



SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NINETEENTH ANNUAL REPORT

2012 - 2013

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

REGISTERED OFFICE:	WOCKHARDT TOWERS, 2ND FLOOR, EAST WING, C-2, G BLOCK, BANDRA KURLA COMPLEX, BANDRA (EAST), MUMBAI - 400 051. TEL.No.+91-22-42410400
CORPORATE OFFICE & CORRESPONDENCE:	CK-6, 2 ND FLOOR, SECTOR II, SALT LAKE CITY, KOLKATA- 700 091 TEL.NO. +91-33-23373012 TELEFAX NO. +91-33-23373014 Website: www.shriramamc.com
BOARD OF DIRECTORS:	MR.PRABHAKAR KARANDIKAR-Chairman MR.AKHILESH KUMAR SINGH-Managing Director MR.R.SUNDARA RAJAN MR.S.RAJARATNAM MR.S.BAPU MR.DHRUV MEHTA
COMPANY SECRETARY:	MS.REENA YADAV
AUDITORS:	M/S K.S.AIYAR & CO. CHARTERED ACCOUNTANTS, # F-7, LAXMI MILLS, SHAKTI MILLS LANE, (OFF. DOCTOR E-MOSES ROAD) MAHALAXMI, MUMBAI - 400 011.
SHARE TRANSFER AGENTS:	PURVA SHAREGISTRY (INDIA) PVT.LTD. 9, SHIV SHAKTI INDUSTRIAL ESTATE, J.R.BORICHA MARG, MUMBAI - 400 011 TEL.NO. +91-22-23016761, TELEFAX NO. +91-22-23012517

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Registered Office: Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

NOTICE

NOTICE is hereby given that the NINETEENTH Annual General Meeting of the Members of Shriram Asset Management Company Limited will be held at Hotel Parle International, Agarwal Market, Vile Parle (East), Mumbai - 400 057 on Thursday, September 26, 2013 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. S. Rajaratnam, who retires by rotation and being eligible, offers himself for reappointment;
3. To appoint a Director in place of Mr. Dhruv Mehta, who retires by rotation and being eligible, offers himself for reappointment;
4. To appoint M/s. K. S. Aiyar & Company, Chartered Accountants, Mumbai (Firm Registration Number 100186W) as Auditors of the Company to hold such office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting, on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said Auditors;

**By order of the Board of Directors
for Shriram Asset Management Company Limited**

Reena Yadav
Company Secretary

Place: Mumbai

Date: April 22, 2013

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.
2. Pursuant to the provisions of Section 154 of the Companies Act, 1956, the Register of Members and the Share Transfer Books of the Company will remain closed on Monday, September 23, 2013 to Thursday, September 26, 2013 (both days inclusive).
3. Brief profiles of the Directors who are retiring by rotation and are eligible for re-appointment as Directors at this Annual General Meeting are furnished in the Corporate Governance Section which forms part of Annual Report.
4. Members/ Proxies are requested to produce at the entrance, the attached admission slip for admission to the meeting hall. Duplicate admission slips will not be provided at the hall. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID nos. for easy identifications for attendance at the meeting.
5. In case of joint holders attending the meeting, only such joint holders who are higher in order of the names will be entitled to vote.
6. Members are requested to bring with them a copy of Annual Accounts dispatched to them by the Company.
7. Members are requested to notify change in address, if any, in case of shares held in electronic form to the concerned depository participants quoting their Client ID nos. and in case of physical shares, to their Share Transfer Agents quoting their Folio Number.
8. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the Members in respect of the shares held by them in physical form. Nomination forms can be obtained from the Share Transfer Agents of the Company. Members holding shares in dematerialized form may approach their respective Depository Participants to avail and / or effect any change to the nomination facility.
9. Shareholders seeking any information with regards to Accounts are requested to write to the Registered Office of the Company at least 15 days in advance so as to keep the information ready at the Meeting.
10. Members holding shares in physical form under multiple folios are requested to send Company's Share Transfer Agent details of such folios together with the Share Certificate for consolidating their holdings in a single folio so as to enable us to serve them in a better, most efficient and effective manner. The Share Certificate will be returned to the Members after making the requisite changes, thereon.
11. SEBI has made it mandatory for every participant in the securities/capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of both sides of the PAN card, duly attested, to the Registrar and Share Transfer Agents of the Company Purva Shareregistry (India) Pvt. Ltd. Mumbai -400 011.
12. SEBI vide circular dated January 7, 2010 has made it mandatory for legal heir(s) to furnish their PAN in addition to the legal procedural document duly attested in the following cases in respect of shares of listed companies held in physical form:
 - Deletion of name of the deceased shareholder(s) where the shares are held in the names of two or more shareholders.
 - Transmission of shares, in favour of legal heir(s), where the shares are held in the names of two or more shareholders.
 - Transposition of shares, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
13. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.

**By order of the Board of Directors
for Shriram Asset Management Company Limited**

Reena Yadav
Company Secretary

Place: Mumbai
Date: April 22, 2013

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Nineteenth Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2013.

Financial Highlights:

Particulars	Year Ended March 31, 2013 (₹)	Year Ended March 31, 2012 (₹)
Gross Income for the year	6,776,976	8,939,855
Total Expenditure before Depreciation & Tax	17,846,873	6,360,425
Profit/(Loss) before Depreciation and Tax	(11,069,897)	2,579,430
Less: Depreciation	425,084	247,592
Less: Provision for Tax	—	831,329
Profit/(Loss) after Depreciation and Tax	(11,494,981)	1,500,509
Balance brought forward from previous year	5,080,020	3,579,511
Profit/(Loss) available for Appropriation	(6,414,961)	5,080,020
Balance carried to Balance Sheet	(6,414,961)	5,080,020

Dividend:

In the absence of profits, your Directors have decided not to recommend any dividend for the Financial Year 2012-2013.

Operations and Outlook:

Your Board of Directors had approached the Securities and Exchange Board of India (SEBI) for their permission to launch new schemes and for change of Sponsor from Shriram Transport Finance Company Limited to Shriram Credit Company Limited. SEBI vide its letter dated November 12, 2012 has granted 'In – Principle' approval to Shriram Credit Company Limited to act as a sponsor subject to the compliance with certain conditions and has also granted its approval to Shriram Mutual Fund to re-start its business activity.

Your Company plans to launch the new Mutual Fund Schemes shortly. Your Directors are of the view that the Company would be able to leverage the extensive retail reach of Shriram Conglomerate to market the Company's Mutual Fund offerings.

During the year under report, as your Company did not launch any new scheme on behalf of Shriram Mutual Fund and as there were no Mutual Fund Schemes under the management of the Company, the activities of the Company were limited only to attending to the outstanding unclaimed redemption amounts of the Schemes wound up. However, the Company was able to generate income out of its own investments.

Share Capital:

During the year under review, Company conducted two Postal Ballots as per Section 192 A of the Companies Act, 1956.

- i) The following Special Resolutions were passed on October 05, 2012, by way of Postal Ballot:
1. Alteration of Clause V of Memorandum of Association of the Company for Re- Classification of Share Capital of the Company;
 2. Alteration of Article 3 of Articles of Association of the Company for Re- Classification of Share Capital of the Company;
 3. Issue of Redeemable Non - Convertible Preference Shares (RNCPS) for an amount not exceeding Rupees One Crore pursuant to Section 80 and 81(1A) of the Companies Act, 1956.
- Pursuant to the above resolutions, the Company issued and allotted 1,00,000 (One Lac) 0.01% Redeemable Non – Convertible Preference Shares of ₹ 100/- (One Hundred) each to its existing Promoter i.e. Shriram Transport Finance Company Limited. The proceeds raised from issue of RNCPS have been temporarily invested in liquid investments pending the commencement of the mutual fund operations.
- ii) The Special resolution relating to Issue of Redeemable Non-Convertible Preference Shares (RNCPS) pursuant to Section 80 and 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, for an amount not exceeding Rupees Five Crores was passed on March 25, 2013, by way of Postal Ballot.

Corporate Governance:

The Report on Corporate Governance forms part of the Directors' 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.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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

As required under Clause 49 of the Listing Agreement, a certificate, duly signed by the Managing Director and Chief Operating Officer (COO) (also functioning as Chief Financial Officer) on the Financial Statements of the Company for the year ended March 31, 2013 was submitted to the Board of Directors at their Meeting held on April 22, 2013. The certificates are attached to the Report on Corporate Governance.

Directors' Responsibility Statement:

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

- a) In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- b) That such accounting policies as mentioned in Notes 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, 2013 and of the loss 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 ongoing concern basis.

Cash Flow Statement:

The cash flow statement for the year 2012-13 is attached to the Balance Sheet.

Directorate:

Mr. Prabhakar Karandikar was appointed as Chairman of the Board of Directors w.e.f. May 03, 2012. As per Section 256 of the Companies Act, 1956, Mr. S. Rajaratnam and Mr. Dhruv Mehta would retire by rotation and being eligible, offer themselves for reappointment.

Fixed Deposits:

During the year under review, your Company has not accepted any fixed deposits.

Particulars of Employees :

During the year under report, your Company has not employed any person who was in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Information pursuant to the requirement under Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1. Conservation of Energy
The Company has no activity involving Conservation of Energy.
2. Technology Absorption
The Company has no activity involving Technology Absorption.
3. Foreign Exchange earnings and outgo
The Company did not have any foreign exchange earnings or outgo during the year under review.

Auditors:

M/s. K.S. Aiyar and Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company, retires at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Certificate has been received from them to the effect that their reappointment as Auditors of the Company, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Members are requested to consider their re-appointment.

Acknowledgement:

The Board of Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation received from Securities and Exchange Board of India, Stock Exchange Authorities and for the continued enthusiasm, total commitment, dedication and efforts of the employees of the Company at all levels. We are also deeply grateful for the continued confidence and the faith reposed on us by the Shareholders.

By Order of the Board
for Shriram Asset Management Company Ltd.

Place: Mumbai
Date: April 22,2013

Prabhakar Karandikar
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Mutual Fund Industry as it was in FY 2013:

The Total Industry AUM rose by a staggering ₹ 1.51 lakh crore or an increase of 22.84 per cent during 2012-13 from ₹ 6,64,791.57 crore in the preceding fiscal. The country's 44 fund houses together had an average AUM of ₹ 8,16,657.16 crore at the end of fiscal year ended March 31, 2013.

Mutual Funds assets have been growing since January-March quarter of 2012. The industry's total assets base was at ₹ 7,86,543 crore in the October-December quarter of fiscal 2012-13.

During the fiscal, the market benchmark Sensex soared by about eight per cent on positive measures taken by the government.

Market experts largely attributed the rise in AUM to a number of factors, including steps taken by the government and the market regulator to revive equity culture in the country and help channelise household income into stocks and mutual funds.

The industry has also undergone a positive change in the business model with cost management and financial inclusion with a retail focus being two of the most important corner stones for sustained profitability.

This was inspite of high interest rate, rising cost of imported fuel, moderating economy and a volatile political environment which prevailed in the country.

Steps to re-energise Mutual Fund Industry by the Regulators in FY 2013:

There were some important changes in the regulation pertaining to the mutual fund industry during FY-13; the highlights of such changes are as given below:

Due Diligence Process of Distributors: As a first step towards regulating distributors of Mutual Funds, selected large distributors be regulated through AMCs by putting in place a due diligence process, which is to be conducted by the AMCs. The due diligence process is initially applicable for those distributors who meet the criteria as laid down by SEBI. The AMCs, through AMFI, have appointed firms of Chartered Accountants, to conduct the necessary due diligence process.

SEBI has issued guidelines allowing Qualified Foreign Investors to invest in corporate debt securities (without any lock in or residual maturity clause) and Mutual Fund debt schemes subject to a total overall ceiling of USD 1 billion.

It has been decided that the Aadhaar Letter issued by UIDAI shall be admissible as proof of address in addition to what is presently being recognized as proof of identity.

In order to increase penetration of mutual fund products and to energise the distribution network while protecting the interest of investors, SEBI has decided to implement that additional Total Expenses Ratio can be charged upto 30 basis points on daily net assets of the scheme, if the new inflows from other than top 15 cities are at least 30% of gross new inflows in the scheme or 15% of the average assets under management of the scheme, whichever is higher.

Mutual Funds/AMCs shall launch schemes under single plan and ensure that all new investors are subject to single expense structure.

SEBI has provided a separate option for direct investments i.e investments not routed through a distributor, in existing as well as new schemes to ensure a lower expense ratio.

SEBI has permitted creation of a new cadre of distributors, such as postal agents, retired government and semi government officials, retired teachers and retired bank officers with a service of at least 10 years to sell units of simple and performing mutual fund schemes after obtaining NISM certification and AMFI Registration.

In the case of investor education and awareness, Mutual Funds and AMCs shall annually set apart at least 2 basis points in daily net assets within the maximum limit of Total Expense Ratio.

In order to enhance the reach of mutual fund products amongst small investors who may not be tax payers and may not have PAN/Bank Accounts, such as farmers, small traders/business men/workers, cash transaction in mutual funds to the extent of ₹ 20,000/- per investor, per mutual fund, per financial year shall be allowed subject to provisions of Anti Money Laundering Act, 2002.

Performance of your Company:

The performance of the Company for year ended March 31, 2013 is given in brief below:-

Particulars	Year Ended March 31, 2013 (₹)	Year Ended March 31, 2012 (₹)
Total Income	6,776,976	8,939,855
Total Expenditure	18,271,957	6,608,017
Profit/(Loss) Before Tax	(11,494,981)	2,331,838
Profit/(Loss) After Tax	(11,494,981)	1,500,509
Balance brought forward from previous year	5,080,020	3,579,511
Balance carried to Balance Sheet	(6,414,961)	5,080,020

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

During the year 2012-13, the Company's total income declined by 24.19% to ₹ 6,776,976/- as compared to ₹ 8,939,855/- in 2011-12. The Company's PAT also decreased to ₹ (11,494,981/-) in 2012-13, from ₹ 1,500,509/- in 2011-12. This is due to the change in the mix of the investment portfolio of the Company from ICD and FD to Mutual Fund (Liquid and Dynamic Bond Fund).

Risks and concern:

The Company has also compiled/modified a few manuals relating to Compliance, Risk, Operations, Valuation and Code of Conduct, IT, for ensuring compliance with the applicable statutory requirements, optimal utilisation of IT resources and their customisation vis-à-vis the organisational preferences, the entitlements of the stakeholders, investor satisfaction, data integrity, systemic controls including prevention of unauthorised access to the system and business continuity, identification, monitoring and mitigation of risks associated with the mutual fund business.

The Risk Management Manual sets out an enterprise wise risk management framework for Shriram Asset Management Company Limited and Shriram Mutual Fund. This Manual is intended to serve as a model, which will help the AMC and the Mutual Fund to monitor and mitigate the risks faced by the Company in the discharge of its business and also use risk management to increase value for investors.

Internal control system:

The Company has adequate system of internal controls commensurate with its size and level of operations to ensure that all assets of the Company are safeguarded and protected and that transaction of the Company are authorised, recorded and reported correctly, and also to ensure the 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 internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financials and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports along with management comments. The Audit Committee also monitors the implementation of suggestions given by the Committee.

Human Resources:

During the financial year ended March 31, 2013, there has been significant positive development in the human resources aspects of the Company. As the Company is preparing for launch of new schemes, hence it has built suitable Management Team for this purpose.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2013

COMPANY'S PHILOSOPHY 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
 - Adopting and implementing prudent risk management techniques and thereby safeguarding the interest of shareholders, creditors, investors and employees at large.
- (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, procedures and controls for further improvements.

BOARD OF DIRECTORS

Composition

The Board of Directors of the Company consists of six professionals from varied disciplines. The day-to-day management of the affairs of the Company is managed by the Managing Director, who functions under 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 and appraisal of management performances with the goals and control functions, etc. Some of the powers of the Board have also been delegated to Committee/s. The Board thus exercises effective 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, five meetings of the Board of Directors were held on 19.04.2012, 03.05.2012, 14.08.2012, 06.11.2012 and 16.01.2013. The maximum gap between any two meetings was not more than four months. The Eighteenth Annual General Meeting was held on August 14, 2012.

As mandated by Clause 49, as on March 31, 2013, none of the Directors is a member of more than ten Board level Committees and no such Director is a Chairman of more than five Committees of the Companies in which he is a Director. The Directors have made the necessary disclosures regarding Committee positions.

As of March 31, 2013, the Company's Board comprised of six 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

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	
				Membership in Audit/ Investor Grievance Committees	Membership in other Committees	Chairmanship in Audit/ Investor Grievance Committees	Chairmanship in other Committees
Mr. Prabhakar Karandikar - Chairman Non-Executive and Independent	4	Yes	7	5	Nil	2	Nil
Mr. Akhilesh Kumar Singh- Executive and Non Independent	4	Yes	4	Nil	Nil	Nil	Nil
Mr. R. Sundara Rajan - Non-Executive and Non Independent	5	Yes	14	9	7	1	Nil
Mr. S. Rajaratnam - Non- Executive and Independent	5	Yes	5	1	Nil	1	Nil

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

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	
				Membership in Audit/ Investor Grievance Committees	Membership in other Committees	Chairmanship in Audit/ Investor Grievance Committees	Chairmanship in other Committees
Mr. S. Bapu - Non-Executive and Non-Independent	4	Yes	1	1	1	Nil	Nil
Mr. Dhruv Mehta - Non-Executive and Independent	4	Yes	5	Nil	2	Nil	Nil

Notes:

1. While considering the total number of directorships, their directorships in private companies, Section 25 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.

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

i) 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 internal control systems.
- Discussing with Internal Auditors on any significant findings and follow up thereon.
- 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 discussions to ascertain any area of concern.
- To discuss with management, the Internal Auditors and the Statutory Auditors 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 shareholders (in case of non payment of declared dividends) and creditors, if any.
- To review the functioning of the Whistle Blower Mechanism.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year under review, four meetings were held on 03.05.2012, 14.08.2012, 06.11.2012 and 16.01.2013.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. Prabhakar Karandikar - Chairman	Non Executive –Independent	4
Mr. S. Rajaratnam	Non Executive –Independent	4
Mr. S. Bapu	Non Executive - Non Independent	3

Note:

The Company Secretary acts as the Secretary for the Audit Committee. The Statutory Auditors and the Managing Director of the Company also attend and participate in the meetings of the Audit Committee.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

REMUNERATION /COMPENSATION COMMITTEE

The Remuneration Committee comprising of non-executive Independent Directors, constitution of which is a non mandatory requirement, was constituted by the Board.

Terms of Reference

The terms of reference of the Remuneration/Compensation 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 Company 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.
- To review and approve (a) Employment Agreement and severance arrangement (b) any other benefits, compensation or arrangement for the Managing Director.

During the year under review the Committee met on 13.03.2013.

The necessary quorum was present for the meeting.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. S. Rajaratnam - Chairman	Non Executive - Independent	1
Mr. S. Babu	Non Executive-Non Independent	1
Mr. Dhruv Mehta	Non Executive - Independent	0

Remuneration Policy of the Company

For Managing Director

The Managing Director is paid a fixed quantum of salary and perquisites in accordance with Schedule XIII to the Companies Act, 1956 and as recommended by Remuneration/ Compensation Committee subject to approval of the shareholders.

The Shareholders at their 18th Annual General Meeting held on August 14, 2012 appointed Mr. Akhilesh Kumar Singh as the Managing Director for a term of 3 years commencing from February 14, 2012.

Remuneration paid to the Managing Director for the financial year 2012-2013 is given elsewhere in the Report.

Sitting Fees for Directors

The sitting fees payable per meeting is as under:

- Board Meeting - ₹ 5,000/-
- Audit Committee - ₹ 2,500/-
- Other Committees - ₹ 1,000/-

The details of sitting fees/remuneration paid to the Directors during the year 2012-13, are as under:

S.No	Name of the Director	Sitting Fees for attending Meetings (₹)	Salary, Perquisites (₹)	Commission (₹)	Total (₹)
1	Mr. Prabhakar Karandikar - Chairman	20,000	Nil	Nil	20,000
2	Mr. Akhilesh Kumar Singh - Managing Director *	Nil	25,25,180	Nil	25,25,180
3	Mr. R. Sundara Rajan	Nil	Nil	Nil	Nil
4	Mr. S. Rajaratnam	25,000	Nil	Nil	25,000
5	Mr. S. Babu	20,000	Nil	Nil	20,000
6	Mr. Dhruv Mehta	20,000	Nil	Nil	20,000

* Mr. Akhilesh Kumar Singh was appointed as Managing Director for a period of 3 years with effect from February 14, 2012 by the shareholders at the 18th Annual General Meeting held on August 14, 2012. His remuneration includes salary of ₹ 22,45,560/-, Perquisites of ₹ 26,180/- and contribution to Provident Fund of ₹ 2,53,440/-. The appointment may be terminated by giving three months notice in writing or salary in lieu thereof.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Details of Shares held by the Directors as on March 31, 2013 are as below:

Name of the Director	Shareholdings
Mr. Prabhakar Karandikar - Chairman	NIL
Mr. Akhilesh Kumar Singh- Managing Director	NIL
Mr. R. Sundara Rajan	38696
Mr. S. Rajaratnam	1010
Mr. S. Bapu	NIL
Mr. Dhruv Mehta	NIL

The Company does not have any outstanding warrants.

SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

Terms of reference

The Committee, in addition to the handling of the responsibilities relating to the transfer and the transmission of the shares of the Company by its shareholders is also 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 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, annual reports, etc.
- Attending to complaints of investors routed by SEBI/ Stock Exchanges.
- The secretarial audits.

During the year under review, the Committee met four times on 19.04.2012, 14.08.2012, 06.11.2012 and 16.01.2013.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. S. Rajaratnam - Chairman	Non Executive - Independent	4
Mr. S. Bapu	Non Executive - Non Independent	4
Mr. Dhruv Mehta	Non Executive - Independent	4

Note:

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 Shareholder, 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.

No complaints were received during the year and there were no complaints pending for redressal at the end of the year 2012-2013.

Ms. Reena Yadav is the Compliance Officer of the Company and Mr. Tanmoy Sengupta is the Compliance Officer for proposed Mutual Fund Schemes.

OPERATIONS COMMITTEE

Terms of reference

The Operations Committee was constituted on May 3, 2012. The Committee has been formed to monitor and to ensure efficient and timely decisions required in the day to day management of the Company. The Committee meets regularly to discharge its functions.

During the year under review, the Committee met 6 times on 12.05.2012, 01.06.2012, 28.08.2012, 17.11.2012, 26.12.2012 and 04.03.2013.

The necessary quorum was present for the meeting.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. Akhilesh Kumar Singh	Executive and Non Independent	6
Mr. Rohit Chawda	Member	6
Mr. Tanmoy Sengupta	Member	6

SECURITIES ISSUE COMMITTEE

Terms of reference

The Committee was constituted on August 14, 2012. The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities in connection with the Issue and Allotment of Securities of the Company including type of the issue, terms and conditions of the issue, timing, issue price including issue of shares in one or more tranches etc.

During the year under review, the Committee met on 22.12.2012 and 15.02.2013.

The necessary quorum was present for the meeting.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. Akhilesh Kumar Singh	Executive and Non Independent	2
Mr. R. Sundara Rajan	Non-Executive and Non Independent	2

OTHER COMMITTEES

Company has other committees also as such Valuation Committee, Investment Committee and Risk Management Committee which have been formed as per Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

GENERAL BODY MEETINGS

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

Year	AGM	Location	Date	Time
2009-2010	16 th	Hotel Parle International, Mumbai - 400 057	September 21, 2010	2.30 P.M
2010-2011	17 th	Hotel Parle International, Mumbai - 400 057	September 27, 2011	2.30 P.M
2011- 2012	18 th	Hotel Parle International, Mumbai - 400 057	August 14, 2012	3.30 P.M

- A) At 16th AGM held on September 21, 2010 - No Special Resolution was passed.
- B) At 17th AGM held on September 27, 2011 - Special Resolution was passed for appointment of Mr. R. Sundara Rajan as the Managing Director of the Company effective April 01, 2011, without any remuneration payable to him. The resolution was put to vote by show of hands and it was passed unanimously.
- C) At 18th AGM held on August 14, 2012 - Special Resolution was passed for appointment of Mr. A.K. Singh as the Managing Director of the Company for a period of three years effective February 14, 2012, with remuneration payable to him. The resolution was put to vote by show of hands and it was passed unanimously.
- D) Postal Ballot - As per Section 192 A of the Companies Act, 1956 two Postal Ballots were conducted during the financial year ended March 31, 2013:
- i) The following special resolutions were passed on October 05, 2012 by way of Postal Ballot:
- Special Resolution No. (1): Alteration of Clause V of Memorandum of Association of the Company for Re-Classification of Share Capital pursuant to Section 16 and all other applicable provisions, if any, of the Companies Act, 1956 .
- Special Resolution No. (2): Alteration of Article 3 of Articles of Association of the Company for Re-Classification of Share Capital pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956.
- Special Resolution No. (3): Issue of Redeemable Non Convertible Preference Shares (RNCPS) pursuant to Section 80 and 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, for an amount not exceeding Rupees One Crore.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Voting Pattern and Procedure for Postal Ballot:

1. Company at its meeting held on August 14, 2012, appointed Mr. Suhas S. Ganpule as the Scrutinizer for conducting the postal ballot voting process.
2. The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
3. All postal ballot forms received up to the close of working hours on September 29, 2012 the last date and time fixed by the Company for receipt of the forms, had been considered.
4. The results of the Postal Ballot were announced on October 5, 2012 at the Registered Office of the Company as per the Scrutinizer's Report and also placed on Company's website.

Postal Ballot Result:

Promoter / Public	No. of Shares held	No. of Votes Polled	% of Votes Polled on outstanding shares	No. of Votes in favour	No. of Votes against	Resolution No.1		Resolution No.2		Resolution No.3	
						% of Votes in favour on Votes Polled	% of Votes in against Votes Polled	% of Votes in favour on Votes Polled	% of Votes in against Votes Polled	% of Votes in favour on Votes Polled	% of Votes in against Votes Polled
Promoter and Promoter Group	2560010	2560010	100	2560010	NIL	100%	NIL	100%	NIL	100%	NIL
Public Institutional holders	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Public- Others	1541602	1541602	100	1541302	300	100%	NIL	100%	NIL	99.98%	0.02%
Total	4101612	4101612	100	4101312	300	100%	NIL	100%	NIL	99.99%	0.01%

- ii) Special Resolution relating to Issue of Redeemable Non Convertible Preference Shares (RNCPS) pursuant to Section 80 and 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, for an amount not exceeding Rupees Five Crores was passed on March 25, 2013 by way of Postal Ballot.

Voting Pattern and Procedure for Postal Ballot:

1. Company at its meeting held on February 15, 2013, appointed Mr. Suhas S. Ganpule as the Scrutinizer for conducting the postal ballot voting process.
2. The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
3. All postal ballot forms received up to the close of working hours on March 22, 2013, the last date and time fixed by the Company for receipt of the forms, had been considered.
4. The results of the Postal Ballot were announced on March 25, 2013, at the Registered Office of the Company as per the Scrutinizer's Report and also placed on the Company's website.

Postal Ballot Result:

Promoter/Public	No. of Shares held	No. of Votes Polled	% of Votes Polled on outstanding Shares	No. of Votes in favour	No. of Votes against	% of Votes in favour on Votes Polled	% of Votes in against on Votes Polled
Promoter and Promoter Group	2560010	2560010	100%	2560010	NIL	100%	NIL
Public Institutional holders	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Public- Others	1795177	1795177	100%	1794078	1099	99.94%	0.06%
Total	4355187	4355187	100%	4354088	1099	99.97%	0.03%

At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

SHARE CAPITAL

During the year under review, Company has issued 1,00,000 (One Lac) 0.01% Redeemable Non - Convertible Preference Shares (RNCPS) of ₹ 100/- (One Hundred) each amounting to ₹ 1,00,00,000/- (One Crore) to its existing Promoter i.e. Shriram Transport Finance Company Limited. The entire proceeds of the issue have been temporarily invested in liquid investments pending commencement of the mutual fund operations.

SUBSIDIARY COMPANY

The Company does not have any subsidiary.

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 Indian Accounting Standard 18 have been incorporated in the Notes to Financial Statements.

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 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 a 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 behaviour. 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. Further, the Company has 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 Committee. Please see the para on Remuneration/Compensation Committee for details.
- b. The Company has adopted the Whistle Blower Policy.

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.

RISK MANAGEMENT

The Company has in place a Risk Management Policy, commensurate with its size of operations, which lays down a process for identification and mitigation of risks that could materially impact its performance. The Audit Committee reviews the risk management and mitigation plan from time to time.

CERTIFICATION BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

Certification by the Managing Director and the Chief Operating Officer (COO) (also functioning as Chief Financial Officer) in their capacity as such 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 one English (Free Press Journal, Mumbai) and in one Marathi newspaper (Navashakti, Mumbai). They are also available on the Company's Website: www.shriramamc.com.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

19th Annual General Meeting

a. Date and Time	September 26, 2013 at 3.00 P.M.
b. Venue	Hotel Parle International, Agarwal Market, Vile Parle (East), Mumbai - 400 057.
c. Book Closure Date	From Monday, September 23, 2013 to Thursday, September 26, 2013 (both days inclusive).
d. Dividend	The Board of Directors has not recommended any dividend for the year 2012-2013.

e. Financial Calendar	2013-2014.
Annual General Meeting	September 2014.
Unaudited results for the quarter ending June 30, 2013.	Last week of July 2013.
Unaudited results for the quarter/half - year ending September 30, 2013.	Last week of October 2013.
Unaudited results for the quarter ending December 31, 2013.	Last week of January 2014.
Audited results for the year ending March 31, 2014.	May 2014.
f. Stock Code	
Trading Symbol at Madras Stock Exchange Limited (MSE)	SSMN.
BSE Limited (BSE)	531359.
Demat ISIN in NSDL & CDSL.	INE777G01012.

The Company has paid the listing fees for the financial year 2013-14 to the above stock exchanges.

The Management Discussion & Analysis Report is forming part of the Directors' Report.

GENERAL INFORMATION FOR SHAREHOLDERS

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, 2013 are given below:

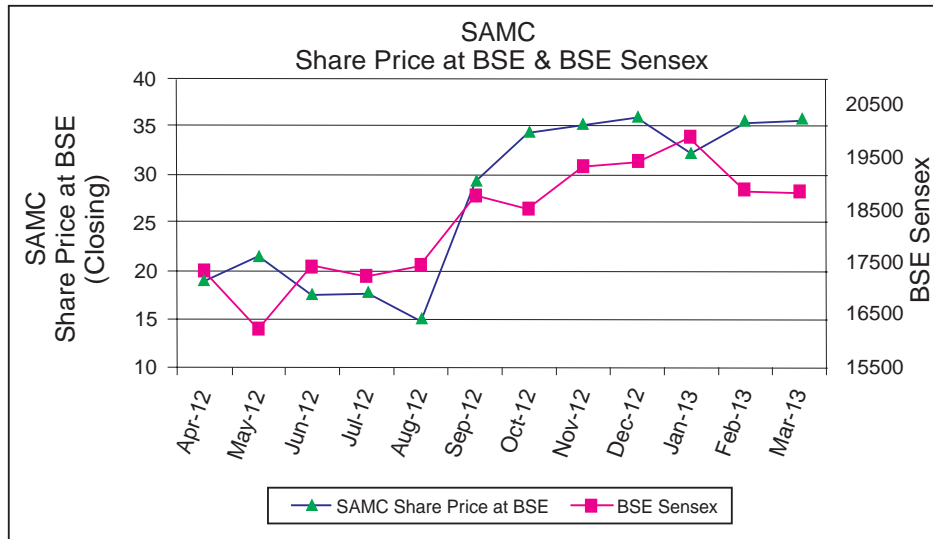
BSE Limited

Month	Share price		Volume
	High (₹)	Low (₹)	
April - 2012	19.00	17.25	2,763
May - 2012	23.05	18.55	3,533
June - 2012	20.55	17.50	150
July - 2012	19.50	16.95	1,548
August - 2012	18.45	14.85	5,153
September - 2012	29.33	14.12	12,293
October - 2012	35.45	29.80	29,429
November - 2012	35.25	33.85	26
December - 2012	39.75	35.25	1,240
January - 2013	37.00	31.85	9,844
February - 2013	35.50	30.45	1,959
March - 2013	38.00	35.00	6,124

There was no trading in the equity shares of the Company in Madras Stock Exchange Limited for the year ended March 31, 2013.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

h. SAMC Share Price performance in comparison to BSE Sensex.



i. Registrar and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Purva Sharegistry (India) Pvt. Ltd.

9, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Mumbai - 400 011
Telephone: +91-22-23016761, Fax: +91-22-23012517

j. Share Transfer System

The authority to approve share transfers/transmissions has been delegated by the Board of Directors to the Shareholders'/Investors' Grievance Committee. Requests received for transfer of shares are processed within 30 days of receipt.

k. Distribution of shareholdings as on March 31, 2013

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	616	61.09	151438	2.52
501-1000	228	22.57	203141	3.39
1001-2000	61	6.04	95134	1.59
2001-3000	21	2.08	52215	0.87
3001- 4000	11	1.09	40049	0.67
4001- 5000	14	1.39	66201	1.10
5001- 10000	17	1.68	131382	2.19
10001 and above	41	4.06	5260440	87.67
Total	1009	100	6000000	100

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

I. Category of Shareholders as on March 31, 2013

Category of Shareholders	No. of Shares held	% of Shareholding
Promoters and Promoter Group	2,560,010	42.67
Mutual Funds / UTI	—	—
Financial Institutions / Banks	—	—
Foreign Institutional Investors	—	—
Bodies Corporate	334,097	5.57
Individuals	3,105,848	51.76
NRI's / OCB's/ Foreign National	45	—
Trust	—	—
Clearing Members	—	—
Grand Total	6,000,000	100

m. Dematerialisation of shares and liquidity

The Company's scrip forms part of the compulsory demat segment for all investors effective January 20, 2005. To facilitate 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 Purva Shareregistry (India) Pvt. Ltd. As on March 31, 2013 total of 4939130 equity shares constituting 82.32% of the paid up capital, have been dematerialised.

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

n. Address for correspondence and Registered Office:

Registered Office : Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051. Tel. No. +91-22-4241 0400
Website: www.shriramamc.com

Administrative Office : CK-6, 2nd Floor, Sector II, Salt Lake City, Kolkata - 700 091,
Tel. No.: +91-33-2337 3012, Fax No.: +91-33-2337 3014.
E-mail ID for investor grievance: srmf@shriramamc.com

DETAILS PURSUANT TO CLAUSE 49 IV (G) (I) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT:-**1. Mr. S. RAJARATNAM**

Mr. S. Rajaratnam has been associated with the Company since 1994. He is a M.A. (Economics) and L.L.M (Commercial Law). From 1951 to 1979, he was with Indian Revenue Service (Income Tax) and from 1980 to 1985, in legal service under Ministry of Law as Accountant Member, Income Tax Appellate Tribunal. After retirement, he is having chamber practice as an Advocate and Tax Consultant, besides authoring books and articles on taxation.

2. Mr. DHRUV MEHTA

Mr. Dhruv Mehta is an A.C.A from The Institute of Chartered Accountants of India and AICWA from The Institute of Cost and Works Accountants of India. He has overall experience of 25 years in the field of finance and financial services and an independent financial advisor for over 10 years.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

CEO (MANAGING DIRECTOR)

I, Akhilesh Kumar Singh in my capacity as the Managing Director and, to the best of my knowledge and belief, certify that:

- a) I have reviewed the financial statements and the cash flow statements for the year ended March 31, 2013 and that to the best of my 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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have disclosed based on the evaluation wherever applicable, to the Auditors and the Audit Committee that;
 - i. There were no material deficiencies in internal controls over financials 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 statements; and
 - iii. There were no instances of significant fraud of which I am aware and the involvement, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: April 22, 2013.

Akhilesh Kumar Singh
Managing Director

COO (ALSO FUNCTIONING AS CFO)

I, Rohit Chawda in my capacity as the COO (also functioning as CFO) and, to the best of my knowledge and belief, certify that:

- a) I have reviewed the financial statements and the cash flow statements for the year ended March 31, 2013 and that to the best of my 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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have disclosed based on the evaluation wherever applicable, to the Auditors and the Audit Committee that;
 - i. There were no material deficiencies in internal controls over financials 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 statements; and
 - iii. There were no instances of significant fraud of which I am aware and the involvement, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: April 22, 2013.

Rohit Chawda
COO (also functioning as CFO)

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

The Board of Directors of Shriram Asset Management Company Limited at its meeting held on September 30, 2006, adopted Code of Conduct to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with 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, 2013.

Place: Mumbai
Date: April 22, 2013.

Akhilesh Kumar Singh
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Shriram Asset Management Company Limited

We have examined the compliance of conditions of Corporate Governance by **Shriram Asset Management Company Limited** for the financial year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of 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 K. S. Aiyar & Co.
Chartered Accountants
(Firm Registration No. 100186W)

S. Ghosh
Partner
(Membership No. 050927)

Place: Mumbai
Date: April 22, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of
Shriram Asset Management Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Shriram Asset Management Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory items.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our work. We conducted our work in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- b) in the case of the Profit and Loss Account, of the loss 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.

Emphasis of Matter

- a. Attention is invited to Note No. 4 and 4.1 regarding a sum of ₹ 227.85 lakhs payable to Rightful Owner on settlement of dispute by an appropriate court/forum. The said amount and interest accrued ₹ 482.08 lakhs (₹ 349.02 lakhs net of tax) thereon till date has been accounted for in the books of account. Our opinion is not qualified in respect of this matter.
- b. Attention is invited to Note No.14 regarding recovery of dues from a broker amounting to ₹ 69.10 lakhs as described therein.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub Section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For K. S. Aiyar & Co.
Chartered Accountants
(Firm Registration No. 100186W)

Place: Mumbai
Date: April 22, 2013

S. Ghosh
Partner
(Membership No. 050927)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Point No. 1 of the paragraph 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the Accounts for the year ended March 31, 2013 of Shriram Asset Management Company Limited

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 (b) A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of physical verification of fixed assets 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) No fixed assets have been disposed off during the year.
2. The Company does not have any inventory. Hence Clause No. 4 (ii) (b) & 4 (ii) (c) of the Order, are not applicable to the Company.
3. (a) The Company had made an Inter-Corporate Deposit with one Company covered in the Register maintained under Section 301 of the Companies Act, 1956, during the Financial Year 2011-12. The maximum amount involved is ₹ 6 Crores which has since been redeemed during the year.
 (b) In our opinion, the rate of interest and other terms and conditions of the said deposit given are not prima facie prejudicial to the interest of the Company.
 (c) The repayment of principal and interest is as stipulated and there are no overdue amounts.
 (d) 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.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system.
5. In our opinion and according to the information and explanations given to us, the contracts to be entered in Register maintained under Section 301 of the Companies Act, 1956, have been so entered. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable with regard to prevailing market rates.
6. The Company has not accepted any deposits from the public to which the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 apply.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the records of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and any other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.
 (b) According to the information and explanations given to us and from the records of the Company, the details of the dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute are given below:

Nature of Dues	Year	Amount Involved ₹/Lacs #	Forum Where Dispute is Pending
Income Tax	A.Y. 2006-07	2.80	CIT (Appeal)
Income Tax	A.Y. 2007-08	27.10	ITAT
Income Tax	A.Y. 2010-11	21.59	CIT (Appeal)

Dues to the extent not deposited.

10. The Company has accumulated loss of ₹ 64.15 lakhs at the end of the financial year and has incurred cash loss to the tune of ₹ 114.95 lakhs during the financial year covered by our audit.
11. There are no borrowings from financial institution, bank or debenture holders. Therefore, the provisions of the Clause (xi) of the Order are not applicable to the Company.
12. Based on our examination of the records and according to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. 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.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

14. In our opinion and according to the information and explanations given to us, the Company has purchased and sold investments on short term basis, which in view of the Company, does not amount to dealing or trading in shares, securities, debentures and other investments, as the same is done with a view to invest surplus funds held by the Company. Accordingly the provisions of Clause 4 (xiv) of the Order, are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not taken any term loans from banks or financial institutions.
17. 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.
18. The Company has allotted 1,00,000 (One Lac) 0.01% Redeemable Non Convertible Preference Shares of ₹100/- each to its Sponsor Company (Shriram Transport Finance Company Limited) during the year covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any secured debentures during the financial year. Accordingly, the provisions of Clause (xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K. S. Aiyar & Co.
Chartered Accountants
(Firm Registration No. 100186W)

Place: Mumbai
Date: April 22, 2013

S. Ghosh
Partner
(Membership No. 050927)

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

PARTICULARS	NOTE NO.	AS AT March 31, 2013 ₹	AS AT March 31, 2012 ₹
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	70,000,000	60,000,000
Reserves and Surplus	3	33,585,039	45,080,020
Non-Current Liabilities			
Long term liabilities	4	68,809,369	61,179,768
Long term provisions	5	627,993	290,625
Current Liabilities			
Current liabilities	6	4,950,325	704,028
Short-term provisions	7	240,145	1,833,918
Total		<u>178,212,871</u>	<u>169,088,359</u>
II. ASSETS			
Non-current assets			
Tangible Assets	8	3,812,587	3,179,284
Intangible assets	8	396,000	—
Non-current investments	9	70,109,704	63,024,486
Long term loans and advances	10	61,385	61,385
Current assets			
Current investments	11	79,099,332	1,809,636
Cash and cash equivalents	12	15,753,220	30,772,409
Short-term loans and advances	13	480,279	310,640
Other current assets	14	8,500,364	69,930,519
Total		<u>178,212,871</u>	<u>169,088,359</u>

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

FOR K.S. AIYAR & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 100186W

FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

S. GHOSH
PARTNER
MEMBERSHIP NO. 050927

AKHILESH KUMAR SINGH
MANAGING DIRECTOR

R. SUNDARA RAJAN
DIRECTOR

REENA YADAV
COMPANY SECRETARY

PLACE: Mumbai
DATE : April 22, 2013

PLACE: Mumbai
DATE : April 22, 2013

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH, 31 2013

PARTICULARS	Note No.	FOR THE YEAR ENDED March 31, 2013 ₹	FOR THE YEAR ENDED March 31, 2013 ₹
I. Revenue from operations	20	—	—
II. Other Income	15	6,776,976	8,939,855
III. Total Revenue (I +II)		6,776,976	8,939,855
IV. Expenses:			
Employee benefit expense	16	9,607,197	2,274,498
Financial costs		—	—
Depreciation and amortization expense	8	425,084	247,592
Other expenses	17	8,239,676	4,085,927
Total Expenses		18,271,957	6,608,017
V. Profit before exceptional and extraordinary items and tax		(11,494,981)	2,331,838
VI. Exceptional Items		—	—
VII. Profit before extraordinary items and tax (V - VI)		(11,494,981)	2,331,838
VIII. Extraordinary Items		—	—
IX. Profit before tax (VII - VIII)		(11,494,981)	2,331,838
X. Tax expense:			
(1) Current tax		—	831,329
(2) Deferred tax	23	—	—
XI. Profit/(Loss) for the year from continuing operations (IX-X)		(11,494,981)	1,500,509
XII. Profit/(Loss) from discontinuing operations		—	—
XIII. Tax expense of discontinuing operations		—	—
XIV. Profit/(Loss) from discontinuing operations (XII - XIII)		—	—
XV. Profit/(Loss) for the year (XI + XIV)		(11,494,981)	1,500,509
XVI. Earning per equity share:			
(1) Basic	26	(1.92)	0.25
(2) Diluted		(1.92)	0.25

Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

FOR K.S. AIYAR & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 100186W

FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

S. GHOSH
PARTNER
MEMBERSHIP NO. 050927

AKHILESH KUMAR SINGH
MANAGING DIRECTOR

R. SUNDARA RAJAN
DIRECTOR

REENA YADAV
COMPANY SECRETARY

PLACE: Mumbai
DATE : April 22, 2013

PLACE: Mumbai
DATE : April 22, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE NO. 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Presentation and disclosure -

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) The accounts have been prepared primarily on historical cost convention and on accrual basis.

1.2 Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation. Depreciation is provided on Written Down Value method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956.

1.3 Intangible Assets and Amortisation

Intangible Assets are stated at cost less amortization. Amortisation is provided on straight line method as per AS-26 issued by ICAI.

1.4 Investments

Investments that are intended to be held for not more than a year are classified as current investments and all other investments as long term investments. Current investments are carried at lower of cost and fair value computed category wise. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in nature in value of such investments.

1.5 Employee Benefits

1.5.1 Company's contributions to Provident Fund are charged to Profit and Loss Account.

1.5.2 The provision for leave encashment and provision for gratuity is made on actuarial valuation.

1.6 Revenue Recognition

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

Dividend income on investments is accounted for when the right to receive the payment is established.

1.7 Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

The Deferred Tax Assets & Liabilities arising on account of timing difference are recognised in the Statement of Profit and Loss. Deferred tax assets have been recognized only to the extent there is virtual certainty that the assets would be realized in future.

1.8 Earnings Per Share

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

1.9 Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

	March 31, 2013 ₹	March 31, 2012 ₹
2) SHARE CAPITAL		
2.1) Authorised shares		
90,00,000 (P.Y. 60,00,000) equity shares of ₹10/- each	90,000,000	60,000,000
4,00,000 (P.Y. 4,00,000) 12.5% Optionally Convertible Preference shares of ₹100/- each	—	40,000,000
10,00,000 (P.Y.10,00,000) unclassified shares of ₹10/- each	—	10,000,000
4,00,000 (P.Y.4,00,000) 9% Non-Convertible Cumulative Preference shares of ₹100/- each	—	40,000,000
6,00,000 (P.Y.Nil) 0.01% Redeemable Non-Convertible Preference shares of ₹100/- each	60,000,000	—
Total	150,000,000	150,000,000
2.2) Issued, subscribed and fully paid-up shares		
60,00,000 (P.Y.60,00,000) equity shares of ₹10/- each	60,000,000	60,000,000
0.01% 1,00,000 (P.Y. Nil) Redeemable Non-Convertible Preference shares of ₹100/- each	10,000,000	—
Total	70,000,000	60,000,000

2.3) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	March 31, 2013		March 31, 2012	
	Quantity	₹	Quantity	₹
At the beginning of the period	6,000,000	60,000,000	6,000,000	60,000,000
Issued during the period - Bonus issue	—	—	—	—
Issued during the period - ESOP	—	—	—	—
Outstanding at the end of the period	6,000,000	60,000,000	6,000,000	60,000,000

2.4) Preference shares

1,00,000 (P.Y.Nil) 0.01% Redeemable Non Convertible Preference Shares of ₹100/- each

	March 31, 2013		March 31, 2012	
	Quantity	₹	Quantity	₹
At the beginning of the period	—	—	—	—
Issued during the period	100,000	10,000,000	—	—
Outstanding at the end of the period	100,000	10,000,000	—	—

2.5) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. Dividend, as and when recommended by the Board of Directors, is subject to approval of the shareholders in their Annual General Meeting. For the period ended March 31, 2013, the Company has not declared any dividend.

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.

2.6) Terms/rights attached to Redeemable Non Convertible Preference Shares (RNCPS)

During the year ended March 31, 2013, the Company issued 1,00,000 (One Lac) 0.01% RNCPS of ₹ 100/- each fully paid up. RNCPS carry non cumulative dividend @ 0.01% p.a. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. Each holder of RNCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to RNCPS. The RNCPS shall be redeemed by the Company at par on expiry of five years from the date of allotment. During the year no provision has been made for dividend on Preference Shares.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

2.7) Details of shareholders holding more than 5% shares in the Company

	March 31, 2013		March 31, 2012	
	Quantity	% holding in the class	Quantity	% holding in the class
Equity share of ₹10/- each fully paid				
Shriram Transport Finance Company Limited	2,400,000	40%	2,400,000	40%

2.8) Details of shareholders holding more than 5% shares in the Company

	March 31, 2013		March 31, 2012	
	Quantity	% holding in the class	Quantity	% holding in the class
0.01% Redeemable Non Convertible Preference Shares of ₹100/- each fully paid				
Shriram Transport Finance Company Limited	100,000	100%	—	0%

3) RESERVES AND SURPLUS

3.1) Capital Redemption Reserve

Surplus/(deficit) in the statement of profit and loss

	March 31, 2013 (₹)	March 31, 2012 (₹)
Balance as per last financial statements	5,080,020	3,579,511
Profit/(loss) for the period ended	(11,494,981)	1,500,509
Less: Appropriations	—	—
Net surplus in the statement of profit and loss	<u>(6,414,961)</u>	<u>5,080,020</u>
Total	<u>33,585,039</u>	<u>45,080,020</u>

4) LONG TERM LIABILITIES

Payable to the rightful owner (Original amount due) (Note no.4.1)	22,785,000	22,785,000
Add: Contingency provision for interest payable to the rightful owner (Gross)	48,208,040	40,578,439
	<u>70,993,040</u>	<u>63,363,439</u>
Less: Income tax for the year 2011-12	2,183,671	2,183,671
Total	<u>68,809,369</u>	<u>61,179,768</u>

4.1) An amount of ₹22,785,000/- representing disputed redemption money on 35,00,000 units of "Risk Guardian 95" is held by the Company in trust to be paid to the rightful owner when the dispute is settled by the appropriate court/forum. This amount has been deployed in subordinated bond and along with interest accrued thereon, the present value of which is ₹ 68,809,369/- (inclusive of tax of ₹ 11,122,842/- for the period from 2001-02 to 2010-11).

The disputed amount of ₹ 22,785,000/- along with interest accrued thereon has been recognised in the accounts as payable to the rightful owner. In view of the loss incurred during the current year, no provision for Income Tax is considered necessary.

5) LONG TERM PROVISIONS

Provision for gratuity	252,049	121,073
Provision for leave benefit	375,944	169,552
Total	<u>627,993</u>	<u>290,625</u>

Disclosure as per revised Accounting Standard (AS 15)

I. Table showing change in benefit obligation

	Gratuity non-funded - As at March 31, 2013	Gratuity non-funded - As at March 31, 2012
Liability at the beginning of the current period	125,419	93,478
Current service cost	105,620	15,768
Interest cost	10,661	9,013
Actuarial (gain)/loss on obligations	14,546	7,160
Liability at the end of the current period	<u>256,246</u>	<u>125,419</u>

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

	Gratuity non-funded - As at March 31, 2013	Gratuity non-funded - As at March 31, 2012
II. Table of recognition of transitional liability		
Unrecognised transitional liability at the start of the period	—	—
Transitional liability recognised during the period	—	—
Unrecognised transitional liability at the end of the period	<u>—</u>	<u>—</u>
III. Amount recognised in the Balance Sheet		
Fair value of plan assets at the end of the period	—	—
Liability at the end of the period	256,246	125,419
Difference	(256,246)	(125,419)
Unrecognised past service cost at the end of the period	—	—
Unrecognised transitional liability at the end of the period	—	—
Net amount recognised in the Balance Sheet	<u>(256,246)</u>	<u>(125,419)</u>
IV. Expenses recognised in the income statement		
Current service cost	105,620	15,768
Interest cost	10,661	9,013
Actuarial (Gain)/Loss	14,546	7,160
Past service cost (Non vested benefits) recognised during the period	—	—
Past service cost (Vested benefits) recognised during the period	—	—
Transitional liability recognised during the period	—	—
Expense recognised in P&L	<u>130,827</u>	<u>31,941</u>
V. Balance Sheet reconciliation		
Opening net liability	125,419	93,478
Expense as above	130,827	31,941
Net transfer in	—	—
(Net transfer out)	—	—
Employers' contribution	—	—
Amount recognised in the Balance Sheet	<u>256,246</u>	<u>125,419</u>
VI. Other details		
No. of members	15	7
Salary per month	453,927	280,977
Notes: Gratuity is payable as per Company's scheme as detailed in the report. Actuarial gain/loss is accounted for in the period of occurrence. Salary escalation and attrition rate are considered as advised by the Company, they appear to be in line with the industry practice considering promotion and demand and supply of the employees.		
VII. Assumptions		
Discount rate - previous	8.50%	8.25%
Salary escalation - previous	5.00%	5.00%
Attrition rate - previous	2.00%	2.00%
Discount rate - current	8.25%	8.50%
Salary escalation - current	5.00%	5.00%
Attrition rate - current	2.00%	2.00%
VIII. Experience adjustment		
On plan liability (gain)/loss	8,174	24,163
6) OTHER CURRENT LIABILITIES		
Sundry creditors	4,644,586	632,996
ESIC	4,346	1,305
Profession Tax	2,795	1,375
Provident Fund	107,834	68,352
TDS Payable	190,764	—
Total	<u>4,950,325</u>	<u>704,028</u>
7) SHORT TERM PROVISIONS		
Provision for gratuity	4,197	4,346
Provision for leave benefits	12,287	5,859
Provision for income tax (net of tax paid)	223,661	1,823,713
Total	<u>240,145</u>	<u>1,833,918</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

8) FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	BALANCE AS ON 01-04-2012 (₹)	ADDITIONS DURING THE YEAR (₹)	SALE DURING THE YEAR (₹)	BALANCE AS ON 01-04-2012 (₹)	FOR THE YEAR 31-03-2013 (₹)	SALE / TRANSFER (₹)	BALANCE AS ON 31-03-2013 (₹)	BALANCE AS ON 31-03-2012 (₹)
A. TANGIBLE ASSETS								
1) Office premises	4,573,907	—	—	1,753,482	141,021	—	2,679,404	2,820,425
2) Plant & Equipment								
a) Air conditioner	430,175	28,500	—	377,887	12,263	—	68,525	52,288
b) Computers	826,789	437,690	—	758,881	102,241	—	403,357	67,908
c) Electrical fitting and Installations	444,607	56,032	—	388,301	8,814	—	103,524	56,306
3) Furniture and fixtures	2,305,457	247,739	—	2,138,607	35,301	—	379,288	166,850
4) Office equipments	50,163	189,426	—	34,656	26,444	—	178,489	15,507
AMORTISATION								
B. INTANGIBLE ASSETS								
Software & Solutions	—	495,000	—	—	99,000	—	396,000	—
TOTAL	8,631,098	1,454,387	—	5,451,814	425,084	—	4,208,587	3,179,284
AS ON 31.03.2012	8,592,248	38,850	—	5,204,222	247,592	—	3,179,284	—

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

9) NON-CURRENT INVESTMENTS (AT COST)

9.1) Trade investments (Unquoted)

March 31, 2013
₹

March 31, 2012
₹

Investment in associates

600,000 (600,000) Equity shares of ₹10/- each of Ceylinco Shriram Capital Management Services Co. Pvt. Ltd.

3,878,332

3,878,332

Sub Total

3,878,332

3,878,332

9.2) Non-trade investments (Unquoted)

I) Investment in subordinate bond with Shriram Transport Finance Co. Ltd. (Original investment)

22,785,000

22,785,000

Add:- Interest accrued till date (net of TDS of ₹2595574/-)

45,612,466

38,745,825

Sub Total

68,397,466

61,530,825

9.3) Non-trade investments (Quoted)

600 (Nil) Non Convertible Debentures of ₹1000/- each of STFC Ltd.- ND series

582,733

—

Sub Total

582,733

—

Total (9.1+9.2+9.3)

72,858,531

65,409,157

9.4) Equity instruments (Unquoted)

II) 1,000 (1,000) Equity shares of ₹10/- each of The Saraswat Co-operative Bank Ltd.

10,000

10,000

Sub Total

10,000

10,000

9.5) Non-trade investments (Quoted)

Equity instruments

(Fully paid equity shares of ₹10/-each except otherwise stated)

2000 (2000) Equity Shares of Re.1 each of Ashok Leyland Ltd.

52,912

52,912

500 (500) Equity Shares of ₹2 each of Bharat Heavy Electricals Ltd.

181,851

181,851

Nil (400) Equity Shares of ₹2 each of HDFC Bank Ltd.

—

203,097

Nil (100) Equity Shares of ING Vysya Bank Ltd.

—

30,366

125 (125) Equity Shares of Re.5 each of Infosys Ltd.

375,569

375,569

Nil (300) Equity Shares of Re.1 each of ITC Ltd.

—

59,437

6220 (6220) Equity Shares of L&T Finance Holdings Ltd.

321,371

321,371

Nil (100) Equity Shares of ₹ 2 each of LIC Housing Finance Ltd.

—

18,255

300 (300) Equity Shares of Tata Steel Ltd.

161,301

161,301

25 (75) Equity Shares of Re.1 each of TCS Ltd.

26,501

79,502

Sub Total

1,119,505

1,483,661

Total (9.1+9.2+9.3+9.4+9.5)

73,988,036

66,902,818

Less: Provision for diminution in value of investment

3,878,332

3,878,332

Total

70,109,704

63,024,486

Aggregate amount of quoted investments (Market value ₹ 1677567)

1,702,238

1,483,661

Aggregate amount of unquoted investments

72,285,798

65,419,157

Aggregate provision for diminution in value of long term investments

3,878,332

3,878,332

10) LONG TERM LOANS AND ADVANCES

10.1) Security Deposit

Secured, considered good

61,385

61,385

Total

61,385

61,385

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

	March 31, 2013 ₹	March 31, 2012 ₹
11) CURRENT INVESTMENTS (valued at lower of cost and net realisable value)		
Quoted equity instruments		
(Fully paid equity shares of ₹ 10/- each except otherwise stated)		
250 (250) Equity Shares of Axis Bank Ltd.	309,430	309,430
300 (100) Equity shares of ₹ 2 each of Bharat Heavy Electricals Ltd.	80,183	27,720
100 (Nil) Equity shares of ₹ 5 each of Bharti Airtel Ltd.	31,756	—
400 (400) Equity shares of Coal India Ltd.	153,313	153,313
1000 (500) Equity Shares of ₹ 1 each of Hindalco Industries Ltd.	159,175	95,176
100 (100) Equity Shares of ₹ 2 each of Hindustan Zinc Ltd.	14,495	14,495
450 (500) Equity Shares of IDFC Ltd.	64,825	77,545
100 (100) Equity Shares of ₹ 2 each of Kalpataru Power Transmission Ltd.	16,330	16,330
200 (200) Equity Shares of ₹ 2 each of Larsen & Toubro Ltd.	325,633	325,633
Nil (150) Equity Shares of ₹ 5 each of Mahindra & Mahindra Ltd.	—	104,581
Nil(7) Equity Shares of MCX Ltd.	—	7,224
250 (250) Equity Shares of Reliance Industries Ltd.	236,010	236,010
250 (250) Equity Shares of State Bank of India	640,368	640,368
Nil (750) Equity Shares of ₹ 2 each of Tata Motors Ltd. - DVR	—	91,688
3913766.625 (Nil) SBI Dynamic Bond Fund Growth	55,000,000	—
355958.025 (Nil) IDFC Dynamic Bond Fund Growth	5,000,000	—
9559.816 (Nil) SBI Premier Liquid Fund Growth	17,406,983	—
	79,438,501	2,099,513
Less:-Provision for diminution in value of current investments	339,169	289,877
Total	79,099,332	1,809,636
Aggregate amount of quoted investments (Market value ₹ 819,68,530)	79,438,501	2,099,513
Aggregate provision for diminution in value of current investments	339,169	289,877

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

	March 31, 2013	March 31, 2012
	₹	₹
12) CASH AND CASH EQUIVALENTS		
12.1) Balances with banks		
On current accounts	739,709	709,903
Deposits with original maturity of less than twelve months	14,993,734	20,028,158
Cash in hand - CBD Belapur	8,628	34,348
Cash in hand - Kolkata	11,149	—
Sub Total	15,753,220	20,772,409
12.2) Other bank balances		
Deposits with original maturity of more than twelve months	—	10,000,000
Deposits with original maturity of more than three months but less than twelve months	—	—
Sub Total	—	10,000,000
Grand Total (12.1 + 12.2)	15,753,220	30,772,409
13) SHORT TERM LOANS AND ADVANCES		
13.1) Advances recoverable in cash or kind		
Unsecured considered good	35,000	60,640
Sub Total	35,000	60,640
13.2) Other Loans and Advances		
Prepaid expenses	14,017	250,000
Loans to employees	431,262	—
Sub Total	445,279	250,000
Grand Total (13.1 + 13.2)	480,279	310,640
14) OTHER CURRENT ASSETS		
Interest accrued on fixed deposits	1,237,645	1,215,819
Interest receivable	6,468	—
Dividend Receivable (2011-12)	768	—
Education Cess Input	6,205	—
Secondary Edu Cess Input	3,097	—
Service Tax Input	310,570	—
Receivable from Tax Guardian 95	5,260	—
Medical Advance	5,000	—
Inter corporate deposits - Shriram Capital Ltd.	—	60,000,000
Interest accrued on ICD	—	1,480,931
Receivable from broker #	6,910,351	6,910,351
Shriram Transport Finance Co.Ltd	15,000	—
Shriram Capital Ltd.	—	323,418
Total	8,500,364	69,930,519

Receivable from broker

The Company's claim for the recovery from a broker for a principal amount of ₹ 72.10 lakhs, together with interest thereon has been upheld by the Arbitration Tribunal of the BSE Limited. However, the Income Tax Department had issued prohibitory orders /attachment notices, against the Exchange in respect of properties of the broker. In response, the Exchange has filed a Writ Petition, before the Hon'ble High Court, Bombay against the Income Tax Department, challenging the prohibitory order/attachment notices. The Hon'ble Court has passed an Interim Order, interalia directing the Exchange not to disburse the amount till further order. The said Writ Petition is pending before the Hon'ble High Court, Bombay. In view of the uncertainty pending finality of the proceedings, the Company has not recognised the interest on principal amount of ₹ 72.10 lakhs. In 2010-11, the Company received ₹ 3 lakhs from the Exchange, as a part payment against the award.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

	March 31, 2013 ₹	March 31, 2012 ₹
15) OTHER INCOME		
Interest on fixed deposits	2,610,054	2,784,548
Interest on Inter Corporate Deposits	3,309,041	5,713,972
Interest received on NCD	61,500	—
Interest received on staff loan	18,395	1,702
Dividend Income - Equity	55,251	35,811
Rent received (Banglore property)	180,000	180,000
Profit on sale of Shares	134,885	218,715
Excess Provision Written Back	258	5,101
Income on Sale of Mutual Fund Units	406,983	—
Miscellaneous Income	609	6
Interest Received on Subordinate Bond (Gross) for the Year ended 31.03.2013	7,629,601	7,066,895
Less: Income tax thereon (01.04.2012 to 31.03.2013)	—	2,183,671
	7,629,601	4,883,224
Less: Contingency provision for interest payable to the rightful owner	7,629,601	4,883,224
	—	—
Sub Total	6,776,976	8,939,855
15.1) Prior Period Item		
Interest receivable on Subordinate Bond (Gross) for the year 2001-02 to 2010-11	—	33,511,544
Less: Income Tax thereon	—	11,122,842
	—	22,388,702
Less: Contingency provision for interest payable to the rightful owner	—	22,388,702
Sub Total	—	—
Grand Total (15 + 15.1)	6,776,976	8,939,855

15.2) Interest income on subordinate bond

Interest on the subordinate bond of ₹ 22,388,702/- (net of tax) for the period from financial year 2001-02 to financial year 2010-11 has been recognised as prior period item in the previous year. Interest of ₹ 76,29,601/- (net of tax, if any) for the period from 01.04.2012 to 31.03.2013 has been recognised as interest received in the accounts for the year ended 31.03.2013.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

16) EMPLOYEE BENEFIT EXPENSES

	March 31, 2013	March 31, 2012
	₹	₹
Salaries, wages and bonus	8,715,387	2,057,478
Contribution to provident and other fund	626,388	100,603
Gratuity expense	130,827	31,941
Medical Expenses	48,323	—
Staff welfare expenses	86,272	84,476
Total	9,607,197	2,274,498

17) OTHER EXPENSES

Advertisement Expenses	306,132	308,037
Annual Custodial Fees	33,708	33,090
Award to Employees	10,000	—
Provision for diminution in value of current investments	49,292	289,877
Auditors' Remuneration	409,986	386,863
Board and General Meeting expenses	69,291	45,626
Depository fees	50,562	52,962
Directors' Sitting Fees	126,500	117,500
Entertainment Expenses	14,739	—
Software expenses	22,800	—
Telephone, Courier and Postage Expenses	253,487	144,642
Fuel Expenses	104,500	—
Insurance Premium	35,221	11,703
Legal and Professional Charges	1,099,176	459,190
Listing Fees	43,821	49,082
Mutual Fund Expenses	698,648	656,830
Printing & Stationery	384,420	356,667
Sundry Expenses	115,224	257,273
Trustee Meeting Fees	57,500	30,000
Travelling, Hotel and Conveyance expenses	989,317	247,044
Car hire Charges	22,975	—
Training & Recruitment Exp.	4,069	—
Annual Maintenance Cost	242,140	—
Drivers Salary	9,000	—
HR IT & Network Support Services	300,000	—
Car Expenses	1,200	—
Rent	1,118,268	240,000
Repairs & Maintenance	217,106	20,093
Share of Common Infrastructure Costs	1,431,146	360,000
Rates & Taxes	19,448	19,448
Total	8,239,676	4,085,927

17.1) Auditors' remuneration

Audit fee	120,000	110,000
Audit fee for Limited Reviews	108,000	33,000
Tax audit fee	60,000	55,000
Corporate Governance Certification	18,000	16,500
Other services (including half yearly audit fee)	—	125,000
Advisory Services	52,500	—
Out of pocket expenses (including Service Tax of ₹ 39861)	51,385	47,363

Total	409,885	386,863
--------------	----------------	----------------

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

18. The Scheme Risk Guardian'95 has been wound up effective 7th July 2000 and the three tax saving schemes Tax Guardian'95, Tax Guardian'96, Tax Guardian'97 have been wound up effective 30th April 2001 and Interval Fund 97 effective 1st December 2001.
19. Currently Shriram Mutual Fund does not have any live schemes and no new schemes have been launched during the year, however, for all the five schemes launched previously the company has been following the provisions laid down under Regulations 59 of SEBI (Mutual Funds) Regulations, 1996. Further, the Company has continued to maintain its status as an Asset Management Company for Mutual Fund by complying with all the relevant provisions of SEBI (Mutual Funds) Regulations, 1996. Accordingly, the financial statements of the Company have been prepared on a going concern basis.
20. As the unclaimed redemption money being managed by the Company is very small, it has been decided not to charge asset management fees from 01.04.2004 to Shriram Mutual Fund.
21. Contingent Liabilities
- 21.1 An appeal is pending before CIT (A) for the A.Y.2006-07, wherein the disallowance made under Section 14A of the Income Tax Act, 1961, of ₹ 279,520/- calculated as per Rule 8D, is disputed by the Company.
- As regards A.Y 2007-08, the Company has filed appeal before ITAT against disallowance of ₹ 27,10,000/- by CIT(A) written off as bad debts in respect of Ahmedabad Urban Co-operative Bank Ltd.
- 21.2 The Company received an Order dated 10.03.2013 U/S 143 (3) of the IT Act along with a demand notice of ₹2,159,460/- for AY 2010-11 for sundry disallowances. The Company has already filed an appeal with the appropriate authority against the order.
22. The components of Deferred Tax Liability and Assets as at 31.03.2013 are as under:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Deferred tax liability :		
(i) Depreciation on fixed assets	<u>(733,090)</u>	<u>(678,999)</u>
	<u>(733,090)</u>	<u>(678,999)</u>
Deferred tax assets :		
(i) Provision for Gratuity & Leave encashment	199,143	92,956
(ii) Diminution in value of investments	868,805	858,651
(iii) Contingency provision for interest payable to rightful owner	14,896,284	12,538,738
(iv) Provision for Bonus	34,580	—
	<u>15,998,812</u>	<u>13,490,345</u>
Net Deferred Tax Asset/(Liability)	<u># 15,265,722</u>	<u>#12,811,346</u>

Not recognized in the accounts on the basis of prudence. Provision for Deferred Tax has not been made during the year 2012-13. On commencement of new scheme related operational activities in 2013-14, necessary provision for Deferred Tax Asset/Liability will be suitably made.

23. The Company operates in only one segment. Hence segment reporting under AS17 is not applicable to the Company.
24. Related party disclosure as required by Accounting Standard (AS)-18 "Related Party Disclosure" as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

Name	Relationship
a) Shriram Transport Finance Co. Ltd. (STFC)	Associate Co.
b) Ceylinco Shriram Capital Management Services Co. Pvt. Ltd.	Associate Co.
c) Mr. Akhilesh Kumar Singh (M.D.)	Key Management personnel
d) Shriram Insight Share Brokers Ltd.	Associate Co.

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (contd.)

The following transactions were carried out with the related parties in the ordinary course of business.

Particulars	Associates		Key Management Personnel		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Payments :						
Rent	1,118,268	240,000	—	—	1,118,268	240,000
Share of Common Infrastructure Costs	1,431,146	360,000	—	—	1,431,146	360,000
Purchase of Assets:						
Tangible	449,487	—	—	—	449,487	—
Intangible	556,182	—	—	—	556,182	—
Employee Benefits for Key Management Personnel:	—	—	2,525,180	208,250	2,525,180	208,250
Receipts :						
Rent Received	180,000	180,000	—	—	180,000	180,000
Balance outstanding :						
Investment in equity shares of Ceylinco Shriram Capital Management Services Co. Pvt Ltd.	3,878,332	3,878,332	—	—	3,878,332	3,878,332
Shriram Transport Finance Co.Ltd	15,000	99,000	—	—	15,000	99,000
Shriram Insight Share Brokers Ltd.	3,680,062	—	—	—	3,680,062	—

25. Earnings per share (EPS) computed in accordance with Accounting Standard 20 "Earning per Share"

Basic and Diluted Particulars	March 31, 2013 ₹	March 31, 2012 ₹
Profit after tax as per accounts (₹)	(11,494,981)	1,500,509
Add/(Less) : Prior Period Adjustment/ (Excess provision w/back)	—	—
Profit attributable to Equity share holders	(A) (11,494,981)	1,500,509
Number of shares issued	(B) 6,000,000	6,000,000
Basic EPS (Rupees) (Face value ₹ 10 each)	(A)/(B) (1.92)	0.25

26. The Company does not have 'suppliers' registered under the The Micro, Small and Medium Enterprises Development ("MSMED") Act, 2006. Accordingly, no disclosures relating to amounts unpaid as at the year end and together with interest paid / payable are required to be furnished.

27. Since the Company has incurred a loss in the current year, hence provision for dividend on 1,00,000 (One Lac) 0.01% Redeemable Non Convertible Preference Shares of ₹100/- each fully paid up has not been provided in the accounts.

28. Previous year's figures have been re-grouped and re-arranged, wherever considered necessary.

As per our report of even date attached

FOR K.S.AIYAR & CO
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.100186W

FOR SHRIRAM ASSET MANAGEMENT CO LTD

S.GHOSH
PARTNER
Membership No. 050927

AKHILESH KUMAR SINGH
MANAGING DIRECTOR

R. SUNDARA RAJAN
DIRECTOR

REENA YADAV
COMPANY SECRETARY

PLACE : Mumbai
DATE : April 22, 2013

PLACE : Mumbai
DATE : April 22, 2013

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	YEAR ENDED MARCH 31, 2013		YEAR ENDED MARCH 31, 2012	
	₹	₹	₹	₹
A) CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		(11,494,981)		2,331,838
ADJUSTMENTS FOR :				
DEPRECIATION	425,084		247,592	
PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS (NET)	49,292		289,877	
DIVIDEND INCOME	(55,251)		(35,811)	
INTEREST INCOME	(5,998,990)		(8,500,222)	
INCOME FROM MUTUAL FUND INVESTMENTS	(406,983)		—	
(PROFIT) / LOSS ON SALE OF SHARES (NET)	(134,885)		(218,715)	
		<u>(6,121,733)</u>		<u>(8,217,279)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(I)			
ADJUSTMENTS FOR :				
TRADE AND OTHER RECEIVABLE	(499,771)		(105,451)	
TRADE AND OTHER RECEIVABLE	308,418		(323,418)	
LONG TERM PROVISIONS	7,629,601		—	
TRADE AND OTHER PAYABLE	4,589,944	12,028,192	61,503,676	61,074,807
		<u>(5,588,522)</u>		<u>55,189,366</u>
CASH GENERATED FROM OPERATIONS	(II)			
DIRECT TAXES PAID		(1,600,052)		(1,721,173)
NET CASH FLOW FROM OPERATING ACTIVITIES		<u>(7,188,574)</u>		<u>53,468,193</u>
B) CASH FLOW FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS		(959,387)		(38,850)
PURCHASE OF INTANGIBLE ASSETS		(495,000)		—
PURCHASE OF INVESTMENTS		(99,072,977)		(66,374,337)
SALE OF INVESTMENTS		15,190,639		2,735,642
ENCASHMENT OF ICD		60,000,000		—
INVESTMENT IN FD ENCASHED		—		20,000,000
INVESTMENT IN FIXED DEPOSITS HAVING ORIGINAL MATURITY OF MORE THAN TWELVE MONTHS		10,000,000		(10,000,000)
INTEREST RECEIVED		7,451,627		6,220,871
DIVIDEND RECEIVED		54,483		35,811
NET CASH USED IN INVESTING ACTIVITIES		<u>(7,830,615)</u>		<u>(47,420,863)</u>

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

	YEAR ENDED MARCH 31, 2013	YEAR ENDED MARCH 31, 2012
	₹	₹
C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of 1,00,000 Redeemable Non Convertible Preference shares of ₹100/- each	10,000,000	—
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>10,000,000</u>	<u>—</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	(5,019,189)	6,047,330
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	20,772,409	14,725,079
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	15,753,220	20,772,409
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,019,189)	6,047,330
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	19,777	34,348
Balance in current account with scheduled banks	739,709	709,903
Deposits with original maturity of less than twelve months	14,993,734	20,028,158
Total	<u>15,753,220</u>	<u>20,772,409</u>

As per our report of even date attached

FOR K.S. AIYAR & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 100186W

FOR SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

S. GHOSH
PARTNER
MEMBERSHIP NO. 050927

AKHILESH KUMAR SINGH
MANAGING DIRECTOR

R. SUNDARA RAJAN
DIRECTOR

REENA YADAV
COMPANY SECRETARY

PLACE: Mumbai
DATE : April 22, 2013

PLACE: Mumbai
DATE : April 22, 2013

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	11 - 79874	State Code	11
Balance Sheet Date	March 31, 2013		

II Capital raised during the year (Amount in ₹ Thousands)

Public Issue	NIL	Bonus Issue	NIL
Rights Issue	NIL	Private Placement	10,000

III Position of Mobilisation and Development of Funds (Amount in ₹ Thousands)

Total Liabilities	178,212	Total Assets	178,212
Paid up Capital	70,000	Non-current assets	
Reserves and Surplus	33,585	Tangible assets	3,813
		Intangible assets	396
Non-current liabilities		Non-current investments	70,110
Long term liabilities	68,809	Long term loans and advances	61
Long term provisions	628		
		Current assets	
Current liabilities		Current investments	79,099
Current liabilities	4,950	Cash and cash equivalents	15,753
Short term provisions	240	Short term loans and advances	480
		Other current assets	8,500

IV Performance of Company (Amount in ₹ Thousands)

Turnover	6,777	Total Expenditure	18,272
Profit before Tax	(11,495)	Profit after Tax	(11,495)
Earning per Share in (₹)		Dividend Rate (%)	Nil
Basic	(1.92)	Diluted	(1.92)

V Generic Names of Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code)	N.A.
Service Description	Asset Management Services

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Registered Office: Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Tel. No. +91-22-42410400

ATTENDANCE SLIP

I/We hereby record my/our presence at the 19th Annual General Meeting of the Company at Conference Hall of Hotel Parle International, Agarwal Market, Vile Parle (East), Mumbai 400 057 on Thursday, September 26, 2013, at 3.00 p.m.

Full name of Member (in Block Letters) _____

Regd.Folio No. /Client I.D.No. _____ No. of Shares held _____

Full Name of the Proxy * (in Block Letters) _____

Signature of the Member(s) or Proxy *Present _____

*Strike out whichever is not applicable.

Note: PLEASE COMPLETE THE SLIP AND HAND IT OVER AT THE ENTRANCE TO THE MEETING HALL.

----- TEAR HERE -----

SHRIRAM ASSET MANAGEMENT COMPANY LIMITED

Registered Office: Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Tel. No. +91-22-42410400

PROXY SLIP

Regd.Folio No. /Client I.D.No. _____ No. of Shares held _____

I/We _____

residing at _____

_____ being a member/members of SHRIRAM ASSET MANAGEMENT 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 19th Annual General Meeting of the Company to be held at Conference Hall of Hotel Parle International, Agarwal Market, Vile Parle (East), Mumbai 400 057 on Thursday, September 26, 2013, at 3.00 p.m.

Signed _____ day of _____ 2013.



- 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 the Registrar & Share Transfer Agents of the Company duly Stamped and Signed, not less than 48 hours before the time for holding the aforesaid meeting.
 - c) The Proxy need not be a member of the Company.

BOOK-POST

If undelivered please return to:

Shriram Asset Management Company Limited

106, Shiv Chambers,
'B' Wing, 1st Floor,
Sector - 11, C.B.D. Belapur,
Navi Mumbai-400 614.

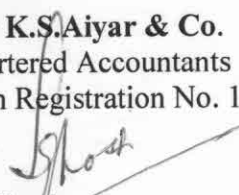
Annual Auditors' Report- Clause 31(a) of the Listing Agreement

Pursuant to Clause 31(a) of the Listing Agreement, we give below in Form A information on the "Matter of Emphasis" in the Auditors Report for the year ended March 31, 2013

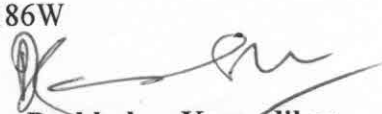
FORM A

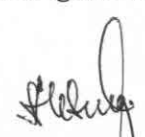
1.	Name of the Company:	Shriram Asset Management Company Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Matter of Emphasis- a) Attention is invited to Note No.4 and 4.1 regarding a sum of Rs.227.85 lakhs payable to Rightful Owner on settlement of dispute by an appropriate court/forum. The said amount and interest accrued Rs.482.08 lakhs (Rs.349.02 lakhs net of tax) thereon till date has been accounted for in the books of account. Our opinion is not qualified in respect of this matter. b) Attention is invited to Note No.14 regarding recovery of dues from a broker amounting to Rs.69.10 lakhs as described therein.
4.	Frequency of observation	As the concept of 'Matter of Emphasis' has been introduced only after coming into effect of the revised Schedule VI. Point No. 3 (a) and 3 (b) as mentioned above has appeared as 'Matter of Emphasis' in the Audit Report for the Financial Year 2012 – 2013 only.


For **K.S.Aiyar & Co.**
Chartered Accountants
Firm Registration No. 100186W


S. Ghosh
Partner (Pr. No. 50927)

For **Shriram Asset Management Company Limited**


Prabhakar Karandikar
Chairman - Audit Committee


Akhilesh Kumar Singh
Managing Director


Rohit Chawda
COO
(also functioning as CFO)

Date: April 22, 2013

Place: Mumbai



SEBI Registration No. MF/017/94/4