	12.50%	5 Instalments of annual frequency	-	1,500.00
24-36 months	9.25% to 13.50%	1 to 33 Instalments of Bullet and Monthly frequency	5,000.00	1,900.00
upto 12 months	9.25 % to 11.25%	Bullet	-	16,500.00
Grand Total			5,000.00	20,414.44

Nature of Security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypthecaton loans.

H) Term Loan from financial institution/corporates -Unsecured

Terms of repayment

As at March 31, 2012

(Rs.in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
upto 12 months	12.18%	Bullet Repayment	-	10,000.00
Grand Total			-	10,000.00

Terms of repayment

As at March 31, 2011

12-24 months	8.75%	Bullet Repayment	7,000.00	-
Grand Total			7,000.00	-

I) Inter corporate Deposits -Unsecured

As at March 31, 2011

(Rs.in lacs)

Tenor	Rate of interest	Repayment Details	Non-Current portion	Current Maturities
12-24 months	7.00%	16 Instalments of quarterly frequency	-	1.73
Grand Total			-	1.73

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 7 OTHER LIABILITIES

(Rs. in lacs)

	As at March 31, 2012		As at March 31, 2011	
	Long term	Short term	Long term	Short term
Current maturities of long term debts (Note 6)	-	550,028.44	-	665,583.49
Interest accrued but not due on loans	55,933.99	54,138.02	50,482.28	47,144.46
Application money on redeemable non convertible debentures	1,379.18	-	856.25	-
Application money on Subordinated debts	204.05	-	64.19	-
Investor Education and Protection Fund shall be credited by the following amounts (as and when due)				
Unclaimed dividend	-	499.40	-	382.44
Unclaimed matured deposits and interest accrued thereon	-	810.29	-	312.18
Unclaimed matured debentures and interest accrued thereon	-	7,825.98	-	7,134.64
Unclaimed matured subordinate debts and interest accrued thereon	-	2,346.27	-	1,518.20
Temporary credit balance in bank accounts	-	29,110.62	-	46,629.09
Tax Deducted at Source	-	1,340.67	-	754.96
Service tax payable	-	34.80	-	46.11
Statutory Dues pertaining to employees	-	310.46	-	256.98
Service tax- contested	-	8,751.82	-	8,406.10
Value Added Tax	-	413.50	-	3.48
Securitization deferred income *	111,537.39	169,022.61	169,920.13	188,124.47
Payable on account of forward contracts	-	11,969.95	-	-
Advance from customers	-	46.65	-	114.25
Retention and others	14,749.47	-	14,392.72	-
	183,804.08	836,649.48	235,715.57	966,410.85

* Includes Securitization deferred income realised Rs. 10,218.15 lacs (March 31, 2011:Rs. 22,531.73 lacs)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 8 PROVISIONS

	(Rs. in lacs)			
	As at March 31, 2012		As at March 31, 2011	
	Long term	Short term	Long term	Short term
For employee benefits				
For gratuity	1,366.33	94.66	866.90	46.83
For leave encashment and availment	-	1,262.68	-	1,090.18
For Others				
For non-performing assets	59,958.59	-	45,411.86	-
For standard assets [Refer note f of Note 3]	3,575.80	2,394.10	3,067.73	1,972.51
For credit loss on securitisation	72,747.76	-	51,416.44	595.80
For income tax	-	4,543.16	-	4,543.16
Proposed dividend	-	9,052.02	-	9,046.43
Corporate dividend tax	-	1,468.46	-	1,502.75
	137,648.48	18,815.08	100,762.93	18,797.66

NOTE 9 SHORT TERM BORROWINGS

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
From Banks- Secured		
Term loans	26,426.77	32,000.00
Loans repayable on demand		
Cash credit	313,686.97	48,234.79
From Financial institutions- Secured		
Working capital demand loan	7,500.00	-
	347,613.74	80,234.79

a) Term loans From bank -Secured

Terms of repayment

Tenor	Rate of interest	Repayment Details	(Rs. in lacs)
			As at March 31, 2012
upto 12 months	7.66 % to 11.00%	Bullet	26,426.77
Grand Total			26,426.77

Tenor	Rate of interest	Repayment Details	(Rs. in lacs)
			As at March 31, 2011
upto 12 months	7.85 % to 9.50%	Bullet	32,000.00
Grand Total			32,000.00

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
b) Cash Credit from bank		
Secured by hypothecation of specific assets covered under hypothecation loan agreements	313,686.97	40,906.88
Total	313,686.97	40,906.88
c) Working capital demand loan from financial institutions (secured)		
Secured by hypothecation of specific assets covered under hypothecation loan agreements	7,500.00	-
Total	7,500.00	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 11 NON-CURRENT INVESTMENTS

	Face value	Quantity As at March 31, 2012	Quantity As at March 31, 2011	Amount As at March 31, 2012	Amount As at March 31, 2011
Investment property (at cost less accumulated depreciation)					
Cost of land and building given on operating lease [During the year 2010-11 Rs 76.51 lacs transferred to Fixed Asset schedule on expiry of lease (refer note 10)]				211.66	211.66
Less: accumulated depreciation [During the year 2010-11, Rs 46.61 lacs transferred to Fixed Asset schedule on expiry of lease (refer note 10)]				9.56	7.24
Net Block				202.10	204.42
Non trade (valued at cost unless stated otherwise)					
A. Shares : Fully paid up					
a) Quoted - Equity shares					
Investment in associates					
Shriram Asset Management Company Limited (40% Share) #					
Cost of investment(including Rs. Nil of Goodwill/Capital reserve)	10	2,400,000	2,400,000	240.00	240.00
Add: Share of post acquisition profit				180.32	174.32
				420.32	414.32
b) Unquoted - Equity shares					
Investment in other companies					
State Industrial Investment Corporation of Maharashtra Limited	10	50,000	50,000	40.00	40.00
Credential Finance Limited (At cost less provision for other than temporary diminution in value of Rs. 25.00 lacs)	10	25,000	25,000	-	-
Ashley Transport Services Limited (At cost less provision for other than temporary diminution in value of Rs. 142.50 Lacs)	100	225,000	225,000	-	-

(Rs. in lacs)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 11 NON-CURRENT INVESTMENTS (Contd.)

		(Rs. in lacs)			
	Face value	Quantity As at March 31, 2012	Quantity As at March 31, 2011	Amount As at March 31, 2012	Amount As at March 31, 2011
B. Quoted: Government Securities [Refer note 30]					
6.13% GOI Loan 2028	100	176,000	176,000	177.67	177.78
6.35% GOI Loan 2020	100	2,500,000	2,500,000	2,345.94	2,326.04
6.49% GOI. Loan 2015	100	500,000	500,000	488.54	484.93
6.90% GOI Loan 2019	100	5,000,000	5,000,000	4,715.74	4,676.63
7.02% GOI Loan 2016	100	400,000	400,000	394.52	393.26
7.40% GOI. Loan 2012	100	-	13,500	-	13.71
7.80% GOI Loan 2020	100	2,500,000	2,500,000	2,493.76	2,492.99
8.13% GOI Loan 2022	100	2,500,000	2,500,000	2,502.85	2,483.30
8.24% GOI. Loan 2027	100	500,000	500,000	496.85	496.64
8.26% GOI Loan 2027	100	2,500,000	2,500,000	2,484.32	2,527.79
12.40% GOI Loan 2013	100	85,000	85,000	85.10	85.17
8.26% GOI Loan 2027 (Purchased during the year)	100	5,000,000	-	4,860.10	-
C. Unquoted -Investment in Subordinate Debts					
Yes Bank Limited	1,000,000	500	500	5,000.00	5,000.00
D. Unquoted- Venture Capital Fund					
ICICI Investment Management Company Limited	10,000	5,000	5,000	500.00	500.00
				27,207.81	22,316.98
Aggregate Value of Quoted Investments					
Cost of acquisition				21,487.49	16,602.66
Market Value				20,810.16	16,670.01
Aggregate Value of Unquoted Investments					
Cost of acquisition				5,540.00	5,540.00
				167.50	167.50

Aggregate Provision for diminution in value of investments

These shares are subject to restrictive covenants of regulatory authority.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 12 DEFERRED TAX ASSETS (NET)

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
Deferred tax asset		
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	400.00	305.96
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	3,996.25	3,677.68
Provision for securitization	16,394.19	10,537.72
Provision for standard assets	1,936.94	1,674.26
Gross deferred tax assets (A)	22,727.38	16,195.62
Deferred tax liability		
Debenture Issue Expenses	893.41	778.94
Gross deferred tax liability (B)	893.41	778.94
Net deferred tax assets (A-B)	21,833.97	15,416.68

NOTE 13 LOANS AND ADVANCES

	(Rs. in lacs)			
	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current portion #	Non Current portion	Current portion #
Unsecured, considered good				
Capital Advances	59.22	-	139.53	-
Security Deposits	2,660.37	861.45	2,321.05	905.01
Secured, considered good				
Hypothecation loans	1,417,512.24	848,723.00	1,225,774.18	732,088.26
Retained interest on securitisation	6,489.41	2,783.28	-	-
Other loans	253.18	558.60	631.15	358.92
Unsecured, considered good				
Unsecured loans ^	227.04	51,485.46	192.83	38,333.31
Advance - hypothecation loans	-	2,632.04	-	530.09
Doubtful				
Secured Hypothecation loans	68,736.77	-	51,967.80	-
Unsecured loan	1,147.55	-	115.99	-
Unsecured, considered good				
Advances recoverable in cash or in kind or for value to be received [net of provision Rs. 16.17 lacs (March 31, 2011: Rs. Nil)]	29,311.70	14,208.96	286.02	26,530.04
Securitisation Deferred Consideration Receivable	121,562.66	182,039.02	184,676.87	183,999.39
Other loans and advances -Unsecured, considered good				
Service tax credit (input) receivable	-	174.70	-	141.50
Prepaid expenses	771.07	2,947.93	806.54	4,936.74
Advance income tax (net of provision for taxation) [net of provision for income tax Rs. 171,280.76 lacs (March 31, 2011: Rs. 171,280.76 lacs)]	4,133.87	-	2,733.44	-
	1,652,865.08	1,106,414.44	1,469,645.40	987,823.26

Includes current maturities of long term loans and advances

^ Advance given to the Company in which a director is interested Rs. 186.76 lacs (March 31, 2011: Rs. 112.00 lacs)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 14 OTHER ASSETS

	(Rs. in lacs)			
	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current portion	Non Current portion	Current portion
Margin money deposit with banks [Refer note 18]	7,312.62	-	5,273.93	-
Interest accrued on investments	268.65	1,476.40	147.99	731.28
Interest accrued on fixed deposits	352.42	5,019.98	185.66	4,719.15
Public issue expenses for non convertible debentures	1,390.62	1,363.00	1,251.56	1,093.37
Issue expenses for equity shares	1,044.00	152.78	1,196.78	152.78
	10,368.31	8,012.16	8,055.92	6,696.58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 15 CURRENT INVESTMENTS

						(Rs. in lacs)	
	Face value	Quantity As at March 31, 2012	Quantity As at March 31, 2011	Amount As at March 31, 2012	Amount As at March 31, 2011		
Current portion of long term investments (valued at cost unless otherwise mentioned)							
a) Quoted: Government Securities [Refer note 30]							
12.00% Tamilnadu Loan 2011	-	-	3,000	-	-	3.00	
This security is redeemable on October 3, 2011 at par							
7.40% GOI. Loan 2012		13,500	-	13.52	-	-	
This security is redeemable on May 3, 2012 at par							
b) Unquoted: Pass Trough Certificates							
ISTF Loan Trust	10,000,000	-	70	-	-	7,424.18	
(Fixed Discount Rate of 8.4% XIRR)							
This security is redeemable on March 20, 2012 at par							
Current Investments (At lower of cost and fair value)							
a) Quoted: Government Securities							
8.69% Kerala 2022	100	1,000,000	-	978.18	-	-	
(At cost less provision for diminution in value of Rs. 31.60 Lacs)							
8.71% Andhra Pradesh 2022	100	1,000,000	-	984.78	-	-	
(At cost less provision for diminution in value of Rs. 26.30 Lacs)							
8.79% GOI Loan 2021	100	1,900,000	-	1,992.84	-	-	
(At cost less provision for diminution in value of Rs. 16.89 Lacs)							
8.83% GOI Loan 2041	100	4,000,000	-	4,024.83	-	-	
(At cost less provision for diminution in value of Rs. 95.20 Lacs)							
9.02% Uttar Pradesh 2021	100	2,000,000	-	2,024.35	-	-	
9.03% Kerala 2021	100	1,400,000	-	1,409.28	-	-	
(At cost less provision for diminution in value of Rs. 8.68 Lacs)							
9.04% West Bengal 2021	100	100,000	-	104.56	-	-	
b) Quoted: Treasury Bills							
91 Days T Bill 15th April 2011	100	-	500	-	-	0.49	
Redeemed during the year							
c) Unquoted: Investment in Certificate of Deposit with Banks							
Allahabad Bank		15,000	29,500	14,655.55	-	28,899.98	
Andhra Bank		8,000	-	7,616.41	-	-	
Axis Bank		5,000	-	4,876.10	-	-	
Bank of Baroda		10,000	-	9,692.83	-	-	
Bank of India		20,000	-	19,267.76	-	-	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 15 CURRENT INVESTMENTS (Contd.)

	Face value	Quantity		Amount As at March 31, 2012	Quantity		Amount As at March 31, 2012	(Rs. in lacs)	
		As at March 31, 2012	As at March 31, 2011		As at March 31, 2011	As at March 31, 2011			
Bank of Maharashtra		19,900	15,000	19,403.88			14,681.75		
Canara Bank		17,500	70,500	16,796.30			68,886.10		
Central Bank of India		20,000	37,500	19,142.19			36,686.34		
Corporation Bank		15,000	10,000	14,591.86			9,768.53		
Dhanlaxmi Bank		-	5,000	-			4,905.63		
Federal Bank Limited		-	10,000	-			9,568.82		
Industrial Development Bank of India Limited		25,000	7,500	23,609.72			7,330.00		
Indian Bank		20,000	-	19,880.77			-		
Indian Overseas Bank		7,500	30,000	7,150.62			29,384.42		
Indusind Bank Limited		2,500	-	2,435.28			-		
ING Vysya Bank		5,000	-	4,914.54			-		
Jammu & Kashmir Bank		10,000	-	9,755.75			-		
Karur Vysya Bank		5,000	-	4,885.60			-		
Oriental Bank of Commerce		10,500	-	9,896.59			-		
Punjab & Sindh Bank		20,000	5,000	19,527.29			4,844.71		
Punjab National Bank		18,000	40,000	17,438.95			39,097.67		
South Indian Bank		5,000	-	4,892.35			-		
State Bank of Bikaner & Jaipur		5,000	-	4,925.82			-		
State Bank of Mysore		17,500	-	16,931.18			-		
State Bank of Patiala		2,500	-	2,444.04			-		
State Bank of Travancore		7,500	-	7,308.43			-		
Syndicate Bank		15,000	-	14,631.92			-		
Tamil Nad Mercantile Bank		2,500	-	2,435.50			-		
UCO Bank		22,500	50,000	21,962.08			48,826.93		
Union Bank of India		2,000	-	1,949.02			-		
United Bank of India		5,000	-	4,866.54			-		
Vijaya Bank		-	15,500	-			15,114.68		
				339,417.21			325,423.23		
Aggregate Value of Quoted Investments									
Cost of acquisition				11,532.34			3.49		
Market Value				11,464.08			4.00		
Aggregate Value of Unquoted Investments									
Cost of acquisition				327,884.85			325,419.74		
Aggregate Provision for diminution in value of investments				178.66			-		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 16 INVENTORIES

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
Stock in Trade (at lower of cost and net realisable value)		
Stock of Used Commercial Vehicles	96.11	1,293.61
Less: Provision for non moving Inventory	3.23	-
	92.88	1,293.61

NOTE 17 TRADE RECEIVABLES

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
	Current portion	Current portion
Unsecured, considered good		
Other receivables	25.80	1.64
	25.80	1.64

NOTE 18 CASH AND BANK BALANCES

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current portion	Non Current portion	Current portion
Cash and cash equivalents				
i) Balances with scheduled banks in:				
Current accounts	-	210,618.26	-	93,840.13
Balance held in escrow account	-		-	100.07
Unpaid dividend accounts	-	499.39	-	382.44
Deposits with original maturity of less than three months	-	162,549.72	-	78,711.59
ii) Cheques on hand	-	5,584.68	-	2,884.97
iii) Cash on hand	-	4,866.22	-	3,123.51
	-	384,118.27	-	179,042.71
Other bank balances				
Deposits with original maturity for more than 12 months	-	6,023.93	-	1,272.19
Deposits with original maturity for more than 3 months but less than 12 months	-	4,348.70	-	13,849.16
Margin money deposit #	7,312.62	137,689.81	5,273.93	176,978.71
	7,312.62	148,062.44	5,273.93	192,100.06
Amount disclosed under non-current assets (Refer Note 14)	(7,312.62)		(5,273.93)	
	-	532,180.71	-	371,142.77

Includes deposits of Rs. 120,293.42 lacs (March 31, 2011 : Rs. 170,794.31 lacs) pledged with Banks as margin for credit enhancement, Rs. 22,750.21 lacs (March 31, 2011: Rs. 11,112.38 lacs) as margin for guarantees for credit enhancement and Rs. 1,958.81 lacs (March 31, 2011: Rs. 345.94 lacs) pledged as lien against loans taken and to VAT Authorities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 19 REVENUE FROM OPERATIONS

	(Rs. in lacs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest income on:-		
- loan portfolio and related charges	361,766.61	352,124.73
- securitisation and direct assignment	209,345.42	158,500.91
- Margin money on securitisation/ assignments	12,180.87	11,525.89
- deposits with banks	5,032.55	3,367.11
- long term investments	2,841.60	1,095.04
- current investments	6,299.16	5,415.57
Other financial services		
Bad debt recovery	611.53	634.30
Dividend on long term investments	0.50	2.13
Profit on sale of current investments (net)	9,067.75	6,590.87
Sales of used Commercial Vehicles	5,947.04	6,132.88
Facilitation Fees	5,598.14	83.38
	618,691.17	545,472.81

NOTE 20 OTHER INCOME

Buyer-seller facilitation fees	-	2,703.21
Income from operating lease	10.02	22.14
Miscellaneous income	61.94	140.06
	71.96	2,865.41

NOTE 21 EMPLOYEE BENEFIT EXPENSES

Salaries, other allowances and bonus	37,683.80	34,821.74
Gratuity expenses	627.74	327.19
Contribution to provident and other funds	1,981.36	1,459.56
Expense on Employee Stock Option Scheme	57.42	116.85
Staff welfare expenses	409.25	381.52
	40,759.57	37,106.86

NOTE 22 FINANCE COST

Interest expense		
Debentures	74,931.49	59,004.24
Subordinated debts	40,526.97	36,709.70
Fixed deposits	11,865.97	6,206.52
Loans from banks	101,615.36	102,790.33
Loans from institutions and others	5,110.15	6,514.52
Commercial paper	1,848.73	458.82
Other borrowing costs		
Professional charges - resource mobilisation	4,488.52	5,694.87
Processing charges on loans	1,947.12	2,736.03
Brokerage	6,624.06	7,520.04
Sourcing fees	398.56	85.87
Service charges	2,359.13	515.22
Amortisation of NCD Public issue expenses	1,458.74	1,046.41
	253,174.80	229,282.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 23 OTHER EXPENSES

	For the year ended March 31, 2012	For the year ended March 31, 2011
		(Rs. in lacs)
Rent	5,881.83	4,902.57
Lease Rent for Parking Yards	645.81	381.90
Electricity expenses	702.76	543.03
Repairs & maintenance		
- Buildings	0.90	1.09
- Others	1,334.84	1,395.72
Rates & taxes	209.35	340.98
Printing & stationery	1,474.63	1,569.70
Travelling & conveyance	4,130.41	4,301.68
Advertisement	382.02	1,931.06
Business Promotion	954.17	487.37
Royalty	1,572.22	1,497.04
Directors' sitting fees	11.20	8.90
Insurance	413.58	262.81
Communication expenses	2,669.07	2,335.35
Payment to auditor [Refer note 35]		
As Auditor:		
- Audit fees	127.42	110.34
- Tax audit fees	8.87	4.14
- Out of pocket	5.23	3.68
In any other manner:		
- Certification	6.55	6.16
Bank charges	2,841.69	2,680.22
Fees on sale of second loss credit / liquidity facilities	1,842.24	3,595.56
Processing charges on securitization	1,173.65	1,311.27
Professional charges on securitization	5,577.65	4,162.68
Legal & professional charges	2,274.30	1,318.38
Donations	539.55	272.06
DSA Commission	332.50	137.31
Registration and filing fees	116.80	128.58
Buyer / Seller Facilitation fees expenses	1,137.96	-
Loss on sale of fixed assets (net)	42.32	36.73
Issue expenses for equity shares	152.78	152.96
Miscellaneous expenses	7,361.67	4,778.34
	43,923.97	38,657.61

NOTE 24 PROVISIONS & WRITE OFFS

	For the year ended March 31, 2012	For the year ended March 31, 2011
		(Rs. in lacs)
Provision for non performing assets	14,546.74	7,151.12
Provision for standard assets [Refer note 1(f) of Note 3]	929.66	5,040.24
Provision for credit loss on securitisation	18,806.24	17,795.15
Provision for diminution in value of investments	178.66	(79.87)
Bad debts written off	43,111.51	22,599.24
	77,572.81	52,505.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 25 EARNINGS PER SHARE

Particulars	(Rs. in lacs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Net Profit after tax and share of profit (loss) of Associate as per profit and loss account (Rs. in lacs) (A)	130,881.32	121,711.22
Weighted average number of equity shares for calculating Basic EPS (in lacs) (B)	2,262.04	2,257.27
Weighted average number of equity shares for calculating Diluted EPS (in lacs) (C)	2,263.85	2,260.39
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	57.86	53.92
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	57.81	53.85

Particulars	(Rs. in lacs)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Weighted average number of equity shares for calculating Basic EPS (in lacs)	2,262.04	2,257.27
Add : Equity shares for no consideration arising on grant of stock options under ESOP (in lacs)	1.81	3.12
Weighted average number of equity shares in calculating Diluted EPS (in lacs)	2,263.85	2,260.39

NOTE 26 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS:

The Group has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

Consequent to the adoption of revised AS 15 'Employee Benefits' issued under Companies Accounting Standard Rules, 2006, as amended, the following disclosures have been made as required by the standard:

Statement of Profit and Loss

Net employee benefit expense (recognized in employee cost)

Particulars	(Rs. in lacs)	
	Gratuity	
	March 31, 2012	March 31, 2011
Current service cost	235.99	232.23
Interest cost on benefit obligation	73.09	61.63
Expected return on plan assets	NA	NA
Net actuarial (gain) / loss recognised in the year	318.66	33.33
Past service cost	Nil	Nil
Net benefit expense	627.74	327.19

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 26 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS: (Contd.)

Balance sheet

Details of Provision for gratuity

(Rs. in lacs)

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Defined benefit obligation	1,460.99	913.73
Fair value of plan assets	NA	NA
	1,460.99	913.73
Less: Unrecognised past service cost	Nil	Nil
Plan asset / (liability)	(1,460.99)	(913.73)

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in lacs)

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Opening defined benefit obligation	913.73	612.63
Interest cost	73.09	61.63
Current service cost	236.00	232.23
Benefits paid	(80.49)	(26.09)
Actuarial (gains) / losses on obligation	318.66	33.33
Closing defined benefit obligation	1,460.99	913.73

The Group would not contribute any amount to gratuity in 2012-13 as the scheme is unfunded.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
	%	%
Investments with insurer	NA	NA

The principal assumptions used in determining gratuity obligations for the Group's plan are shown below:

Particulars	Gratuity	
	March 31, 2012	March 31, 2011
Discount Rate	8.50%	8% and 8.25%
Increase in compensation cost	5.00%	5.00%
Employee Turnover*	5% and 10%	5% and 10%

The estimates of future salary increases, considered in actuarial valuation, are on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

*5% in case of employees with service period of more than 5 years and 10% for all other employees.

Amounts for the Current and previous two years are as follows:

(Rs. in lacs)

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligation	1,460.99	913.73	612.63
Plan assets	NA	NA	NA
Surplus / (deficit)	(1,460.99)	(913.73)	(612.63)
Experience adjustments on plan liabilities	343.18	74.98	55.56
Experience adjustments on plan assets	NA	NA	NA

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 27 The Group has three reportable segment viz. Providing finance to commercial vehicles, other loans (Financing activities), Trading of Used Commercial vehicles (Trading Division) and Facilitating the buyers / sellers to sell their vehicles (Service Division) which have been identified in line with the Accounting Standard 17 on Segment Reporting, taking into the account organizational Structure as well as differential risk and return of these segments. Each of the above activity is restricted to a common single geographical segment. Hence, no disclosure on geographic segment is warranted.

For the year ended March 31, 2012

(Rs. in lacs)

Particulars	Financing activities	Trading Division	Service Division	Unallocated reconciling items	Total
Segment Revenue	607,216.44	5,947.16	5,598.88	0.65	618,763.13
Segment results (Profit before tax and after interest on Financing Segment)	195,599.12	(1,581.44)	1,921.75	(169.51)	195,769.92
Less: Unallocated reconciling items					18.60
Net profit before tax					195,751.32
Less: Income Taxes					64,876.00
Net profit after tax					130,875.32
Add: Share of Profit of Associate					6.00
Net profit after taxes and Share of Loss of Associate					130,881.32
Other information:					
Segment assets	3,675,189.47	996.56	1,630.67	-	3,677,816.70
Unallocated corporate assets	25,849.06	-	-	118.78	25,967.84
Total assets	3,701,038.53	996.56	1,630.67	118.78	3,703,784.54
Segment Liabilities	3,098,759.15	478.85	668.12	-	3,099,906.12
Unallocated corporate liabilities	4,543.16	-	-	21.55	4,564.71
Total Liabilities	3,103,302.31	478.85	668.12	21.55	3,104,470.83
Capital expenditure	1,618.89	509.03	899.26	96.83	3,124.01
Depreciation	1,395.71	119.71	208.14	13.83	1,737.39
Other non cash expenditure	86,281.57	-	-	-	86,281.57
For the year ended March 31, 2011					
Segment Revenue	538,894.65	6,132.91	83.38	3,227.28	548,338.22
Segment results (Profit before tax and after interest on Financing Segment)	182,061.76	(899.27)	(474.00)	3,065.65	183,754.14
Less: Unallocated reconciling items	-	-	-	-	0.04
Net profit before tax					183,754.10
Less: Income Taxes					62,041.93
Net profit after tax					121,712.17
Less: Share of Losses of Associate					(0.95)
Net profit after taxes and Share of Loss of Associate					121,711.22
Other information:					
Segment assets	3,190,971.79	2,153.46	866.10	26.17	3,194,017.52
Unallocated corporate assets	18,150.12			-	18,150.12
Total assets	3,209,121.91	2,153.46	866.10	26.17	3,212,167.64
Segment Liabilities	2,718,545.37	2,357.82	1,068.85	11.14	2,721,983.17
Unallocated corporate liabilities	4,543.16			-	4,543.16
Total Liabilities	2,723,088.53	2,357.82	1,068.85	11.14	2,726,526.33
Capital expenditure	498.69	39.23	568.69	51.06	1,157.67
Depreciation	1,110.47	10.65	7.92	-	1,129.04
Other non cash expenditure	64,363.42	-	-	-	64,363.42

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 28 EMPLOYEE STOCK OPTION PLAN

	Series I	Series II	Series III	Series IV	Series V	Series VI
Date of grant	31-Oct-05	01-Apr-06	09-Oct-06	17-Aug-07	15-Jul-08	13-May-09
Date of Board/committee Approval	19-Oct-05	22-Feb-06	06-Sep-06	17-Aug-07	15-Jul-08	13-May-09
Date of Shareholder's approval	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05
Number of options granted	2,962,500	832,500	910,000	109,000	77,000	50,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity

Graded Vesting Period

After 1 year of grant date	10% of options granted	10% of options granted	10% of options granted	10% of options granted	10% of options granted	10% of options granted
After 2 years of grant date	20% of options granted	20% of options granted	20% of options granted	20% of options granted	20% of options granted	20% of options granted
After 3 years of grant date	30% of options granted	30% of options granted	30% of options granted	30% of options granted	30% of options granted	30% of options granted
After 4 years of grant date	40% of options granted	40% of options granted	40% of options granted	40% of options granted	40% of options granted	40% of options granted
Exercisable period	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date

Vesting Conditions On achievement of predetermined targets.

The details of Series I have been summarized below:

	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the period	115,100	35.00	189,550	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	33,200	35.00	68,700	35.00
Less: Expired during the period	-	-	5,750	-
Outstanding at the end of the period	81,900	35.00	115,100	35.00
Exercisable at the end of the period	81,900	-	115,100	-
Weighted average remaining contractual life (in years)		6.09		7.09
Weighted average fair value of options granted		59.04		59.04

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 28 EMPLOYEE STOCK OPTION PLAN (Contd.)

	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
The details of Series II have been summarized below:				
Outstanding at the beginning of the period	24,000	35.00	251,300	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	10,500	35.00	227,300	35.00
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period	13,500	35.00	24,000	35.00
Exercisable at the end of the period	13,500	-	24,000	-
Weighted average remaining contractual life (in years)		6.49		7.49
Weighted average fair value of options granted		91.75		91.75
The details of Series III have been summarized below:				
Outstanding at the beginning of the period	55,250	35.00	357,900	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	16,200	35.00	294,650	35.00
Less: Expired during the period	-	-	8,000	-
Outstanding at the end of the period	39,050	35.00	55,250	35.00
Exercisable at the end of the period	39,050	-	55,250	-
Weighted average remaining contractual life (in years)		7.01		8.02
Weighted average fair value of options granted		74.85		74.85
The details of Series IV have been summarized below:				
Outstanding at the beginning of the period	42,400	35.00	74,200	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	42,400	-	31,800	35.00
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period	-	35.00	42,400	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)		7.88		8.89
Weighted average fair value of options granted		136.40		136.40
The details of Series V have been summarized below:				
Outstanding at the beginning of the period	53,900	35.00	69,300	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	25,500	35.00	15,400	35.00
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period	28,400	35.00	53,900	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)		8.78		9.78
Weighted average fair value of options granted		253.90		253.90

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 28 EMPLOYEE STOCK OPTION PLAN (Contd.)

	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
The details of Series VI have been summarized below:				
Outstanding at the beginning of the period	45,000	35.00	50,000	35.00
Add: Granted during the period	-	-	-	-
Less: Forfeited during the period	-	-	-	-
Less: Exercised during the period	12,100	35.00	5,000	35.00
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period	32,900	35.00	45,000	35.00
Exercisable at the end of the period	-	-	-	-
Weighted average remaining contractual life (in years)		9.60		10.61
Weighted average fair value of options granted		201.45		201.45

The weighted average share price for the period over which stock options were exercised was Rs.614.98 (March 31, 2011: Rs.717.18)

The details of exercise price for stock options outstanding at the end of the year are:

March 31, 2012

Series	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Series I	Rs.35/-	81,900	6.09	Rs.35/-
Series II	Rs.35/-	13,500	6.49	Rs.35/-
Series III	Rs.35/-	39,050	7.01	Rs.35/-
Series IV	Rs.35/-	-	7.88	Rs.35/-
Series V	Rs.35/-	28,400	8.78	Rs.35/-
Series VI	Rs.35/-	32,900	9.60	Rs.35/-

The details of exercise price for stock options outstanding at the end of the year are:

March 31, 2011

Series	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Series I	Rs.35/-	115,100	7.09	Rs.35/-
Series II	Rs.35/-	24,000	7.49	Rs.35/-
Series III	Rs.35/-	55,250	8.02	Rs.35/-
Series IV	Rs.35/-	42,400	8.89	Rs.35/-
Series V	Rs.35/-	53,900	9.78	Rs.35/-
Series VI	Rs.35/-	45,000	10.61	Rs.35/-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 28 EMPLOYEE STOCK OPTION PLAN (Contd.)

Stock Options granted

Series I:

The weighted average fair value of stock options granted was Rs.59.04. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2005	2006	2007	2008
Weighted average share price (Rs.)	93.30	93.30	93.30	93.30
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	38.44	38.44	38.44	38.44
Historical Volatility	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	5.98	6.33	6.54	6.73
Expected dividend rate (%)	2.31	2.31	2.31	2.31

Series II :

The weighted average fair value of stock options granted was Rs.91.75. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2006	2007	2008	2009
Weighted average share price (Rs.)	130.10	130.10	130.10	130.10
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	19.89	19.89	19.89	19.89
Historical Volatility	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	6.64	6.83	6.93	7.26
Expected dividend rate (%)	2.52	2.52	2.52	2.52

Series III :

The weighted average fair value of stock options granted was Rs.74.85. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2006	2007	2008	2009
Weighted average share price (Rs.)	111.25	111.25	111.25	111.25
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	31.85	31.85	31.85	31.85
Historical Volatility (%)	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	6.96	7.10	7.26	7.40
Expected dividend rate (%)	2.52	2.52	2.52	2.52

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 28 EMPLOYEE STOCK OPTION PLAN (Contd.)

Stock Options granted (Contd.)

Series IV :

The weighted average fair value of stock options granted was Rs. 136.40. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2007	2008	2009	2010
Weighted average share price (Rs.)	168.05	168.05	168.05	168.05
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	41.51	41.51	41.51	41.51
Historical Volatility (%)	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	7.68	7.76	7.82	7.87
Expected dividend rate (%)	0.89	0.89	0.89	0.89

Series V :

The weighted average fair value of stock options granted was Rs. 253.90. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2008	2009	2010	2011
Weighted average share price (Rs.)	294.50	294.50	294.50	294.50
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	69.22	69.22	69.22	69.22
Historical Volatility (%)	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	9.41	9.36	9.34	9.36
Expected dividend rate (%)	1.63	1.63	1.63	1.63

Series VI :

The weighted average fair value of stock options granted was Rs. 201.45. The Black Scholes model has been used for computing the weighted average fair value of options considering the following inputs:

	2009	2010	2011	2012
Weighted average share price (Rs.)	245.25	245.25	245.25	245.25
Exercise Price (Rs.)	35.00	35.00	35.00	35.00
Expected Volatility (%)	64.80	64.80	64.80	64.80
Historical Volatility (%)	NA	NA	NA	NA
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	5.00	5.00	5.00	5.00
Average risk-free interest rate (%)	4.03	4.68	5.20	5.64
Expected dividend rate (%)	1.96	1.96	1.96	1.96

The expected volatility was determined based on historical volatility data equal to the NSE volatility rate of Bank Nifty which is considered as a comparable peer group of the Company. To allow for the effects of early exercise, it was assumed that the employees will exercise the options within six months from the date of vesting in view of the exercise price being significantly lower than the market price.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 28 EMPLOYEE STOCK OPTION PLAN (Contd.)

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
Total compensation cost pertaining to employee share-based payment plan (entirely equity settled)	57.42	116.85
Liability for employee stock options outstanding as at year end	240.58	426.74
Deferred compensation cost	16.06	72.19

Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method is as follows:

In March 2005, The Institute of Chartered Accountants of India has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires that the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

	Year ended March 31, 2012	Year ended March 31, 2011
Profit as reported (Rs. in lacs)	130,881.32	121,711.22
Add: Employee stock compensation under intrinsic value method (Rs. in lacs)	57.42	116.85
Less: Employee stock compensation under fair value method (Rs. in lacs)	52.14	116.64
Proforma profit (Rs. in lacs)	130,886.60	121,711.43
Earnings per share		
Basic (Rs.)		
- As reported	57.86	53.92
- Proforma	57.81	53.92
Diluted (Rs.)		
- As reported	57.81	53.85
- Proforma	57.81	53.85
Nominal Value (Rs.)	10.00	10.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 29 LEASES

In case of assets taken on lease

The Group has taken various office premises, furniture and fixtures, computers and plant and machinery under operating lease. The lease payments recognized in the statement of profit & loss are Rs. 5,881.83 lacs (March 31, 2011: Rs. 4,902.58 lacs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements. There are no sub leases.

The future minimum lease payments in respect of non-cancellable operating lease as at the balance sheet date are summarized below :

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
Minimum Lease Payments:		
Not later than one year	1,522.17	861.98
Later than one year but not later than five years	893.53	752.04
Later than five years	254.53	28.20

NOTE 30 In accordance with the Reserve Bank of India circular no.RBI/2006-07/ 225 DNBS (PD) C.C No. 87/03.02.004/2006-07 dated January 4, 2007, the Company has created a floating charge on the statutory liquid assets comprising of investment in Government Securities to the extent of Rs. 21,674.50 lacs (March 31, 2011: Rs. 16,677.50 lacs) in favour of trustees representing the public deposit holders of the Company.

NOTE 31 RELATED PARTY DISCLOSURE

Other Related Parties	
Enterprises having significant influence over the Company	Shriram Holdings (Madras) Private Limited
	Shriram Capital Limited
	Newbridge India Investments II Limited
	Shriram Ownership Trust
Associates	Shriram Asset Management Company Limited
Key Managerial Personnel	R Sridhar, Managing Director
	Pratap Paode, CEO
	Sameer Malhotra, CEO
Relatives of Key Managerial Personnel	Mrs. Padmapriya Sridhar (spouse)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 31 RELATED PARTY DISCLOSURE

(Rs. in lacs)

	Enterprises having significant influence over the Company		Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Payments/Expenses										
Employee Benefits for key management personnel	-	-	-	-	175.11	67.90	-	-	175.11	67.90
Royalty	1,572.22	1,497.04	-	-	-	-	-	-	1,572.22	1,497.04
Data Sourcing Fees	398.56	85.87	-	-	-	-	-	-	398.56	85.87
Service Charges	3,937.97	515.22	-	-	-	-	-	-	3,937.97	515.22
Business Promotion	100.96	50.00	-	-	-	-	-	-	100.96	50.00
Equity Dividend @	6,106.28	6,069.15	-	-	4.71	8.55	2.63	2.63	6,113.62	6,080.33
Interest on Subordinate Debt	-	-	68.27	60.76	1.48	1.11	0.86	0.64	70.61	62.51
Interest on NCD	-	-	-	-	1.30	0.40	-	-	1.30	0.40
Rent paid	-	-	1.36	1.80	-	-	-	-	1.36	1.80
Unsecured loan @	31,500.00	3,700.00	-	-	-	-	-	-	31,500.00	3,700.00
Receipts/Income										
Rental Deposit Received \$	-	49.00	-	-	-	-	-	-	-	49.00
Unsecured loan \$	32,700.00	-	-	-	-	-	-	-	32,700.00	-
Interest on Unsecured Loan	607.52	132.69	-	-	-	-	-	-	607.52	132.69
Rent & Electricity	7.88	7.87	5.40	5.40	-	-	-	-	13.28	13.27
Application money of NCD \$	-	-	-	-	10.00	-	-	-	10.00	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 31 RELATED PARTY DISCLOSURE (Contd.)

(Rs. in lacs)

	Enterprises having significant influence over the Company		Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	#	#	*	*	μ	μ	μ	μ	μ	μ
Balance Outstanding at the year end	10,327.83	9,337.15	-	-	5.34	10.83	4.05	4.05	10,337.22	9,352.03
Share Capital	-	-	240.00	240.00	-	-	-	-	240.00	240.00
Investment in shares	2,500.00	3,700.00	-	-	-	-	-	-	2,500.00	3,700.00
Unsecured loan	30.11	-	-	-	-	-	-	-	30.11	-
Interest Receivable on Unsecured Loan	-	-	-	-	14.74	4.74	-	-	14.74	4.74
Non convertible Debenture	-	0.66	-	-	-	-	-	-	-	0.66
Rent Receivable	-	344.17	-	-	-	-	-	-	-	344.17
Royalty Payable	-	61.14	-	-	-	-	-	-	-	61.14
Data Sourcing Fees payable	1,056.80	366.84	-	-	-	-	-	-	1,056.80	366.84
Service Charges payable	-	-	413.40	413.40	12.31	12.31	7.00	7.00	432.71	432.71
Subordinated debt	-	-	201.91	140.46	2.59	1.11	1.50	0.64	206.00	142.21
Interest payable on subordinated debt	-	-	-	-	-	-	-	-	-	-

Denotes transactions with Shriram Capital Limited *

Denotes transactions with Shriram Holdings (Madras) Private Limited #

Denotes transactions with Shriram Ownership Trust μ

@ Denotes Payments

\$ Denotes Receipts

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 32 CONTINGENT LIABILITIES NOT PROVIDED FOR

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
a. Demands in respect of Service tax [Amount of Rs. 15.00 lacs (March 31, 2011: Rs. 15.00 lacs) has been paid under protest]	Nil	330.00
b. Disputed sales tax demand [Amount of Rs. 63.92 lacs (March 31, 2011: Rs. 63.92 lacs) has been paid by the Company]	Nil	412.33
c. In respect of Income tax demands/ESOP disallowance	5,691.53	7,794.91
d. Guarantees and Counter Guarantees	233,498.60	194,058.28

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities.

Commitments not provided for

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
a. Estimated amount of contracts remaining to be executed on capital account	864.06	100.00
b. Uncalled amount in investment in ICICI Investment Management Company Limited	2,000.00	2,000.00

NOTE 33 SECURITISATION/ DIRECT ASSIGNMENT

The Company sells loans through securitisation and direct assignment.

The information on securitisation of the Company as an originator is given below:

	(Rs. in lacs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Total number of loan assets	1,52,029	71,400
Total book value of loan assets (Rs. in lacs)	323,044.35	71,830.42
Sale consideration received (Rs. in lacs)	323,044.35	71,830.42
Gain on account of securitisation * (Rs. in lacs)	72,935.88	12,983.62

* Gain on securitisation is amortised over the period of the loan.

	(Rs. in lacs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Outstanding credit enhancement		
- Fixed Deposit	28,063.66	15,519.46
- Guarantees given by third parties	30,205.86	17,446.00
- Guarantees given by the Company	-	-
Outstanding liquidity facility		
- Fixed Deposit	-	882.28
Retained Interest on securitisation	9,272.68	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 33 SECURITISATION/ DIRECT ASSIGNMENT (Contd.)

The information on direct assignment of the Company as an originator is given below:

	(Rs. in lacs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Total number of loan assets	1,84,623	3,60,700
Total book value of loan assets (Rs. in lacs)	5,11,569.09	9,48,530.92
Sale consideration received (Rs. in lacs)	5,15,912.79	9,51,837.86
Gain on account of direct assignment * (Rs. in lacs)	1,08,740.02	2,86,346.61

* Gain on direct assignment deals is amortised over the period of the loan.

	(Rs. in lacs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Outstanding credit enhancement		
- Fixed Deposit	85,104.09	1,39,409.28
- Guarantees given by third parties	1,95,804.76	1,40,303.58
- Guarantees given by the Company	6,920.48	4,093.00
Outstanding liquidity facility		
- Fixed Deposit	7,125.66	14,983.29

NOTE 34 Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
The principal amount remaining unpaid to supplier as at the end of the year	-	0.43
The interest due thereon remaining unpaid to supplier as as the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

NOTE 35 In addition to the auditors remuneration shown in operating and other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non convertible debentures of Rs. 44.24 lacs (March 31, 2011: Rs. 39.85 lacs) [including out of pocket expenses of Rs. 0.12 lacs (March 31, 2011: Rs. 0.14 lacs)] have been amortised as per note 14 and shown under other assets.

NOTE 36 Consequent to the re-assessment and reduction in the estimated useful life of the certain items of fixed assets falling in the category of Plant & Equipment, Office equipments, Furniture & Fixtures and Vehicles, the net depreciation charge for the year is higher by Rs. 269.70 lacs with a corresponding decrease in the net block of fixed assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 37 PREVIOUS YEARS FIGURES

Till the year ended March 31, 2011, the Group was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Group. The Group has reclassified previous year figures to conform to this year's classification. Except accounting for dividend on investments in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet. The following is a summary of the effects that revised Schedule VI had on presentation of balance sheet of the Group for the year ended March 31, 2011:

Pre-revised Schedule VI

Heading	Amount	Adjustment	Amount	Heading	Amount	Nature of Adjustment
Sources of funds				Equity and liabilities		
Shareholders' Funds				Shareholders' Funds		
Share capital	22,618.47		22,618.47	Share capital		
Stock option Outstanding	354.55	(354.55)	-			Stock option Outstanding disclosed as part of reserves
		(0.24)				Tax on preference dividend
Reserves and surplus	466,363.03	354.55	466,717.34			
	489,336.05	(0.24)	489,335.81			
Loan funds				Non-current liabilities (NCL)		
Secured loans	1,516,937.59					
Unsecured loans	501,233.71					
	2,018,171.30	(745,818.28)	1,272,353.02	Long term borrowings		Refer working note 1
Deferred payment liabilities	-		-			Refer working note 1
				Trade payables		Non-current components
				Other long term liabilities	235,715.57	Refer working note 2
				Long term provisions	100,762.93	Non-current components
	2,507,507.35	(409,340.02)	2,098,167.33			
Current liabilities and provisions				Current liabilities		
				Short term borrowings	80,234.79	Refer working note 1
Sundry creditors				Trade payables	48,557.03	Non-current components regrouped as NCL
Current liabilities	576,443.72	389,967.13	966,410.85	Other current liabilities		Refer working note 3
Provisions	125,408.19	(106,610.54)	18,797.65	Short-term provisions		Refer working note 4
	701,851.91	363,591.38	1,114,000.32			
	3,209,359.26	(45,748.64)	3,212,167.65			

(Rs. in lacs)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

NOTE 37 PREVIOUS YEARS FIGURES (Contd.)

Heading	Amount	Adjustment	Amount	Heading	Nature of Adjustment
(Rs. in lacs)					
Application of funds				Assets	
Fixed assets	4,278.82		3,930.48	Fixed assets	
			143.93	Tangible assets	
			277.18	Intangible assets	
CWIP including capital advances	278.81	(1.64)	277.18	Capital work in progress	Capital advances disclosed as loan and advances
Investments	348,244.22	(325,927.24)	22,316.98	Non-current investments	Refer working note 5
Deferred tax assets (net)	15,416.68		15,416.68	Deferred tax assets (net)	
Assets under financing activities	2,049,282.99	(579,637.61)	1,469,645.38	Long-term loans and advances	Refer working note 6
	-	8,055.92	8,055.92	Other non-current assets	Non-current component of bank balances, other debtors and interest accrued, etc.
	2,417,501.52	(897,510.57)	1,519,786.54		
Current assets, loans and advances				Current Assets	
Investment	-	325,423.23	325,423.23	Current investments	Current component
	1,293.61		1,293.61	Inventories	
			1.64	Trade receivables	
Cash and bank balances	376,416.72	(5,273.93)	371,142.79	Cash and bank balances	Non-current components regrouped as NCA
Loan and advances	404,653.52	583,169.73	987,823.25	Short-term loans and advances	Refer working note 6
Other current assets	5,799.40	897.19	6,696.59	Other current assets	Refer working note 8
Miscellaneous exp	3,694.49	(3,694.49)	-		Regrouped as other assets
	791,857.74	900,521.73	1,692,381.11		
	3,209,359.26		3,212,167.65		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

WORKING NOTES

		(Rs. in lacs)
1	Long term borrowings	
	Secured and unsecured loans as per pre-revised schedule VI	2,018,171.30
	Less: Loans having original maturity of less than 12 months maturity regrouped as short-term borrowings	(80,234.79)
	Less: Current portion of long-term borrowings	(665,583.49)
		(745,818.28)
		1,272,353.02
2	Other long-term liabilities	
	Amount as per pre-revised Schedule VI	-
	Add: Non current component of	
	Interest accrued but not due on loans	50,482.28
	Application money on redeemable non convertible debentures	856.25
	Application money on Subordinated debts	64.19
	Securitization deferred income	169,920.13
	Retention and others	14,392.72
		235,715.57
		235,715.57
3	Other current liabilities	
	Current liabilities as per pre-revised Schedule VI	576,443.72
	Add: current portion of long-term borrowings	665,583.49
	Add: Service tax contested regrouped to other current liability	8,406.10
	Add: Sundry creditors for capital asset shown in trade payables	95.90
	Less: Sundry creditors shown in Trade payable	(47,856.55)
	Less: Non current component of	
	Interest accrued but not due on loans	(50,482.28)
	Application money on redeemable non convertible debentures	(856.25)
	Application money on Subordinated debts	(64.19)
	Securitization deferred income	(169,920.13)
	Retention and others	(14,392.72)
	Less: Discount on GOI grouped with investments	(546.23)
		389,967.13
		966,410.85
4	Short-term provisions	
	Provisions as per pre-revised Schedule VI	125,408.19
	Less: Long term provisions	(100,762.93)
	Less: Provision for diminution in value of investments grouped with investments	(167.50)
	Less: Service tax contested regrouped to other current liability	(8,406.10)
	Less: Adjusted against long term loans and advances	(7.69)
	Add: Tax on preference dividend	0.24
	Add: advance tax shown gross in other non- current assets	2,733.44
		(106,610.54)
		18,797.65

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

WORKING NOTES (Contd.)

		(Rs. in lacs)
5	Non-current investments	
	Investments as per pre-revised Schedule VI	348,244.22
	Add: Investment in property	204.42
	Add: Premium on GOI	5.30
	Less: Current portion of investments	(325,423.23)
	Less: Discount on GOI grouped with investments	(546.23)
	Less: Provision for diminution in value of investments grouped with investments	(167.50)
		(325,927.24)
		22,316.98
6	Long-term loans and advances	
	Assets under financing activities as per pre-revised Schedule VI	2,049,282.99
	Add: Non-current component of Advance recoverable in cash or kind	286.02
	Add: Non-current component of Securitisation Deferred Consideration Receivable	184,676.87
	Add: Non-current component of Capital Advances	139.53
	Add: Non-current component of Security Deposits	2,321.05
	Add: Non-current component of Advance tax	2,733.44
	Add: Non current component of prepaid expense	806.54
	Add: Interest receivable on loans grouped loans and advances	15.31
	Less: Sundry creditors transferred to Trade payables	694.20
	Less: Current component of Long-term loans and advances	(771,310.58)
		(579,637.61)
		1,469,645.38
7	Short-term loans and advances	
	Loans and advances as per pre-revised Schedule VI	404,653.52
	Add: Current component of Long-term loans and advances	771,310.58
	Add: Sundry creditors for capital asset shown in trade payables	95.96
	Advance for lease hold lands grouped to short term loans and advances	0.15
	Less: Capital advances disclosed as loan and advances	(1.64)
	Less: Non-current component of	
	Security deposit	(2,321.05)
	Advance recoverable in cash or kind	(286.02)
	Securitisation Deferred Consideration Receivable	(184,676.87)
	Capital Advances	(139.53)
	Prepaid expense	(806.54)
	Premium on GOI	(5.30)
		583,169.73
		987,823.25
8	Other current assets	
	Other current assets as per pre-revised Schedule VI	5,799.40
	Add: Current portion of miscellaneous expenditure	1,246.15
	Less: Non-current component of interest receivable	(185.66)
	Less: Interest receivable on loans and advances regrouped to long term loans and advances	(163.30)
		897.19
		6,696.59
9	Trade receivables	
	Trade receivables as per pre-revised Schedule VI	-
	Add: Capital advances disclosed as loan and advances	1.64
		1.64



Shriram Transport Finance Company Limited
www.stfc.in



SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

Regd. Office: "Mookambika Complex", 3rd floor, No.4,
Lady Desika Road, Mylapore, Chennai - 600 004.

33rd ANNUAL GENERAL MEETING

ATTENDANCE SLIP

NAME & ADDRESS OF THE MEMBER

PLEASE COMPLETE THE SLIP AND
HAND IT OVER AT THE ENTRANCE
TO THE MEETING HALL

I/ We hereby record my/our presence at the 33rd Annual General Meeting of the Company, at Narada Gana Sabha (Main Hall), No.314, T.T.K. Road, Alwarpet, Chennai - 600 018 at 11.00 a.m. on Thursday, July 05, 2012.

Name of the Member / Proxy *

Signature of the Member / Proxy *

* Strike out whichever is not applicable

TEAR HERE



SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

Regd. Office: "Mookambika Complex", 3rd floor, No.4,
Lady Desika Road, Mylapore, Chennai - 600 004.

PROXY FORM

Regd. Folio No. / D.P. Client I.D.No. of Shares held

I/Weresiding at

.....being a member/members of SHRIRAM TRANSPORT FINANCE COMPANY LIMITED

hereby appoint of or failing him/her.....

..... of as my/our Proxy to attend and vote for me/us on my/our behalf at the

33rd Annual General Meeting of the company to be held at Narada Gana Sabha (Main Hall), No.314, T.T.K. Road, Alwarpet, Chennai - 600 018 at 11.00 a.m. on Thursday, July 05, 2012, and at any adjournment thereof.

Affix
Revenue
Stamp

Signed day of 2012.

- Notes:
- a) The Proxy Form should be signed across the stamp as per Specimen signature registered with the Registrar & Share Transfer Agents of the Company.
 - b) The Proxy Form in order to be effective must be deposited at the office of of the Registrar & Share Transfer Agents of the Company duly Stamped and Signed, not less than 48 hours before the time fixed for holding the aforesaid meeting.
 - c) The proxy need not be a member of the Company.