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FORWARD LOOKING STATEMENTS

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

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

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



CORPORATE INFORMATION

Corporate Identification No. (CIN) L65191TN1979PLC007874

BOARD OF DIRECTORS

Chairman (Non – Executive)

Arun Duggal

Managing Director

Umesh Revankar

Directors

Maya Shanker Verma	(Independent)
Sumatiprasad M. Bafna	(Independent)
S. Lakshminarayanan	(Independent)
R. Sridhar	
Puneet Bhatia	
Ranvir Dewan	(upto September 02, 2013)
Amitabh Chaudhry	(Independent)
Kishori Udeshi	(Independent)
Gerrit Van Heerde	(w.e.f. May 15, 2014)

COMPANY SECRETARY

Vivek Achwal

AUDITORS

M/s. S. R. Batliboi & Co.LLP, Chartered Accountants
M/s. G. D. Apte & Co., Chartered Accountants

SHARE TRANSFER AGENTS

Integrated Enterprises (India) Limited

2nd Floor, 'Kences Towers', No. 1,
Ramakrishna Street,
North Usman Road, T. Nagar,
Chennai - 600 017.
Tel: 044 2814 0801/02/03
Fax: 044 2814 2479

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.

REGISTERED OFFICE

Mookambika Complex,
3rd Floor, No. 4,
Lady Desika Road,
Mylapore, Chennai – 600 004.

HEAD OFFICE

Wockhardt Towers
West Wing, Level-3, C-2,
G-Block, Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051, Maharashtra.

LISTED AT

National Stock Exchange of India Ltd.
BSE Ltd.

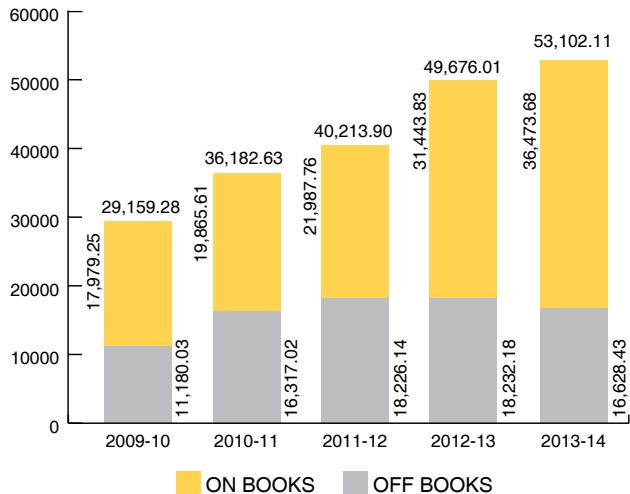
INSTITUTIONS

Life Insurance Corporation of India (LIC)
Small Industries Development Bank of India (SIDBI)
IDFC Ltd
Citicorp Finance (India) Ltd

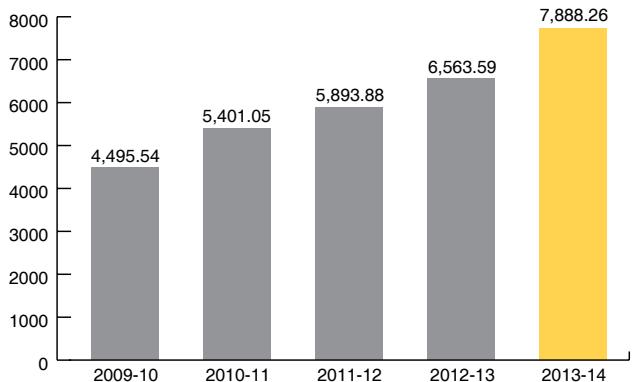
BANKERS

Abu Dhabi Commercial Bank	JP Morgan Chase Bank N.A.
Allahabad Bank	Karnataka Bank
Andhra Bank	Karur Vysya Bank
Australia and New Zealand Banking Group Ltd	Kotak Mahindra Bank
Axis Bank	Lakshmi Vilas Bank
Bank of America N.A.	Mizuho Corporate Bank
Bank of Bahrain & Kuwait B.S.C.	Oriental Bank of Commerce
Bank of Baroda	Punjab & Sind Bank
Bank of Ceylon	Punjab National Bank
Bank of India	Shinhan Bank
Bank of Maharashtra	Societe Generale Corporate & Investment Banking
Bank of Tokyo - Mitsubishi UFJ	Standard Chartered Bank
Barclays Bank PLC	State Bank of Bikaner & Jaipur
Canara Bank	State Bank of Hyderabad
Central Bank of India	State Bank of India
Citibank N.A.	State Bank of Mysore
City Union Bank	State Bank of Patiala
Corporation Bank	State Bank of Travancore
DBS Bank Ltd	Syndicate Bank
Dena Bank	The Federal Bank
Deutsche Bank AG	The Jammu & Kashmir Bank
Development Credit Bank	The Ratnakar Bank
Dhanlaxmi Bank	The South Indian Bank
HDFC Bank	UBS AG
Hongkong and Shanghai Banking Corporation	UCO Bank
ICICI Bank	Union Bank of India
IDBI Bank	United Bank of India
Indian Bank	United Overseas Bank
Indian Overseas Bank	Vijaya Bank
IndusInd Bank	Yes Bank
Industrial and Commercial Bank of China	
ING Vysya Bank	

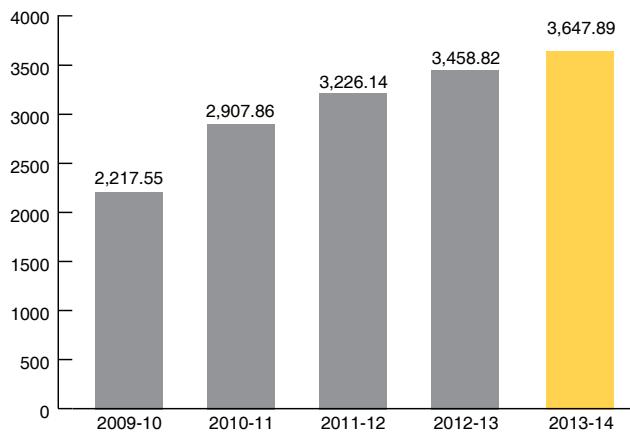
ASSETS UNDER MANAGEMENT (Rs. crore)



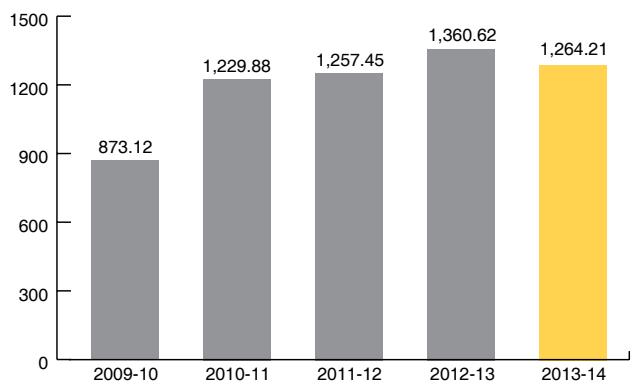
TOTAL INCOME (Rs. crore)



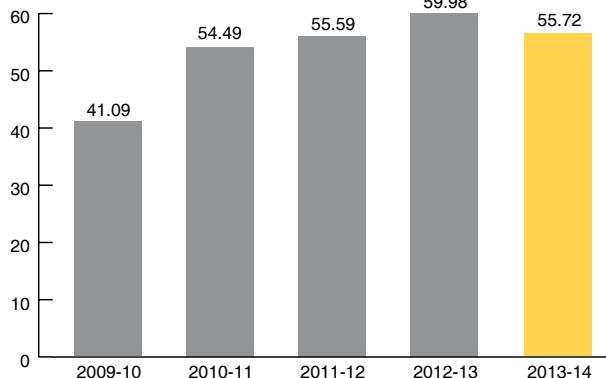
NET INTEREST INCOME (Rs. crore)



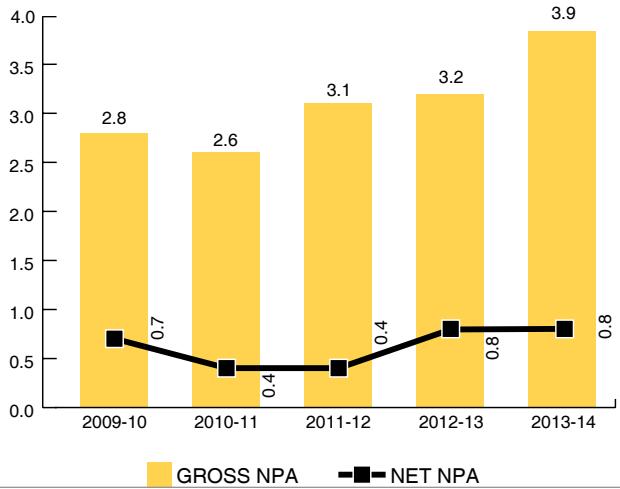
NET PROFIT (Rs. crore)



EPS (BASIC) (Rs.)



NPA (%)



A

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

B

BACHHELI
BADDI

BAGALKOT
BALASORE
BALGHAT
BANKURA
BANSWARA
BARAMATI
BARAN
BARASAT
BARDOLI
BAREILLY
BARMER
BARODA
BASAVAKALYAN
BATLAGUNDU
BEED
BEGUSARAI
BEHRACH
BELGAUM
BELLARY
BELTHANGADY
BENGALURU
BERHAMPUR
BETUL
BHADRAK
BHAGALPUR
BHANDARA
BHARATPUR
BHARUCH
BHATINDA
BHAVANIPURAM
BHAVNAGAR
BHAWANIPATNA
BHDARAVATI
BHILAI
BHILWARA
BHIMAVARAM
BHIND
BHIVANI
BHIWANDI
BHOPAL
BHUBANESWAR
BHUJ
BIDAR
BIJAPUR
BIJNORE
BIKANER
BILASHPUR

BILASPUR
BIORA
BIRBHUM
BODELI
BOKARO
BONGAIGAON
BULANDSHAHER
BUNDI
BURDWAN
BURHANPUR

C

CALICUT
CHALLAKERE
CHAMARAJNAGAR
CHANDAN NAGAR
CHANDAPURA
CHANDIGARH
CHANDIKHOL
CHANDRAPUR
CHANNAGERI
CHANNAPATNA
CHANNARAYAPATNA
CHATTARPUR
CHENGALPATTU
CHENNAI
CHICKBALLAPUR
CHIDAMBARAM
CHIKHLI
CHIKKAMANGALORE
CHIKODI
CHINCHWAD
CHINDWARA
CHIPLUN
CHIRALA
CHITRADURGA
CHITTORE
CHITTORGARH
CHOWTUPPAL
COIMBATORE
COOCHBEHAR
CUDDALORE
CUDDAPAH
CUMBUM
CUTTACK

D

DABASPET
DAHOD
DAMOH
DARBHANGA
DAUSA
DAVANGERE
DEEPIKA
DEHRADUN
DEOGHAR
DEWAS
DHAMTARI
DHANBAD
DHAR
DHARMAPURI
DHARWAD
DHULE
DINDIGUL
DODDABALLAPUR
DURGAPUR

GANGTOK
GANJBASODA
GAYA
GOBICHETTIPALAYAM
GODHARA
GODHAVARIKHANI
GONDIA
GORAKHPUR
GUDIVADA
GUDIYATHAM
GUDUR
GUDUVANCHERY
GULBARGA
GUMMIDIPOONDI
GUNA
GUNTUR
GURGAON
GUWAHATI
GWALIOR

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ELURU
ERNAKULAM
ERODE
ETAWAH

HALDWANI
HALOL
HANMANA
HANUMANGARH
HARIHARA
HARUR
HASSAN
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HAZARIBAGH
HIMAYATHNAGAR
HIMMATNAGAR
HINDUPUR
HISAR
HODAL
HOOGHLY
HOSHANGABAD
HOSPET
HOSUR
HUBLI
HUVINAHADAGALI
HYDERABAD

F

FAIZABAD
FARIDABAD
FARUKHABAD
FATHEPUR

G

GADAG
GADHINGLAJ
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GAJUWAKA
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GANGANAGAR
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I
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INDORE
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J
JABALPUR
JAGADAMBA
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JAISALMER
JAJPUR
JALANDHAR
JALGAON
JALNA
JAMKHAMBHALIA
JAMMU
JAMNAGAR
JAMSHEDPUR
JANJGIR
JEWARGI
JHALAWAR
JHANSI
JHARSUGUDA
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JODHPUR
JORHAT
JUNAGADH
JYEPORE

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KANKAVALI

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KARIMNAGAR
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KASARAGOD
KASHIPUR
KATHUA
KATNI
KATTAPPANA
KATTEDAN
KAVALI
KAWARDHA
KAYAMKULAM
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KHAMGAON
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KOTTAYAM
KOVILPATTI
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KUKATPALLY
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KUNDAPURA
KUNIGAL
KUNNANKULAM
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NANDYAL
NARAGUND
NARASARAOPETA
NARASIPATNAM
NARNAUL
NARSINGHPUR
NASHIK
NATHAM
NAVI MUMBAI
NAVSARI
NEEMUCH
NELAMANGALA
NELLORE
NEW DELHI
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NIRMAL
NIWAI
NIZAMABAD

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PANDHARPUR
PANJIM
PARAMAKUDI
PARAVATHIPURAM
PARBHANI
PATAN
PATHANAMTHITTA
PATHANKOT
PATNA
PATTUKOTTAI
PENDURTHI
PERAMBALUR
PIDUGURALLA
POLLACHI
PONDICHERRY
PORBANDAR
PRODDATUR
PUDUKOTTAI
PUNE
PURI
PURNEA
PUSAD
PUTTUR

R
RAIBAREILLY
RAICHUR
RAIGANJ
RAIGARH
RAIPUR
RAJAHMUNDRY
RAJAPALAYAM
RAJKOT
RAJNANDGAON
RAJPIPLA
RAJSAMAND
RAMESWARAM
RAMGARH

RANCHI
RANIPET
RATANGARH
RATLAM
RATNAGIRI
RAYAGADA
RENUKOOT
REWA
REWARI
ROHA
ROHTAK
ROURKELA

S

SADULPUR
SAGR
SAGARA
SAHAJAHANPUR
SAHARANPUR
SAHIBABAD
SAKALESHPURA
SALEM
SALUR
SAMALKHA
SAMBALPUR
SANDUR
SANGAGIRI
SANGAMNER
SANGAREDDY
SANGLI
SANGRUR
SARAIPALLI
SATANA
SATARA
SAWAIMADHOPUR
SECUNDRABAD
SEDAM
SEHORE
SENDHWA
SEONI
SHAHAPUR
SHAHDOL
SHILLONG
SHIMLA
SHIMOGA

SHIVPURI
SHOLINGANALLUR
SHIRIRAMPUR
SIKAR
SILCHAR
SILIGURI
SINDHANUR
SINGARAYAKONDA
SIRA
SIRKALI
SIRMOUR
SIROHI
SIRSA
SIRSI
SIVAGANGA
SIVAKASI
SOLAPUR
SRIGANGANAGAR
SRIKAKULAM
SRINAGAR
SULTANPUR
SULTHONBATHERY
SULUR
SUNDARGARH
SURAT
SURENDRANAGAR

T

T DASARAHALLI
TADEPALLIGUDEM
TADIPATRI
TAMBARAM
TAMLUK
TANJAVUR
TENALI
TENKASI
TEZPUR
THALAIVASAL
THALASSERY
THANE
THANjavur
THARAD
THENNI
THINGAL NAGAR
THIRUNAGAR

THIRUPPATHUR
THIRUVALLUR
THIRUVARUR
THURAIYUR
TINDIVANAM
TINSUKIA
TIPTUR
TIRUCHENDUR
TIRUCHENGODE
TIRUNELVELI
TIRUPATHI
TIRUPPUR
TIRUR
TIRUVANNAMALAI
TIRUVOTRIYUR
TIRUVUR
TRICHUR
TRICHY
TRIVANDRUM
TUMKUR
TUTICORIN

U

UDAIPUR
UDHAMPUR
UDUPI
UJJAIN
ULUNDUPET
UNA

V

VALLIYOOR
VAPI
VANIYAMBADI
VARANASI
VATAKARA
VELLORE
VERAVAL
VIJAYAWADA
VILLUPURAM
VIRUDHACHALAM
VIRUDHUNAGAR
VISAKHAPATNAM
VIZIANAGARAM

W

WADI
WADKHAL
WAIDHAN
WARANGAL
WARDHA
WARDHAMAN NAGAR
WASHIM

Y

YADGIR
YAMUNA NAGAR
YAVATMAL
YELAHANKA

ECONOMIC OVERVIEW

2013 was a year of recovery for the global economy. 2013-14 witnessed two great stories in the world economy: the structural shift from the developed world towards the emerging world; and the cyclical climb out of a recession. The first continued in first half of the financial year, but at a slightly slower pace than before. Growth in China, at 7.5 per cent, was its slowest for 23 years. Things also slowed in India, to a little below 5 per cent, far slow when compared to the past eight years. Africa, encouragingly, grew by more than 5 per cent.

As for the second story, in the developed world what had started as an uneven and patchy recovery began to strengthen. The US, despite having to cope with feuding over its budget, seems to have sped up. It has been creating jobs and its housing market improved sharply. In Europe there was a better story too, though an uneven one. The north, led by Germany, had a solid year, reducing unemployment and boosting living standards. Across the Mediterranean the pattern was more disappointing, with Italy, Spain, Portugal and Greece all enduring a year of rising unemployment. However, the numbers have started to improve. Europe and the euro are not out of trouble, but the acute phase of their difficulties may be past. 2014-15 expects to deliver much better and more balanced growth than any year since 2007.

INDIAN ECONOMY

Just when the Indian economy couldn't get any lower in terms of performances, 2013-14 is expected to be near 5 per cent; its lowest amongst the past decade. The uneven political climate led to stagnant economical scenario – thereby leading to lower infusion of investments in to infrastructure and core industries – also leading to lower capital expenditure and less job creation. The inflation remained on the higher side, thereby reducing the disposable income and leading to lower consumer spends. The banking system in India continued to grapple with rising delinquencies and higher scrutiny from the regulators. The process for new licenses was set into the motion, with the onset of the new Governor. The rates were increased a couple of times to counter the rising inflation, thereby leading to turning off the tap to bare minimum when it came to funding at competitive rates by the banks. The core industries and the infrastructure sectors witnessed lower traction in terms of activity, thereby leading to lukewarm economic activity across key states.

COMMERCIAL VEHICLES

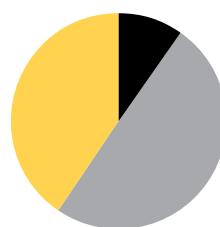
Segments	Segment-wise Volumes				
	FY10	FY11	FY12	FY13	FY14
LCVs	287,777	3,61,846	460,831	524,887	432,111
MHCV	244,944	323,059	348,701	268,263	200,627
Total	532,721	684,905	809,532	793,150	632,738

2013-14 was among the most challenging years for the Indian commercial vehicles sector. India's cycle-prone commercial vehicle industry is not new to downturns. However, the present recession, which began in April 2012 in the medium and heavy truck segment, and spread to light commercial vehicles earlier this financial year, has clearly unnerved the industry. The medium and heavy truck segment - which accounts for the bulk of the industry's load-carrying capacity - shrank 26 per cent in 2012-13 and shrank further by 25 per cent in 2013-14.

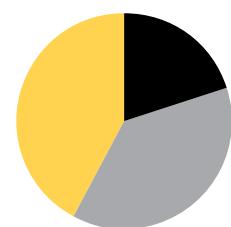
PRE-OWNED COMMERCIAL VEHICLES

Pre-owned commercial vehicles segment has been the flagship segment of the company over the past three decades. The commercial vehicle financing market size is estimated to be Rs. 1900 bn comprising of ~6mn vehicles. The Company is targeting the 5-12 year old pre-owned vehicle segment accounting for 44% market share in value terms and 43% in volume terms with an addressable market opportunity of Rs.750 bn. The pre-owned vehicle market is largely unorganized and under penetrated with 60-65% market share with private financiers presenting enormous business opportunity for a sustainable long term growth.

Market potential

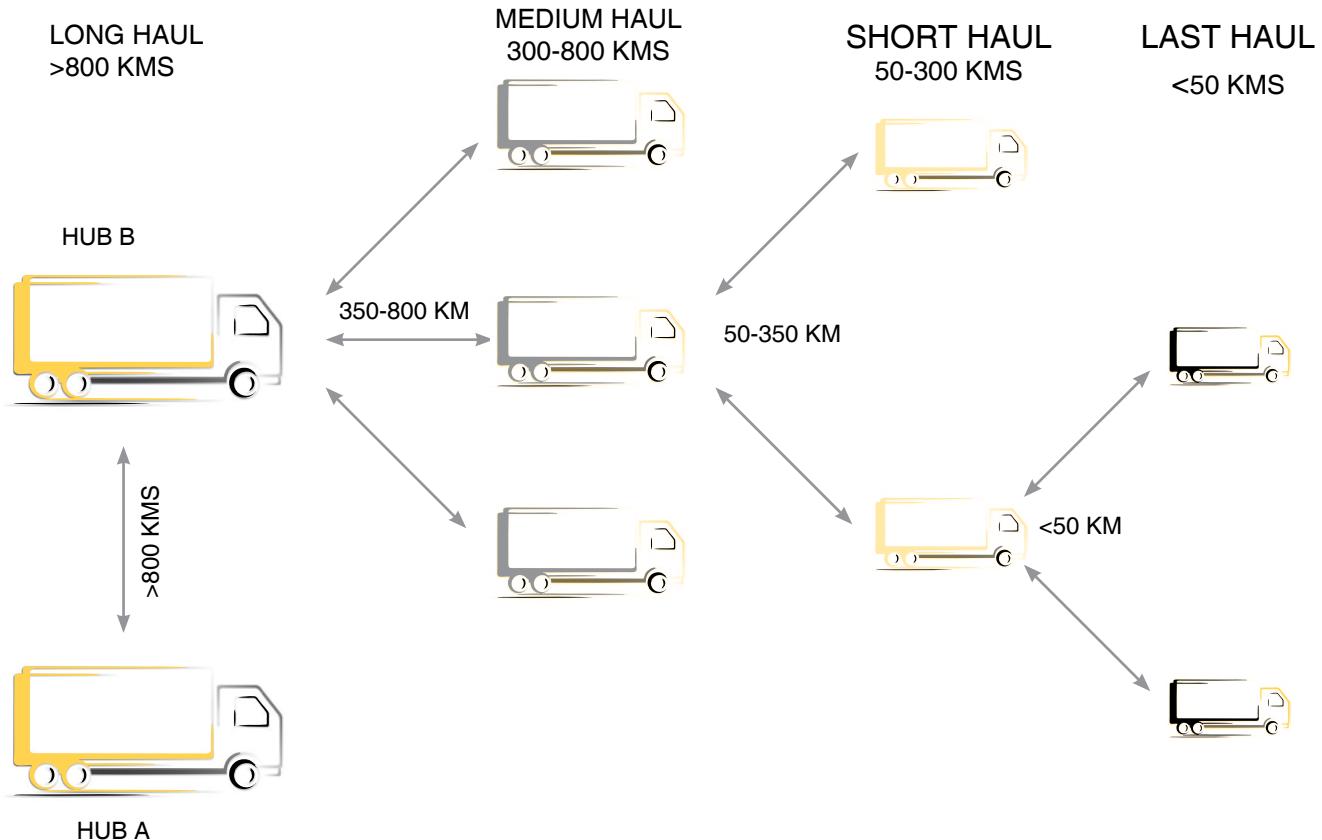


Truck profile (7.5 mn)



↑
SHRIRAM TARGET SEGMENT

DISTRIBUTION CHAIN - HUB AND SPOKE MODEL



Source: Avendus Research

LIFE CYCLE OF A CV OFFERS MULTIPLE FINANCING OPPORTUNITIES

A typical nine tonne CV generally changes ownership four times in its life cycle. It starts off on the long haul national highways, moves down to interstate by the fifth year, further on to less than 300 km intercity routes and finally goes on to local uses like garbage trucks after 13-14 years. These changes of ownership create multiple financing options for financiers.

CONSTRUCTION EQUIPMENT INDUSTRY

All this is expected to drive demand for construction equipment such as crawlers, excavators, loaders and compaction equipment, and boost the heavy equipment rental and leasing business, which is currently a highly fragmented industry dominated by unorganised small construction equipment operators. These customers, whose profile is very similar to small road transport operators, have improved demand for second-hand construction equipment in recent years.

It can be noted that the dip in economic growth - experts are suspecting if we would even get to the 5 per cent mark for

FY14 - coupled with government's inability to kick start projects and judicial interventions like the ban on mining, have resulted in difficulties for the CV and CE sectors.

COMPANY REVIEW

About the company

Established in 1979, Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with assets under management of Rs 53,102.11 crore. The company is a leader in organised financing of pre-owned trucks with a market share of 20-25% in the strategic segment of 5-12 year old trucks. Having a pan-India presence with a network of 654 branches and partnership with ~500 private financiers, the company has revitalized the pre-owned commercial vehicle industry and thereby ensured inclusive growth to its strong customer base of over 6 lac first time users and driver-turned-owners.

2013-14 in review

2013-14 was a challenging year for the company. The sectors that traditionally motivate higher demand for commercial vehicles continued to face lower traction in terms of investments

and activity. While the Indian infrastructure spending remained stagnant on account of policy delays and tightening credit decisions by the banks and financial institutions; the mining sector was badly hit by the imposed ban in key areas such as Odisha, Karnataka, etc. Moreover, increased cost of finance resulted in adverse impact on the capital investment plans by the corporate. To top it all, the revision in diesel prices led to higher operating cost for the truck owners in an already recessionary economy. These events enabled us at Shriram transport to set our priorities right – in other words, to grow responsibly by keeping our asset quality intact. During 2013-14, our total assets under management (AUM) increased by 5.63% to Rs. 53,102.11 crore. Our net interest income increased by 6.90% to Rs. 3,647.89 crore and our net profits registered a 7.09% degrowth to Rs. 1,264.21 crore. We widened our reach by adding 109 new branches and amidst all this, our Net NPAs registered a growth of 6 bps, reflecting our quality of growth. Our gross NPAs and net NPAs stood at 3.86% and 0.83% respectively, indicating higher provisioning to protect our quality of growth in the coming years.

Construction equipment business

We continued to capitalize upon the trend among small road transport operators to diversify into construction equipment as the second income opportunity. To this end, our subsidiary - Shriram Equipment Finance Co. Ltd., continued to offer a wide range of pre-owned and new commercial construction equipment including forklifts, cranes, loaders etc. to first time users, including our existing customers. During 2013-14, Shriram Equipment Finance registered a topline of Rs. 543.95 crore and a net profit of Rs. 86.83 crore. The company had an AUM of Rs. 3,418.39 crores on March 31, 2014.

Auto Malls

Shriram Automall India Limited, the subsidiary of our company, operates 32 Automalls, 11 of which were opened during 2013-14. Automall is the first-of-its-kind mall that offers a common meeting platform for the potential buyers and sellers. This platform has become a unique mechanism to ensure price discovery of the pre-owned vehicles. Automall offers absolute transparency in valuation process, backed with assured title, quality and performance of the vehicle to the buyers and assured payment to the sellers.

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

SWOT ANALYSIS

Strengths

- The pioneer in the pre-owned commercial vehicles financing sector

- Knowledge-driven and relationship-based business model
- Pan-India presence with 654 branch offices
- A well-defined and scalable organisation structure based on product, territory and process knowledge
- Strong financial track record driven by fast growth in AUM with low Non Performing Assets (NPAs)
- Experienced and stable management team
- Strong relationships with public, private as well as foreign banks, institutions and investors.
- More than 11 lacs customers across India

Weaknesses

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

Opportunities

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

Threats

- Regulatory changes in the NBFC and ancillary sectors

FINANCIAL PERFORMANCE

During the year 2013-14, the Company's total income increased by 20.18% to Rs. 7,888.26 crore, as compared to Rs. 6,563.59 crore in 2012-13. The Company's PAT decreased by 7.09% to Rs. 1,264.21 crore, from Rs. 1,360.62 crore. The Gross NPAs and net NPAs for the year under review stood at 3.86% and 0.83% respectively. The Company's net spread for the year under review stood at 3.81%.

Capital Adequacy Ratio (CAR)

The Company maintained a CAR of 23.39% during 2013-14 against a minimum 15% as required by RBI norms.

Borrowing profile

The Company's total external borrowings increased from Rs. 31,002.37 crore as of March 31, 2013 to Rs. 35,924.62 crore as of March 31, 2014.

Assets Under Management (AUM)

The total Assets Under Management (AUM) as on March 31, 2014 stood at Rs. 53,102.11 crore against Rs. 49,676.01 crore as on March 31, 2013.

Securitisation

During 2013-14 the company securitised its assets worth Rs. 10,680 crore (about 20.11% of the total assets under management as on March 31, 2014) as against Rs. 8,784

crore during 2012-13. The steps initiated by the company to ensure superior asset quality through transparent and impactful processes have resulted in expanding its realm of economical financial alternative. The securitisation allows the company to mitigate the interest risk by converting its floating liability to fixed price liability but also enables the company to access low cost funds under priority sector by RBI. The outstanding securitised assets portfolio stood at Rs. 16,543 crores on March 31, 2014.

Internal control systems and their adequacy

In any industry, the processes and internal control systems play a critical role in the health of the Company. The Company's well-defined organisational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines

to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

Human resources

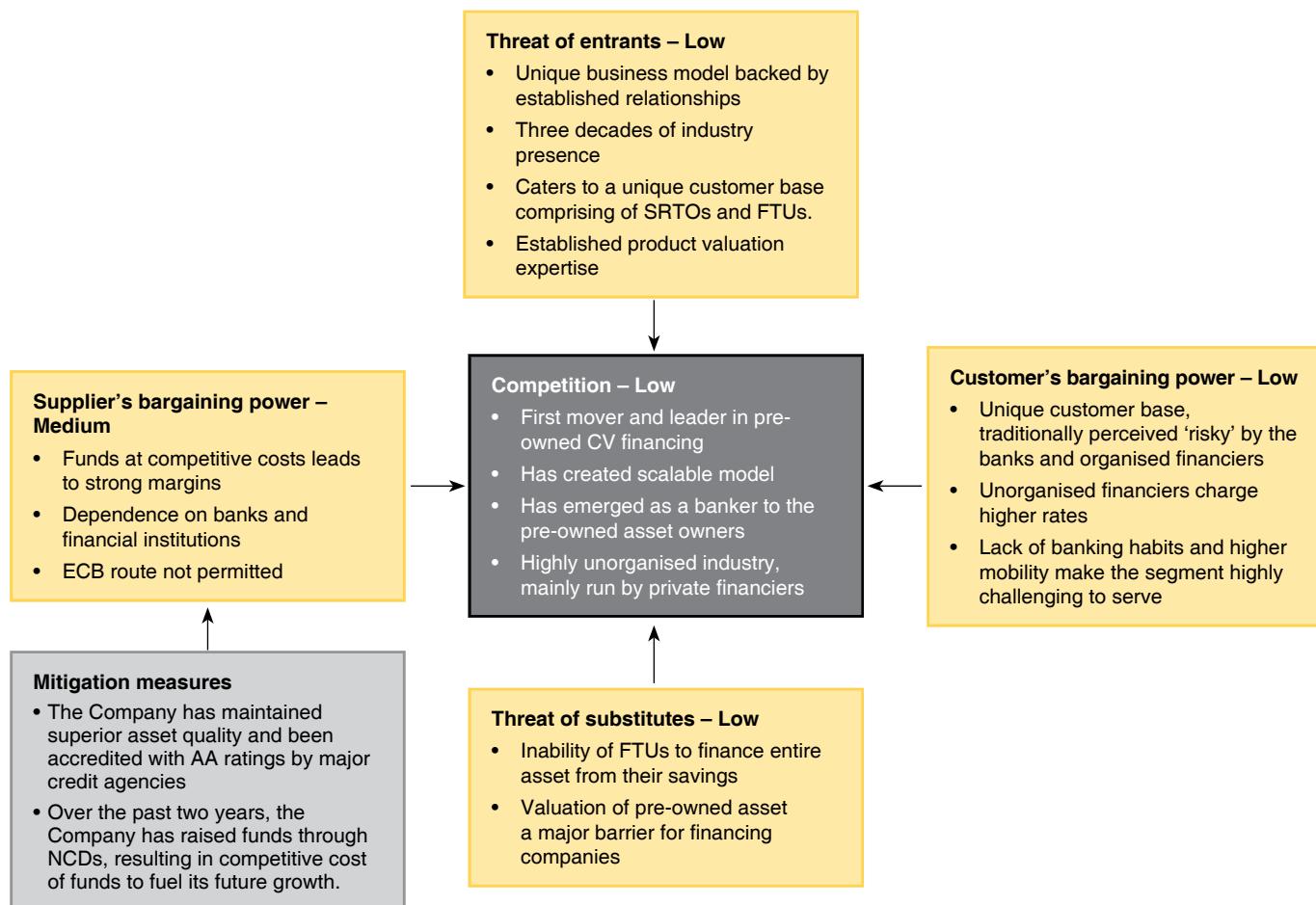
As of March 31, 2014, the Company had 18,122 employees on its payrolls including 11,209 product/credit executives.

CAUTIONARY STATEMENT

This report contains forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower, economic conditions, government policies and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto.

KEY RISKS AND MITIGATION MEASURES

Porter's Five Forces analysis



ECONOMY RISK



Sale of CVs gets directly impacted with the slowdown in the economic activity. This could lead to lower business for the Company.

Risk mitigation

In general, any industrial or economical slowdown usually hits the demand for new commercial vehicles. At the same time, with low industrial activity or slowdown in infrastructure projects, usually the large fleet owners get impacted on account of lower utilization. Shriram Transport finances FTUs and DTOs, who usually use the CV for earning their own livelihood. As a result, the customers find relevant means to utilise their assets, even with the macro factors are not encouraging. The pre-owned CV portfolio comprise of ~76% of the Company's total portfolio. At the same time, the Company has diversified its asset portfolio to cater to LCVs, a segment which continues to remain promising in the long term. Besides, the Company has also expanded its solutions to emerge as a one-stop-shop for CV owners.

HUMAN RESOURCE RISK



The Company has a unique relationship-based business model, which may get adversely impacted due to attrition at both ground and strategic levels.

Risk mitigation

Since its inception, Shriram Transport has practiced its philosophy of "putting people first". The Company's people friendly policies coupled with a performance-rewarding culture have enabled it to deliver progressive career path for each of its employees. The Company provides entrepreneurial role to each of its employees by empowering them with decision-making in their respective realm of work. This culture has not only enabled the Company to limit attrition at key levels but also produce home grown leaders.

INTEREST RATE RISK



While the Company borrows at both fixed and floating rates, it lends at a fixed rate. If the Company has a large proportion of borrowings at a floating rate, a sharp fluctuation in interest rate may lead to a reduction in the Company's net interest margin. Higher interest cost would also lead to a higher cost of lending which may reduce the attractiveness of the Company for borrowers and affect the Company's ability to grow its business.

Risk mitigation

The Company has instituted the process of asset valuation, perfected over the years, which enables it to lend judiciously and protect its asset quality. The relationship-based business model has enabled the Company to receive timely recoveries and ensure healthy portfolios. All of the Company's loans qualify as Priority Sector assets for banks and therefore have lower cost. To fuel the scalable business model with affordable funds, the Company has, raised funds through non-convertible debentures. These NCDs are listed and were rated highly by the reputed credit agencies. Given its long-standing relationship with banks and institutions and an impeccable track record of servicing its debts in a timely manner, the Company is a preferred partner for all banks and institutions

ASSET-LIABILITY MISMATCH RISK



If the Company uses short-term liabilities to fund long term assets, it could result in a liquidity crunch affecting the Company's ability to service loans and fund overheads.

Risk mitigation

The Company ensures that the short term and long term sources of funds are favourably matched with deployment. To avoid any asset liability risk, the Company resorted to long-term funding instruments such as NCDs and securitization. With the superior asset quality and demonstrated scalability of business model, the Company has continued to enjoy trust and support from its long-term investors and banks. The Company has an impeccable record in servicing debts on time, further resulting from its strict fiduciary discipline.

CASH MANAGEMENT RISK



Almost two-thirds of the Company's total monthly collections are in the form of cash, due to the underdeveloped banking habits of SRTOs. Lack of proper cash management can lead to a loss for the Company.

Risk mitigation

The Company ensures efficient and secure collection across all its branches through cash management network with leading banks. This coupled with stringent checks and internal controls employed across all branches has led to significant mitigation in the envisioned risk. At the regional level, each branch's collections are monitored and reconciled to avoid any potential risk. The Company also ensures that its field officers make compulsory monthly visits to borrowers, which help in managing large cash collections.

Your Directors have pleasure in presenting their Thirty Fifth Annual Report and the Audited Statements of Accounts for the financial year ended March 31, 2014.

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

Particulars	2013-14	2012-13
Profit Before Depreciation and Taxation	185,718.05	203,452.20
Less: Depreciation and Amortisation	2,913.79	1,833.09
Profit Before Tax	182,804.26	201,619.11
Less: Provision for Taxation	56,383.49	65,557.10
Profit After Tax	126,420.77	136,062.01
Add: Balance brought forward from previous year	288,626.08	191,157.33
Balance available for appropriation	415,046.85	327,219.34
Appropriations		
Excess provision written back – tax on dividend	-	0.41
General Reserve	13,000.00	14,000.00
Statutory Reserve	26,000.00	28,000.00
Debenture Redemption Reserve	11,155.41	(21,956.09)
Dividend on Equity Shares of Rs. 10/- each	15,881.79	15,900.24
Tax on Dividend	2,698.69	2,649.52
Balance carried to Balance Sheet	346,310.96	288,626.08

DIVIDEND

Your Directors at their meeting held on October 29, 2013 declared an interim dividend of Rs. 3.00/- per equity share (i.e. 30%) for the financial year 2013-14, which was paid on November 25, 2013.

Your Directors have recommended a final dividend of Rs.4/- per equity share (i.e. 40%) for the financial year ended March 31, 2014. Thus, the total dividend (including interim dividend paid) for the year ended March 31, 2014 shall be Rs.7/- per equity share (i.e.70%).

CAPITAL ADEQUACY RATIO

Your Company's total Capital Adequacy Ratio (CAR), as of March 31, 2014, stood at 23.39% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15%.

CREDIT RATING

The credit rating enjoyed by the Company as on March 31, 2014 are as follows:

Credit Rating Agency	Instruments	Ratings
CARE	Non-Convertible Debentures	CARE AA+
CARE	Subordinate Debt	CARE AA+
CRISIL	Fixed Deposit	CRISIL FAA+/Stable
CRISIL	Subordinate Debts	CRISIL AA/Stable
CRISIL	Non-Convertible Debentures-Public	CRISIL AA/Stable
CRISIL	Short Term Debt	CRISIL A1+
CRISIL	Bank Loan Long Term & Short Term	CRISIL AA/Stable
ICRA	Fixed Deposit	MAA+ with Stable outlook
India Ratings & Research Private Limited (Formerly known as "FITCH")	Non-Convertible Debentures-Public	IND AA
India Ratings & Research Private Limited (Formerly known as "FITCH")	Subordinate Debt	IND AA

OPERATIONS

For the financial year ended March 31, 2014, your Company earned Profit Before Tax of Rs.182,804.26 lacs as against Rs.201,619.11 lacs in the previous financial year and the Profit After Tax of Rs.126,420.77 lacs as against Rs. 136,062.01 lacs in the previous financial year. The total Income for the year under consideration was Rs. 788,825.91 lacs and total expenditure was Rs.606,021.65 lacs. As on March 31, 2014, the outstanding hypothecation loans were Rs. 3,525,312.21 lacs.

During the financial year ended March 31, 2014, the Company mobilized Rs. 483,718.01 lacs through Non-convertible debentures, Rs.129,011.38 lacs through subordinated debts, Rs.1,363,900 lacs through term loans, Rs. 48,700 lacs through working capital loans, Rs.46,000 lacs through commercial paper, Rs.1,067,954.78 lacs through assignment of loan receivables from the customers, Rs.161,630.58 lacs through Fixed deposit and Rs. 1,400 lacs through ICD.

ECONOMIC AND BUSINESS ENVIRONMENT

According to the advance estimates of national income for the year 2013-14 issued by the Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation, Government of India vide Press Release dated February 7, 2014, the growth of Gross Domestic Product (GDP) during 2013-14 is estimated at 4.9% as compared to growth rate of 4.5% in the year 2012-13 (previous year). The Agriculture sector comprising 'agriculture, forestry and fishing' sectors is likely to show a growth of 4.6% during 2013-14 as against the previous year's growth rate of 1.4%. The production of foodgrains is expected to grow by 2.3% as compared to decline of 0.8% in the previous agriculture year. In Industry sector de-growth of 0.2% is estimated in the 'manufacturing' sector as compared to the growth of 1.1% in the previous year. The mining and quarrying de-growth of 1.9% is estimated as compared to the de-growth of 2.2% in the previous year. A growth rate of 1.7% is estimated in the 'construction' as compared to 1.1% in the previous year.

In the Service sector 'trade, hotels, transport and communication' is estimated to grow at 3.5% as against growth of 5.1% in the previous year. The sector 'financing, insurance, real estate and business services' is expected to show a growth rate of 11.2% as compared to growth rate of 10.9% in the previous year.

Automobile Industry

The Society of Indian Automobile Manufacturers (SIAM) has reported that the overall domestic sales of vehicles during the year 2013-14 grew marginally by 3.53% as compared to year 2012-13 (last year). The sales of Passenger Vehicles declined by 6.05%. Within the Passenger Vehicles, Passenger Cars, Utility Vehicles and Vans dropped by 4.65%, 5.01% and 19.58% respectively as compared to the last year. The overall Commercial Vehicles sales registered a de-growth of 20.23% as compared to the last year. Medium & Heavy Commercial Vehicles (M&HCVs) registered negative growth of 25.33% and Light Commercial Vehicles also dropped by 17.62%. Three Wheelers sales declined by 10.90%.

Passenger Carriers and Goods Carriers declined by 12.74% and 2.53% respectively. Two Wheelers registered growth of 7.31%. Within the Two Wheelers segment, Scooters and Motorcycles grew at 23.24% and 3.91% respectively, while Mopeds declined by 8.35% during April, 2013- March, 2014.

The overall automobile exports grew by 7.21%. Passenger vehicles, Three Wheelers and Two Wheelers exports registered growth of 6.09%, 16.60% and 6.52% respectively, while Commercial Vehicles exports declined by 3.71% (SIAM Media Release 11/04/2014).

The heavy goods transport vehicles sector faced many challenges in terms of idle time due to de-growth in manufacturing, mining and quarrying sectors, pressure on margins as the freight rate increases were not commensurate with fuel price increases. This resulted into lower demand for credit from urban areas. The rural and semi-urban credit demand was maintained due to impressive growth in foodgrain production.

Company's performance

Considering the difficult macro-economic conditions and challenging business environment, the Company's performance during the year under review was satisfactory. The Company continued its focus on financing of pre-owned commercial vehicles and penetration into rural market. The assets under management had increased. However, the finance cost had increased. The Net interest margins were under pressure.

OUTLOOK AND OPPORTUNITIES

The real GDP growth rate is projected to pick up to a range of 5% to 6% in 2014-15. Easing of domestic supply bottlenecks and progress on the implementation of stalled projects already cleared should contribute to growth. The Current Account Deficit is expected to be about 2% of GDP.

RBI has set ambitious target of bringing down the CPI inflation to 8% by January 2015 and 6% by January, 2016. But the factors such as possible El Nino effects on agricultural production, uncertainty on the setting of minimum support prices for agricultural commodities and setting of other administered prices of fuel, fertilizer and electricity may pose threat in achievement of these targets.

Your directors expect that with stable government in center, estimates of better GDP growth rate, the Company's strong business model, innovative fund management techniques, continued confidence of investors and support of the lending institutions to the Company's fund mobilization activities on account of good track record of debt servicing, your Company should achieve better performance in the year 2014-15.

FIXED DEPOSITS

As on March 31, 2014, there were 3,619 fixed deposits aggregating to Rs. 3,945.82 lacs that have matured but remained unclaimed. There were no deposits, which were

claimed but not paid by the Company. The unclaimed deposits have since reduced to 3,012 deposits amounting to Rs. 3,040.09 lacs. Appropriate steps are being taken continuously to obtain the depositors' instructions so as to ensure renewal/ repayment of the matured deposits in time.

SUBSIDIARIES

For the year ended March 31, 2014, the Income from Operations and Profit after Tax of Shriram Equipment Finance Company Limited (SEFCL) was Rs. 54,377.78 lacs and Rs.8,683.00 lacs respectively.

For the year ended March 31, 2014, the income from operations and Profit after Tax of Shriram Automall India Limited (SAIL) was Rs.7,325.13 lacs and Rs. 826.35 lacs respectively. During the year 2013-14, SAIL has established 11 additional Automalls, thereby increasing the total number of Automalls to 32.

As the Company received Corporate Agent license from Insurance Regulatory and Development Authority (IRDA) for procuring business of both Life and General Insurance a decision was taken not to obtain separate license by the Company's wholly owned subsidiary Shriram Insurance Broking Company Limited (SIBCL). SIBCL withdrew its application pending with IRDA. The application filed by SIBCL under the provisions of Section 560 of the Companies Act, 1956 to strike off its name was accepted and confirmed by the Ministry of Corporate Affairs vide notice dated December 13, 2013.

A statement on consolidated financial position of the Company with that of the subsidiaries is attached to the Annual Report. The consolidated financial statements attached to this Annual Report are prepared in compliance with the applicable Accounting Standards and Listing Agreement.

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

SHARE CAPITAL

During the year under review, the Company allotted 18,800 fully paid up equity shares of the face value of Rs. 10/- each to its employees on their exercise of stock Options by them. Details of the shares issued and allotted under the Employees Stock Option Scheme of the Company, as well as the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure to this Report.

PUBLIC ISSUE OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

In order to raise funds for various financing activities including lending and investments, to repay existing loans and for business operations including for meeting capital expenditure and working capital requirements, the Company made two Public Issues of Secured Redeemable Non-Convertible Debentures (NCDs) of face value of Rs.1,000/- each during the year under review. The first Public Issue of NCDs opened on July 16, 2013 with the Base Issue aggregating upto Rs. 37,500 lacs with an option to retain over-subscription upto Rs. 37,500 lacs for issuance of additional NCDs aggregating to a total of upto Rs. 75,000 lacs. After considering the technical rejections, the Issue was subscribed 1.96 times of the Base Issue size and 0.98 times of the Total Issue Size. The Second Public Issue of NCDs opened on October 07, 2013 with the Base Issue aggregating upto Rs. 25,000 lacs with an option to retain over-subscription upto Rs. 25,000 lacs for issuance of additional NCDs aggregating to a total of upto Rs. 50,000 lacs. After considering the technical rejections, the Issue was subscribed 2.1356 times of the Base Issue Size and 1.0678 times of the Total Issue Size.

BOARD OF DIRECTORS

Mr. Ranvir Dewan, a Non-Executive Non-Independent Director nominated by Newbridge India Investments II Limited (Newbridge) on the Board of the Company resigned from directorship of the Company on September 02, 2013 subsequent to disposal of its entire shareholding in the Company by Newbridge. The Board has placed on record its appreciation of the invaluable services rendered by Mr. Ranvir Dewan.

The Board of Directors in its meeting held on April 29, 2014 has appointed Mr. Gerrit Van Heerde as Additional Director of the Company in the category of Non-Executive, Non-Independent director.

Mr. Arun Duggal will retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Mr. Puneet Bhatia, Non Executive Non-Independent Director will subject to approval of member at the ensuing AGM, continue as Non Executive Non Independent Director liable to retirement by rotation.

The Board of Director seek your support for passing of the resolution for appointment/re-appointment of the above directors.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with

- proper explanation relating to material departures;
- b) That such accounting policies as mentioned in Note 2.1 of the Accounts have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual Accounts have been prepared on a going concern basis.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013 the Board of Directors in its meeting held on April 29, 2014 has constituted Corporate Social Responsibility Committee of three directors.

RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India, from time to time as applicable to it.

ANNEXURES

Vide General Circular 08/2014 dated 04/04/2014, the Ministry of Corporate Affairs (MCA) has clarified that the financial statements (and documents required to be attached thereto), auditors report and Board's report in respect of financial years that commenced earlier than April 01, 2014 shall be governed by the relevant provisions/Schedules/rules of the Companies Act, 1956.

Following Reports are attached to this Report pursuant to the provisions of the Listing Agreement with the Stock Exchange:

- (i) The Report on Corporate Governance as per clause 49 of the Listing agreement forms part of the Annual Report, and is annexed herewith together with Auditors' Certificate on Corporate Governance, the certificate, duly signed by the Managing Director and Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2014 as submitted to the Board of Directors at their meeting held on April 29, 2014 and the declaration by the Managing Director regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct.
- (ii) The Management Discussion & Analysis Report as per clause 49 of the Listing agreement is given as a separate Report forming part of the Annual Report.

- (iii) Business Responsibility Report as per clause 55 of the Listing agreement is given as a separate Report forming part of the Annual Report.

AUDITORS

M/s. S. R. BATLIBOI & Co. LLP, Chartered Accountants, Mumbai and M/s. G. D. Apte & Co., Chartered Accountants, Mumbai, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Certificates have been received from them to the effect that their re-appointment as Auditors of the Company, if made, would be within the limits prescribed under Section 139 & 141 of the Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under clause 41(1)(h) of the Listing Agreement. Members are requested to consider their re-appointment.

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

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

- a. The Company has no activity involving conservation of energy or technology absorption.
- b. The Company does not have any Foreign Exchange Earnings.
- c. Outgo under Foreign Exchange - Rs.51.23 lacs.

PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Sec 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Mumbai

April 29, 2014

Arun Duggal

Chairman

- (I) "Promoter Group" as defined under regulation 2(1)(t) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations, 2011, (SAST regulations 2011) as under :
1. Shriram Ownership Trust, 2. Shriram Financial Ventures (Chennai) Private Limited, 3. Shriram Life Insurance Company Limited, 4. Shriram General Insurance Company Limited, 5. Shriram Credit Company Limited, 6. Shriram Asset Management Company Limited, 7. Bharat Reinsurance Brokers Private Limited, 8. Shriram Overseas Investments Private Limited, 9. Shriram Investments Holdings Limited, 10. Bharat Investments Pte.Limited Singapore, 11. Shriram City Union Finance Ltd, 12. Shriram Fortune Solutions Limited, 13. Shriram Wealth Advisors Limited, 14. Shriram Insight Share Brokers Limited, 15. Shriram Financial Products Solutions (Chennai) Private Limited, 16. Shriram Housing Finance Limited, 17. Insight Commodities and Futures Private Limited and 18. Shrikekha Financial Services.
- (II) The Persons Acting in Concert (PAC), as defined in the SAST Regulations 2011 for the purpose of Regulation 10 of SAST Regulations, 2011:
- i. Sanlam Emerging Markets (Mauritius) Limited, ii. Shriram Mutual Fund (SMF), iii. Mr. S Krishnamurthy (Trustee of SMF), iv. Mr. S M Prabhakaran (Trustee of SMF), v. Mr. V N Shivashankar (Trustee of SMF), vi. Dr. Qudsia Gandhi (Trustee of SMF), vii. Shriram Automall India Limited, viii. Shriram Equipment Finance Company Limited and ix. Sanlam Life Insurance Limited.
- (III) All the entities/persons mentioned in Note No. I and Note No. II are PACs for not less than three years except the entities at Sr. No. (2) and (18) in Note No.I and the entities/persons at Sr. No. (i),(iii), (v), (vi) and (ix) in Note No II which are PACs for less than three years.
- (IV) None of the above-mentioned entities/persons in Note No.I and II hold any shares in the Company except the entity at Sr. No. (ix) in Note No.II.

The above disclosure is made for the purpose of Regulation 10 of SAST, Regulations 2011.

ANNEXURE TO THE DIRECTORS' REPORT, 2013-14

Particulars	Shriram Transport Finance Company Limited Employees Stock Option Scheme, 2005
a) Option granted	4,941,000 equity shares of Rs.10 each
b) The pricing formula	Rs.35/- per Option
c) Options vested	3,953,450
d) Options exercised (as at March 31, 2014)	3,821,850
e) The total number of shares arising as a result of exercise of options	3,821,850 equity shares of Rs.10 each
f) Options lapsed (as at March 31, 2014)	1,119,150
g) Variations of terms of options	Nil
h) Money realized by exercise of options	133,764,750
i) Total number of option in force (as at March 31, 2014)	Nil
j) Director and Employees to whom options were granted during the year:	
i) Director(s) including Managing Director and Senior Management Personnel	None
ii) Any other employee who received a grant of options amounting to 5 percent or more of options granted	None
iii) Identified employees who were granted options equal to or exceeding 1 percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
k) Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share"	Rs.55.72
i) Methods of calculation of employee compensation cost	Intrinsic Value Method
ii) Difference between the employee compensation cost so computed at i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	<p style="text-align: center;">Employee Compensation Cost</p> As per intrinsic value method – Rs 0.90 lacs As per fair value method using Black Scholes Model- Rs. 0.86 lacs Difference in cost is Rs. 0.04 lacs
iii) The impact of this difference on Profits and on EPS of the Company	Impact on Profits and EPS Amortisation for the FY 13-14 As per intrinsic value method – Rs.0.90 lacs As per fair value method using Black Scholes Model-Rs.0.86 lacs Impact on profit-Rs.0.04 lacs Impact on diluted EPS- Rs. Nil

I)	Series I	Series II	Series III	Series IV	Series V	Series VI
Weighted average exercise price	Rs.35.00	Rs.35.00	Rs.35.00	Rs.35.00	Rs.35.00	Rs.35.00
Weighted average fair value	Rs.59.04	Rs.91.75	Rs.74.85	Rs.136.40	Rs.253.90	Rs.201.45
m) Fair Value of option based on Black Scholes methodology						
Series I		Yr 1	Yr 2	Yr 3	Yr 4	
Expected Volatility (%)		38.44	38.44	38.44	38.44	
Life of the options granted (Vesting and exercise period) in years		1.50	2.50	3.50	4.50	
Expected dividends per annum (Rs.)		3.00	3.00	3.00	3.00	
Average risk-free interest rate (%)		5.98	6.33	6.54	6.73	
Expected dividend rate (%)		2.31	2.31	2.31	2.31	
Expected life of Options		4.09 years				
Grant date		31.10.2005				
Closing market price of share on date of option grant		Rs.93.30				
Series II		Yr 1	Yr 2	Yr 3	Yr 4	
Expected Volatility (%)		19.89	19.89	19.89	19.89	
Life of the options granted (Vesting and exercise period) in years		1.50	2.50	3.50	4.50	
Expected dividends per annum (Rs.)		3.00	3.00	3.00	3.00	
Average risk-free interest rate (%)		6.64	6.83	6.93	7.26	
Expected dividend rate (%)		2.52	2.52	2.52	2.52	
Expected life of Options		4.49 years				
Grant date		01.01.2006				
Closing market price of share on date of option grant		Rs.130.10				
Series III		Yr 1	Yr 2	Yr 3	Yr 4	
Expected Volatility (%)		31.85	31.85	31.85	31.85	
Life of the options granted (Vesting and exercise period) in years		1.50	2.50	3.50	4.50	
Expected dividends per annum (Rs.)		3.00	3.00	3.00	3.00	
Average risk-free interest rate (%)		6.96	7.10	7.26	7.40	
Expected dividend rate (%)		2.52	2.52	2.52	2.52	
Expected life of Options		5.01 years				
Grant date		09.10.2006				
Closing market price of share on date of option grant		Rs.111.25				

Series IV	Yr 1	Yr 2	Yr 3	Yr 4
Expected Volatility (%)	41.51	41.51	41.51	41.51
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	7.68	7.76	7.82	7.87
Expected dividend rate (%)	0.89	0.89	0.89	0.89
Expected life of Options	5.88 years			
Grant date	17.08.2007			
Closing market price of share on date of option grant	Rs.168.05			
Series V	Yr 1	Yr 2	Yr 3	Yr 4
Expected Volatility (%)	69.22	69.22	69.22	69.22
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	3.00	3.00	3.00	3.00
Average risk-free interest rate (%)	9.41	9.36	9.34	9.36
Expected dividend rate (%)	1.63	1.63	1.63	1.63
Expected life of Options	6.78 years			
Grant date	15.07.2008			
Closing market price of share on date of option grant	Rs.294.50			
Series VI	Yr 1	Yr 2	Yr 3	Yr 4
Expected Volatility (%)	64.80	64.80	64.80	64.80
Life of the options granted (Vesting and exercise period) in years	1.50	2.50	3.50	4.50
Expected dividends per annum (Rs.)	5.00	5.00	5.00	5.00
Average risk-free interest rate (%)	4.03	4.68	5.20	5.64
Expected dividend rate (%)	1.96	1.96	1.96	1.96
Expected life of Options	7.60 years			
Grant date	13.05.2009			
Closing market price of share on date of option grant	Rs.245.25			

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

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

BOARD OF DIRECTORS

Composition

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

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

During the year under review, five meetings of the Board of Directors were held on May 07, 2013, July 05, 2013, July 23, 2013, October 29, 2013, and January 29, 2014.

The maximum gap between any two meetings was not more than four months. The thirty fourth Annual General Meeting was held on July 05, 2013.

As mandated by Clause 49, as of March 31, 2014, 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 necessary disclosures regarding Committee positions have been made by the Directors.

As of March 31, 2014, the Company's Board comprised of nine members. The Chairman of the Board is non-executive Director. The Managing Director is an Executive of the Company.

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

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

COMPOSITION OF BOARD AS OF MARCH 31, 2014

Name of the Director and Category of Directorship	No. of Board Meetings attended	Whether attended the last AGM	Total no. of Directorships	Total no. of Memberships of the Committees of Board		Total no. of Chairmanships of the committees of Board	
				Memberships in Audit / Investor Grievance Committees	Memberships in other Committees	Chairman-ships in Audit / Investor Grievance Committees	Chairman-ships in other Committees
Mr. Arun Duggal Chairman-Non- Executive Non- Independent	5	Yes	10	2	7	3	-
Mr. Umesh Revankar Managing Director-Executive	5	Yes	3	1	-	-	1
*Mr. R. Sridhar Non- Executive Non-Independent	4	Yes	6	-	2	1	-
Mr. M. S. Verma Non-Executive, Independent	3	Yes	6	2	-	2	2
Mr. S M Bafna Non-Executive, Independent	3	Yes	14	-	-	-	-
Mr. S Lakshminarayanan Non-Executive, Independent	5	Yes	4	-	-	-	1
Mr. Puneet Bhatia Non-Executive, Non-Independent	2	No	6	-	-	-	-
**Mr. Ranvir Dewan Non-Executive, Non- Independent (upto September 02, 2013)	1	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Amitabh Chaudhry Non-Executive and Independent Director	5	Yes	3	1	-	-	-
Mrs. Kishori Jayendra Udeshi Non-Executive and Independent Director	4	Yes	4	1	-	-	-

Notes:

1. While considering the total number of directorships of Directors, their directorships in private companies, Section 25 companies and foreign companies, if any, have been included and their directorship in the Company has been excluded.
2. The memberships and chairmanships of Directors in committees do not include their memberships and chairmanships in the Company.
3. The memberships and chairmanships of Directors in committees include their memberships and chairmanships in the wholly owned subsidiaries of the Company.
4. None of the above Directors are related inter- se.
5. *Mr. R. Sridhar participated in one Meeting through tele-conference.
6. ** Mr. Ranvir Dewan cease to be director of the Company w.e.f. September 02, 2013.

Policy for prohibition of Insider Trading:

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

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

AUDIT COMMITTEE

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

Terms of Reference

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

- Overseeing the financial reporting process.
- To ensure proper disclosure in the quarterly, half yearly and Annual Financial Statements.
- To recommend appointment, re-appointment of auditors and the fixing of their remuneration. Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the Financial Statements before submission to the Board.
- Reviewing, with the management, performance of statutory and Internal auditors, adequacies of the internal control systems.

- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Discussing with Internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal examinations by the Internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To discuss with the management, the senior internal audit executives and the statutory auditor/s the Company's major risk exposures and guidelines and policies to govern the processes by which risk assessment and risk management is undertaken by the Company, including discussing the Company's major financial risk exposures and steps taken by management to monitor and mitigate such exposures and from time to time conferring with

another Committee/s of the Board about risk exposures and policies within the scope of such other Committee's oversight.

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- To review the financial Statements, in particular, the investments made by the unlisted subsidiary company/ies.
- During the year under review, four meetings were held on May 07, 2013, July 22, 2013, October 29, 2013, and January 28, 2014. The maximum gap between any two meetings was not more than four months.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. M. S. Verma – Chairman	Non-Executive, Independent	4
Mr. Puneet Bhatia	Non-Executive, Non-Independent	1
Mr. S. M. Bafna	Non-Executive, Independent	3
*Mrs. Kishori Udeshi	Non-Executive, Independent	3

*The Board of Directors in its meeting held on July 05, 2013 appointed Mrs. Kishori Udeshi, Independent Director as a new member of the Audit Committee.

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

REMUNERATION COMPENSATION AND NOMINATION COMMITTEE

Terms of Reference

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

Executive Remuneration

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

- To provide independent oversight of and to consult with management regarding the Company's compensation, bonus, pension and other benefit plans, policies and practices applicable to the Company's executive management.
- To develop guidelines for and annually review and approve (a) the annual basic salary, (b) the annual incentive and bonus, including the specific goals and amount and (c) equity compensation for the Managing Director and the other executive officers of the Company.
- To review and approve (a) employment agreements, severance arrangements and change in control agreements/ provisions and (b) any other benefits, compensation or arrangements for the Managing Director and the other executive officers of the Company.
- To recommend the appointment of the Director to the Board.

Employees Stock Option Scheme (ESOS)

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

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

During the year under review, three meetings of the Committee were held on July 05, 2013, October 29, 2013 and January 29, 2014.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. S. Lakshminarayan - Chairman	Non Executive-Independent	3
Mr. Puneet Bhatia	Non Executive – Non - Independent	1
Mr. S. M. Bafna	Non Executive-Independent	3

Remuneration policy of the Company
For Managing Director

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

Remuneration paid to the Managing Director for the financial year 2013 - 2014 is given elsewhere in this Report.

For Non Executive Independent Directors

The Company is being benefited from the expertise,

advise and inputs provided by the Independent Directors. The Independent Directors devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time.

Non-Executive Directors get sitting fees for attending each meeting of the Board of Directors/Committees thereof and reimbursement of out-of-pocket expenses incurred, wherever applicable, for attending such meetings. The sitting fee is payable only to Independent Directors. The sitting fee payable per meeting is as under:

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

In addition to the sitting fees, Independent Directors are also paid Commission as per the Special resolution passed by the shareholders in their 34th AGM held on July 05, 2013. The Board of Directors at its meeting held on April 29, 2014 has approved payment of Commission to the Independent Directors for the Financial Year 2013-14. The criteria for payment of commission has been posted on the Company's website i.e. www.stfc.in.

The details of sitting fees/remuneration/commission paid/to be paid to the Directors during the year 2013 - 14 are as under:

Sr. No.	Name of the Director	Sitting Fees for attending Meetings (Rs.)	Salary, Perquisites & ESOS (Rs.)	Commission (Rs.)	Total (Rs.)
1	Mr. Arun Duggal, Chairman	-	-	-	-
2	Mr. Umesh Revankar Managing Director	-	48,17,853/-	-	48,17,853/-
3	Mr. R. Sridhar	-	-	-	-
4	Mr. M. S. Verma	1,20,000/-	-	5,00,000/-	620,000/-
5	Mr. S. M. Bafna	4,35,000/-	-	5,00,000/-	9,35,000/-
6	Mr. S. Lakshminarayanan	2,05,000/-	-	5,00,000/-	7,05,000/-
7	Mr. Puneet Bhatia	-	-	-	-
8	Mr. Ranvir Dewan	-	-	-	-
9	Mr. Amitabh Chaudhry	1,30,000/-	-	5,00,000/-	6,30,000/-
10	Mrs. Kishori Udeshi	1,40,000/-	-	5,00,000/-	6,40,000/-
Service Tax on sitting fees paid to the Directors					62,727/-

Notes:

Mr. Umesh Revankar was appointed as the Managing Director of the Company for a period of 5 years with effect from April 01, 2012 by the shareholders at their 33rd Annual General Meeting held on July 5, 2012. His remuneration includes salary and incentive of Rs. 33,00,000/-p.a, Perquisites of Rs. 11,10,908/- contribution to Provident Fund of Rs. 3,88,800/- and applicable discount of Rs. 18,145/- on Stock Options. The appointment may be terminated by giving three months notice in writing or salary in lieu thereof. No severance fees are payable on termination of employment.

The Commission for the year ended March 31, 2014 will be paid to all Independent Directors subject to deduction of tax after adoption of Accounts by the Shareholders in the ensuing 35th AGM of the Company.

**Details of Shares / Warrants held by the Directors as
on March 31, 2014, are as below:**

Name of the Director	Share / Warrant holdings
Mr. Arun Duggal	-
Chairman	
Mr. Umesh Revankar	55,184 shares
Managing Director	
Mr. R. Sridhar	-
Mr. M. S. Verma	-
Mr. S. M. Bafna	1,200 shares
Mr. S. Lakshminarayanan	-
Mr. Puneet Bhatia	-
Mr. Amitabh Chaudhry	-
Mrs. Kishori Udeshi	-

**SHAREHOLDERS' INVESTORS' GRIEVANCE
COMMITTEE**

Terms of reference

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

The Committee in particular looks into:

- The listing of securities on stock exchanges.
- The Shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividends and matters related thereto.
- The matters that can facilitate better investor services and relations.

- Attending to investors' queries and complaints regarding transfer, dividend, annual reports, etc.
- Attending to complaints of investors routed by SEBI/ Stock Exchanges/RBI.
- The amounts transferable to Investor Education and Protection Fund.
- The profile of investors.
- Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
- Taking decisions in connection with issue of global depository receipts, and
- The secretarial audits.

During the year, the Committee met four times on April 18, 2013, July 05, 2013, October 28, 2013 and January 29, 2014.

The necessary quorum was present for all the meetings.

Composition

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

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

Shareholders'/Investors' Complaints

Status of Complaints	No. of Complaints	
	Equity	Non Convertible Debentures
Complaints pending as on April 01, 2013	NIL	NIL
Complaints received during the period April 01, 2013 to March 31, 2014	7	15
Complaints identified and reported under Clause 41 of the Listing Agreement	7	15
Complaints disposed of during the year ended March 31, 2014	6	15
Complaints unresolved as of March 31, 2014	1*	NIL

*Since resolved.

These complaints have been attended on time and none of the complaints were pending for a period exceeding 30 days. Mr. Vivek M. Achwal, Company Secretary is designated as Compliance Officer of the Company.

BANKING AND FINANCE COMMITTEE

Terms of Reference

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

During the year under review, the Committee met 37 times.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. Umesh Revankar - Chairman	Managing Director and CEO	34
Mr. Parag Sharma	Member	36
Mr. Vinay Kelkar	Member	34

ASSET LIABILITY MANAGEMENT COMMITTEE
Terms of reference

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

- Liquidity risk management
- Management of market risks
- Funding and capital planning

- Profit planning and growth projection
- Forecasting and analysing future business environment and preparation of contingency plans.

During the year under review, the Committee met four times on April 29, 2013, July 23, 2013, and October 29, 2013.

The necessary quorum was present for all the meetings.

Composition

Name of the Member	Category	No. of Meetings Attended
Mr. Umesh Revankar - Chairman	Managing Director-Executive	3
Mr. RanvirDewan (upto September 02, 2013)	Non Executive-Nominee of Newbridge India Investments II Ltd.	-
Mr. Parag Sharma	Member	3
*Mrs. Kishori Udeshi	Member	1

*The Board of Directors in its meeting held on Oct. 29, 2013 appointed Mrs. Kishori Udeshi, Independent Director as a new member of the Asset Liability Management Committee.

GENERAL BODY MEETINGS
Details of location and time of holding the last three Annual General Meetings (AGM):

Year	AGM	Location	Date & Time
2010-11	32nd AGM	Sri Thyaga Brahma Gana Sabha, 'Vani Mahal', 103, G.N. Road, T. Nagar, Chennai - 600 017.	June 24, 2011 at 11.00 A.M
2011-12	33rd AGM	Narada Gana Sabha (Main Hall) No, 314, TTK Road, Alwarpet, Chennai - 600 018.	July 05, 2012 at 11.00 A.M
2012-13	34th AGM	Narada Gana Sabha (Main Hall), No, 314, TTK Road, Alwarpet, Chennai - 600 018.	July 05, 2013 at 11.00 A.M

- a) At the 32nd AGM held on June 24, 2011, special resolution was passed whereby Articles 46 to 49 and Articles 64 to 81 were deleted and the existing article from 50 to 63 renumbered as articles 46 to 59.
- b) No special resolution was passed in the 33rd AGM.
- c) At the 34th AGM held on July 05, 2013, no special resolution was passed through Postal Ballot. However, a special resolution was passed for payment of Commission out of the net profit of the company computed in the manner laid down in Section 349 and 350 of the Companies Act,1956 to the non-executive independent directors for a period of five years ending March 31, 2017. A special resolution was also passed for alteration of Articles of Association of the Company.
- d) At the ensuing AGM to be held on July 09, 2014, (a) Two special resolutions are proposed for passing through Postal Ballot namely, i) Creation of Security in respect of borrowings and ii) Selling, assigning, securitizing Receivables under Section 180(1)(a)

of the Companies Act, 2013 (Act) (b) three special resolutions are proposed through e-voting system namely, i) to borrow monies for the purpose of the business of Company under Section 180(1)(c) of the Act, ii) issue of securities under Section 42 of the Act on private placement basis and iii) alteration of the Articles of Association of the Company under Section 14 of the Act. Details of special resolutions are given in the notice of the ensuing AGM. Procedure for Postal Ballot for certain special resolutions is mentioned in the Postal Ballot Notice dated May 27, 2014.

SUBSIDIARY COMPANIES

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

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

The Audit Committee of the Company regularly reviews the financial statements, in particular, the investments, if any, made by the subsidiary companies. Besides, the minutes of the board meetings of the subsidiaries are placed at the Board meeting of the Company periodically. There are no significant transactions and arrangements entered into by the subsidiary companies during the financial year ended March 31, 2014 requiring it to be brought to the attention of the Board of Directors of the Company.

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

SHIRIRAM EQUIPMENT FINANCE COMPANY LIMITED (SEFCL)

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

Board of Directors of SEFCL:

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

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

CAPITAL STRUCTURE OF SEFCL:

The Capital Structure of SEFCL as on March 31, 2014 is as follows:

Particulars	As at 31/03/2014	As at 31/03/2013	(Rs.)
Authorised capital			
25,00,00,000 Equity Shares of Rs. 10/- each	2,500,000,000	2,500,000,000	
75,00,000 Compulsorily Convertible Preference Shares of Rs. 100/- each	7,500,000,000	7,500,000,000	
	10,000,000,000	10,000,000,000	
Issued, Subscribed and Fully Paid up capital			
10,00,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000	
25,00,000 Compulsorily Convertible Preference Shares of Rs. 100/- each	2,500,000,000	2,500,000,000	
	2,600,000,000	2,600,000,000	

SHIRIRAM AUTOMALL INDIA LIMITED (SAIL)

SAIL is providing facilitation services for disposal of pre-owned used and repossessed/refurbished vehicles, Farm / Agriculture, Construction & Industrial Equipment / Machinery of all types and categories. SAIL has so far opened 32 Automalls at different locations of India.

Board of Directors of Shriram Automall India Limited

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

Capital Structure of SAIL:

The Capital Structure of SAIL as on March 31, 2014 is as follows:

Particulars	As at 31/03/2014	As at 31/03/2013	(Rs.)
Authorised capital			
100,00,000 Equity Shares of Rs. 10/- each	1,000,000,000	1,000,000,000	
	1,000,000,000	1,000,000,000	
Issued, Subscribed and Fully Paid up capital			
30,00,000 Equity Shares of Rs. 10/- each	300,000,000	300,000,000	
	300,000,000	300,000,000	

In terms of the Circular No: 2/2011 dated February 08, 2011 of the Ministry of Corporate Affairs, Government of India, the Board of Directors of the Company has by resolution given their consent for not attaching the Annual Reports of the subsidiaries to the Balance Sheet of the Company. The Consolidated financial statements of the Company with that of the subsidiaries duly audited by the Company's statutory auditors are presented elsewhere in the Annual Report. The consolidated financial statements attached to this Annual Report are prepared in compliance with the applicable Accounting Standards and Listing Agreement.

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

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

Disclosures

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

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

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

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

Company applicable to the Board and Senior Management Personnel is also posted on the website of the company.

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

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

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

Capital Audit

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

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

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

MEANS OF COMMUNICATION

The audited financial results, the quarterly results and half-yearly results of the Company are published in English (The Economic Times) and Tamil newspapers (Makkal Kural). Press release are also given in the leading newspapers. Up-to-date financial results, press releases and other general information about the Company are also available on the Company's website www.stfc.in.

Our Company does NSE Online filing through web based application: NEAPs and BSE Online filing.

35th ANNUAL GENERAL MEETING

Particulars	As at 31/03/2014
a. Date and Time	July 09, 2014 at 11.00 A.M
b. Venue	The Music Academy, T.T.Krishnamachari Auditorium (Main Hall), No. 168, T.T.K. Road, Royapettah, Chennai - 600 014
c. Book Closure Date	June 27, 2014 to July 09, 2014 (both days inclusive)
d. Dividend	An Interim Dividend of 30% was declared by the Board of Directors at its meeting held on October 29, 2013 and the payments thereof were effected on November 25, 2013. The payment of final dividend, upon declaration by the shareholders at the Annual General Meeting, will be made on or after July 11, 2014.
e. Financial Calendar	2014 - 2015
Annual General Meeting	September 2015
Unaudited results for the quarter ending June 30, 2014	Last week of July, 2014
Unaudited results for the quarter/audited results for half - year ending September 30, 2014	Last week of October 2014
Unaudited results for the quarter ending December 31, 2014	Last week of January 2015
Audited results for the year ending March 31, 2015	May 2015
f. Stock Code	
BSE Limited	511218
National Stock Exchange of India Limited	SRTRANSFIN
Demat ISIN in NSDL & CDSL	INE721A01013

The Company has paid the annual listing and custodian fees for the financial year 2014-15 to the stock exchanges and depositories.

The Company's Non-Convertible Debentures (NCDs) offered for subscription to public under the Prospectus dated July 16, 2009, May 06, 2010, June 16, 2011, July 16, 2012, July 05, 2013 and September 23, 2013 are listed on NSE and BSE. The ISIN details for these NCDs are as under:

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates	Put and Call option
NCDs I - 2009							
Secured NCDs (Option I)	INE721 A07952	BSE - 934785 NSE- N1	11.00% (*)	SEMI-ANNUAL	27/08/2009	20% of Face value to be redeemed on 26/08/2014	NA
Secured NCDs (Option II)	INE721 A07960	BSE - 934786 NSE - N2	11.25% (*)	ANNUAL	27/08/2009	20% of Face value to be redeemed on 26/08/2014	NA
Secured NCDs (Option III)	INE721 A07978	BSE - 934787 NSE - N3	11.03% to be compounded quarterly	CUMULATIVE : QUARTERLY	27/08/2009	26/08/2014	NA
Secured NCDs (Option IV)	INE721 A07986	BSE - 934788 NSE - N4	11.00%	ANNUAL	27/08/2009	26/08/2014	NA
NCDs II - 2010							
Secured NCDs (Option I) (Reserved Individuals)	INE721 A07AL7	BSE - 934793 NSE - N6	9.75% (*)	ANNUAL	02/06/2010	01/06/2015	NA

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates	Put and Call option
Secured NCDs (Option I) (Unreserved Individuals)	INE721 A07AK9	BSE - 934794 NSE - N7	9.50%	ANNUAL	02/06/2010	01/06/2015	NA
Secured NCDs (Option I) (Others)	INE721 A07AJ1	BSE - 934795 NSE - N8	9.00%	ANNUAL	02/06/2010	01/06/2015	NA
Secured NCDs (Option II) (Reserved Individuals)	INE721 A07AO1	BSE - 934796 NSE - N9	10.25% (*)	SEMI-ANNUAL	02/06/2010	01/06/2017	Note - (\$)
Secured NCDs (Option II) (Unreserved Individuals)	INE721 A07AN3	BSE - 934797 NSE - NA	10.00%	SEMI-ANNUAL	02/06/2010	01/06/2017	Note - (\$)
Secured NCDs (Option II) (Others)	INE721 A07AM5	BSE - 934798 NSE - NB	9.50%	SEMI-ANNUAL	02/06/2010	01/06/2017	Note - (\$)
Secured NCDs (Option III) (Reserved Individuals)	INE721 A07AR4	BSE - 934799 NSE - NC	10.5% (*)	ANNUAL	02/06/2010	<ul style="list-style-type: none"> • 40% of Face value to be redeemed on 01.06.2014 • 20% of Face value to be redeemed on 01/06/2015 	NA
Secured NCDs (Option III) (Unreserved Individuals)	INE721 A07AQ6	BSE - 934800 NSE - ND	10.25%	ANNUAL	02/06/2010	<ul style="list-style-type: none"> • 40% of Face value to be redeemed on 01.06.2014 • 20% of Face value to be redeemed on 01/06/2015 	NA
Secured NCDs (Option III) (Others)	INE721 A07AP8	BSE - 934801 NSE - NE	9.75%	ANNUAL	02/06/2010	<ul style="list-style-type: none"> • 40% of Face value to be redeemed on 01.06.2014 • 20% of Face value to be redeemed on 01/06/2015 	NA
Unsecured double bond NCDs (Option IV) Reserved Individuals	INE721 A08984	BSE - 934802 NSE - NF	NA	NA	02/06/2010	100% to be redeemed on 01/12/2016 plus a premium of Rs.1000/-	NA
Unsecured double bond NCDs (Option IV) (Unreserved Individuals)	INE721 A08976	BSE - 934803 NSE - NG	NA	NA	02/06/2010	100% to be redeemed on 01/03/2017 plus a premium of Rs.1000/-	NA

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates	Put and Call option
Unsecured double bond NCDs (Option IV) (Others)	INE721 A08968	BSE - 934804 NSE - NH	NA	NA	02/06/2010	100% to be redeemed on 01/06/2017 plus a premium of Rs.1000/-	NA
Unsecured NCDs (Option V) (Reserved Individuals)	INE721 A08AC4	BSE - 934805 NSE - NI	11.00%	ANNUAL	02/06/2010	01/06/2017	NA
Unsecured NCDs (Option V) (Unreserved Individuals)	INE721 A08AB6	BSE - 934806 NSE - NJ	10.75%	ANNUAL	02/06/2010	01/06/2017	NA
Unsecured NCDs (Option V) (Others)	INE721 A08AA8	BSE - 934807 NSE - NK	10.25%	ANNUAL	02/06/2010	01/06/2017	NA
NCDs III - 2011							
Secured NCDs (Option I) (Reserved)	INE721 A07AV6	BSE - 934811 NSE - NL	11.60%	ANNUAL	12/07/2011	11/07/2016	Note - (^)
Secured NCDs (Option I) (Unreserved)	INE721 A07AW4	BSE - 934812 NSE - NM	11.35%	ANNUAL	12/07/2011	11/07/2016	Note - (^)
Secured NCDs (Option I) (Others)	INE721 A07AX2	BSE – 934810 NSE – NN	11.10%	ANNUAL	12/07/2011	11/07/2016	Note - (^)
Secured NCDs (Option II) (Reserved)	INE721 A07AY0	BSE – 934814 NSE – NO	11.35%	ANNUAL	12/07/2011	11/07/2014	NA
Secured NCDs (Option II) (Unreserved)	INE721 A07AZ7	BSE – 934815 NSE – NP	11.10%	ANNUAL	12/07/2011	11/07/2014	NA
Secured NCDs (Option II) (Others)	INE721 A07BA8	BSE – 934813 NSE – NQ	11.00%	ANNUAL	12/07/2011	11/07/2014	NA
NCDs IV - 2012							
Secured Redeemable NCDs (Series I)	INE721 A07DL1	BSE - 934850 NSE - NR	(&) 10.25%	ANNUAL	10/08/2012	09/08/2015	NA
Secured Redeemable NCDs (Series II)	INE721 A07DM9	BSE - 934851 NSE - NS	(&) 10.50%	ANNUAL	10/08/2012	09/08/2017	NA

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates	Put and Call option
Secured Redeemable NCDs (Series III)	INE721 A07DN7	BSE - 934852 NSE - NT	NA	NA	10/08/2012	09/08/2015	N.A.
Secured Redeemable NCDs (Series IV)	INE721 A07DO5	BSE - 934853 NSE - NU	NA	NA	10/08/2012	09/08/2017	N.A.

NCDs V- July 2013

Secured NCDs (Series I)	INE721 A07FU7	BSE – 934886 NSE – NV	(~) 9.65%	ANNUAL	01/08/2013	01/08/2016 (Since 31/07/2016 falls on Sunday, hence payment will be made on next working date 01/08/2016).	NA
Secured NCDs (Series II)	INE721 A07FV5	BSE – 934887 NSE – NW	(@) 9.80%	ANNUAL	01/08/2013	31/07/2017 (50% of the Face Value of the NCDs payable at the end of the 48 months from Date of Allotment) and 31/07/2018 (Remaining 50% of the Face Value of the NCDs payable at the end of the 60 months from Date of Allotment)	NA
Secured NCDs (Series III)	INE721 A07FW3	BSE – 934888 NSE – NX	(#) 9.40%	MONTHLY	01/08/2013	31/07/2018	NA
Secured NCDs (Series IV)	INE721 A07FX1	BSE – 934889 NSE – NY	NA	NA	01/08/2013	01/08/2016 (Since 31/07/2016 falls on Sunday, hence payment will be made on next working date 01/08/2016).	NA
Secured NCDs (Series V)	NE721 A07FY9	BSE – 934890 NSE – NZ	NA	NA	01/08/2013	31/07/2017 (50% of the Face Value of the NCDs payable at the end of the 48 months from Date of Allotment) and 31/07/2018 (Remaining 50% of the Face Value of the NCDs payable at the end of the 60 months from Date of Allotment)	NA

Security Description	ISIN	Codes in Stock Exchanges	Coupon (%) p.a.	Coupon Duration and Interest Payable	Date of Allotment	Maturity Dates	Put and Call option
NCDs VI - October 2013							
Secured NCDs (Series I)	INE721 A07GR1	BSE – 934915 NSE – Y1	(&&) 10.75%	ANNUAL	24/10/2013	24/10/2016	NA
Secured NCDs (Series II)	INE721 A07GS9	BSE – 934916 NSE – Y2	(##) 10.75%	ANNUAL	24/10/2013	24/10/2018	NA
Secured NCDs (Series III)	INE721 A07GT7	BSE – 934917 NSE – Y3	(\$\$) 10.75%	ANNUAL	24/10/2013	24/10/2020	NA
Secured NCDs (Series IV)	INE721 A07GU5	BSE – 934918 NSE – Y4	NA	NA	24/10/2013	24/10/2016	NA
Secured NCDs (Series V)	INE721 A07GV3	BSE – 934919 NSE – Y5	NA	NA	24/10/2013	24/10/2018	NA
Secured NCDs (Series VI)	INE721 A07GW1	BSE – 934920 NSE – Y6	NA	NA	24/10/2013	24/10/2020	NA

Note:

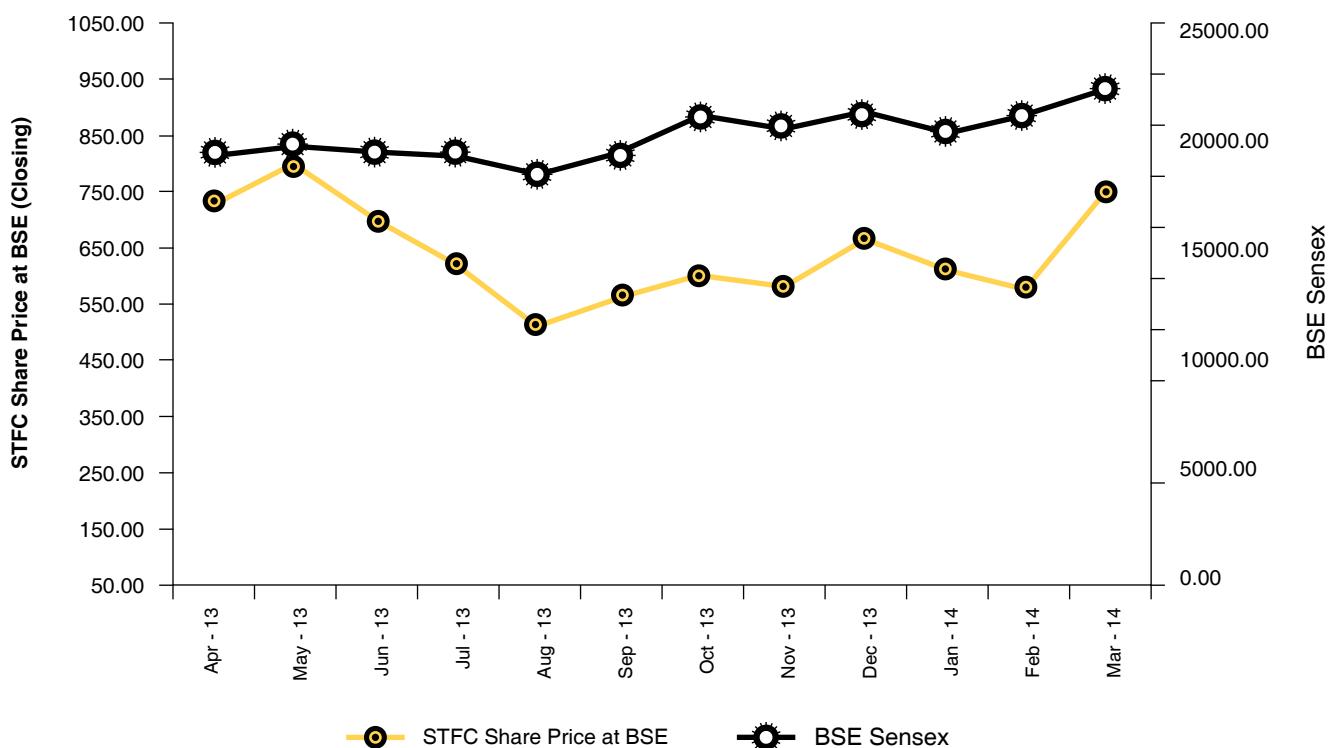
1. (*) - Senior Citizens (First Allottee) shall be entitled to an additional interest at the rate of 0.25 % per annum.
2. (\$) -Put / Call option from 02-June-2015
3. Not Applicable: NA
4. (^) - Exercise of Put / Call option from July 12, 2015.
5. (&) – NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 0.90% per annum for NCDs held on any Record Date.
6. (~) – NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.25% per annum for NCDs held on any Record Date.
7. (@) – NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.35% per annum for NCDs held on any Record Date.
8. (#) – NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.23% per annum for NCDs held on any Record Date.
9. (&&) – NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 0.50% per annum for NCDs held on any Record Date.
10. (##) – NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 0.75% per annum for NCDs held on any Record Date.
11. (\$\$) – NCD Holders who are Individuals shall be eligible for the additional incentive on coupon @ 1.00% per annum for NCDs held on any Record Date.

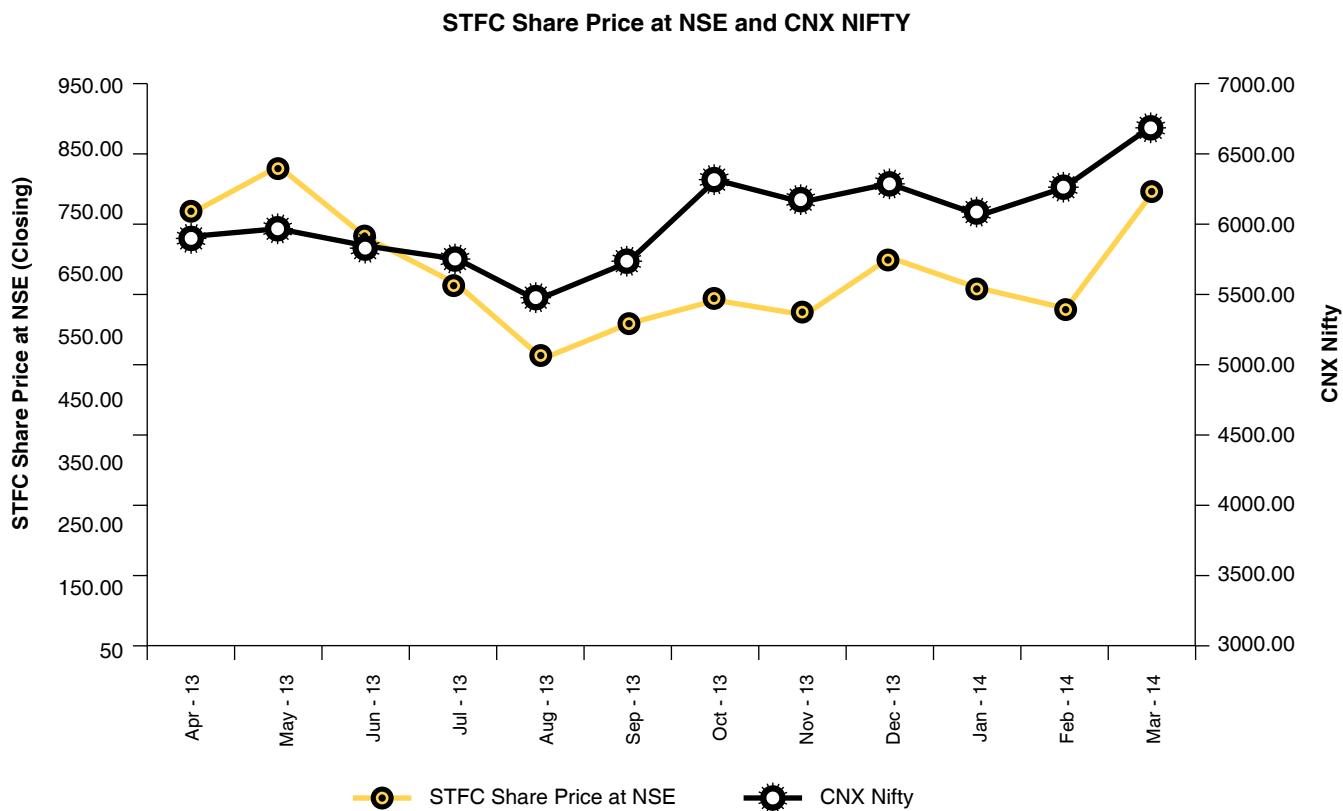
Pursuant to Section 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividends up to financial year – 2005-06 (Final Dividend), 2006-07 (Interim Dividend), have been transferred to the Investor Education and Protection Fund established by the Central Government. No claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment to be made in respect of such claim. Members who have not yet encashed their dividend warrant(s) for the financial years from – 2006-07 (Interim Dividend) are requested to make their claims without any delay to the Company's Registrar and Share Transfer Agents, Integrated Enterprises (India) Limited.

GENERAL SHAREHOLDER INFORMATION
g. Stock Market Data

The high and low market price and volume of shares traded during each month of the financial year ended March 31, 2014, are given below :

Months	BSE Limited			National Stock Exchange of India Ltd.		
	Share Prices		Volume	Share Prices		Volume
	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	
April 2013	751.90	640.00	1916589	752.50	638.10	12109394
May 2013	841.80	723.00	24452646	842.70	725.75	14723929
June 2013	819.30	635.05	454417	825.00	634.10	10467786
July 2013	724.60	611.00	458009	724.45	610.25	11410698
August 2013	659.95	465.20	296117	655.00	464.10	10204432
September 2013	646.00	490.50	541561	648.60	490.10	8493666
October 2013	624.50	545.75	434016	624.80	545.00	8994433
November 2013	648.50	544.20	356702	650.00	543.40	5899326
December 2013	705.00	584.00	319143	681.00	581.70	7308800
January 2014	680.05	596.00	380240	680.00	594.15	6549323
February 2014	631.80	550.00	291483	632.00	548.70	7435403
March 2014	775.50	567.00	697000	779.60	566.00	15428262

h. STFC Share Price performance in comparison to BSE Sensex and S&P CNX Nifty:
STFC Share Price at BSE and BSE Sensex




i. Registrar and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company are:

Integrated Enterprises (India) Limited

2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017

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

Email: corpserv@integratedindia.in

Website :www.integratedindia.in

j. Share Transfer System

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

k. Distribution of shareholding as on March 31, 2014

No. of Equity shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	33409	82.28	4925969	2.17
501 - 1000	4410	10.86	3285803	1.45
1001 - 2000	1414	3.48	2006522	0.88
2001 - 3000	417	1.03	1039302	0.46
3001 - 4000	141	0.35	502779	0.22
4001 - 5000	137	0.34	628469	0.28
5001 - 10000	204	0.5	1490268	0.66
10001 and above	470	1.16	213003624	93.88
Total	40602	100.00	226882736	100.00

I. Categories of shareholders as on March 31, 2014

Category of Shareholders	No. of Shares held	% of shareholding
Promoters and Promoter Group	59103162	26.05
Mutual Funds/ UTI	2348326	1.04
Financial Institutions / Banks	13980	0.01
Foreign Institutional Investors	111044991	48.94
Qualified Foreign Investor	11273933	4.97
Bodies Corporate	25709413	11.33
Individuals	15586245	6.87
NRI'S / OCB's / Foreign National	359623	0.16
Trusts	417582	0.18
Clearing Members	920168	0.40
Limited Liability partnership	105313	0.05
Grand Total	226882736	100.00

m. Dematerialization of shares and liquidity

The Company's scrip forms part of the compulsory Demat segment for all investors effective from July 24, 2000. To facilitate the investors in having an easy access to the demat system, the Company has signed up with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through Integrated

Enterprises (India) Limited. As on March 31, 2014, the total of 220772292 equity shares constituting 97.31% of the paid up capital, have been dematerialized.

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

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

Mookambika Complex, 3rd Floor,
 No.4, Lady Desika Road, Mylapore,
 Chennai – 600 004, Tamil Nadu, India.

Tel.: 91-44-24990356, Fax: 91-44-24993272

Head Office:

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

Corporate Identification No. (CIN): L65191TN1979PLC007874

Email ID for Investor Grievance:

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

p. Locations

List of branches are mentioned in the "Our Reach" Section of the Annual Report.

For details pursuant to Clause 49 IV (G) (I) of the Listing Agreement in respect of Directors Seeking appointment / re-appointment, please refer to the annexure to the notice of 35th Annual General Meeting already sent to you separately.

CEO/CFO CERTIFICATION

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

- a. We have reviewed financial statements and the cash flow statements for the year ended March 31, 2014 and that to the best of our knowledge and belief;
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that:
 - i. There were no material deficiencies in internal controls over financial reporting during the year;
 - ii. All the significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statement; and
 - iii. There were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

UMESH REVANKAR

Managing Director

PARAG SHARMA

Executive Director & CFO

Mumbai

April 29, 2014

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

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

As provided under Clause 49 of the Listing Agreement executed with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2014.

UMESH REVANKAR

Managing Director

Mumbai

April 29, 2014

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Shriram Transport Finance Company Limited,

We S.R.Batliboi & Co. LLP ("SRB") and G.D.Apte & Co. ("GDA") have jointly examined the compliance of conditions of Corporate Governance by Shriram Transport Finance Company Limited ('the Company'), for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

per Viren H. Mehta

Partner

Membership Number: 048749

Place of Signature: Mumbai

Date: April 29, 2014

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

Chartered Accountants

ICAI Firm Registration Number: 100515W

Ameya D. Tambekar

Partner

Membership Number: 128355

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SECTION A

GENERAL INFORMATION

1. Corporate Identification Number: L65191TN1979PLC007874
2. Name of the Company : Shriram Transport Finance Company Limited ("the Company")
3. Registered Office: Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600004. Tel No: +91 44 2499 0356 Fax: +91 44 2499 3272
4. Website: www.stfc.in
5. Email-id: vivekmadhukar.a@stfc.in
6. Financial Year reported: 2013-14
7. Sector(s) that the Company is engaged in (industrial activity code-wise) :Our Company holds a certificate of registration dated September 4, 2000 bearing registration no. A-07-00459 issued by the Reserve Bank of India to carry on the activities of a Non-Banking Financial Company in the category of asset financing company under section 45 IA of the RBI Act, 1934, which has been renewed on April 17, 2007, (bearing registration no. 07-00459).
8. List three key products/services that the Company manufactures/provides (as in balance sheet) :Our Company was established in 1979 and we have a long track record of over three decades in the commercial vehicle financing industry in India. We are the largest Indian asset financing Non-Banking Finance Company (NBFC), with a primary focus on financing pre-owned commercial vehicles.
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Locations - Nil
 - ii. Number of National Locations - 654 Branches
10. Markets served by the Company): The Company is a leader in organized financing of pre-owned trucks with presence across India.

SECTION B

FINANCIAL DETAILS OF THE COMPANY

(Rs. In lakhs)

Sr. No	Particulars	Amount
1.	Paid up Capital	22,690.67
2.	Total Turnover	788,825.91
3.	Total profit after taxes	126,420.77
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.48%

5. **List of Activities in which expenditure in above point 4 has been incurred :**

1. Providing Education to the backward/weaker section of the society and enhancing literacy
2. Empowerment of common man ("AamAadmi") and women
3. Providing Vocational training for income generation and enhancing employability of marginalized /unprivileged people of the society
4. Undertaking projects for protection of environment.
5. Nutrition, Health care and sanitation programs

SECTION C

OTHER DETAILS

Our following subsidiaries have participated in the Business Responsibility(BR) initiatives of STFC:

1. Shriram Equipment Finance Company Limited, ("SEFCL"):

SEFCL was incorporated pursuant to a certificate of incorporation dated December 15, 2009 issued by the Registrar of Companies, Chennai, Tamil Nadu, and having its registered office situated at Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu, India - 600004. SEFCL is engaged in the business of providing equipment finance in connection with both new and pre-owned construction and other equipment. SEFCL has received a certificate of registration dated October 8, 2010, to carry on the business of a NBFC (without accepting public deposits) from the Reserve Bank of India.

2. Shriram Automall India Limited, ("SAIL"):

SAIL was incorporated pursuant to a certificate of incorporation dated February 11, 2010 issued by the Registrar of Companies, Chennai, Tamil Nadu and having its registered office situated at Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu, India – 600004. SAIL is engaged in for providing facilitation services to the sellers and buyers who wish to dispose of / buy pre-owned commercial vehicles, equipment and assets at hubs called "Automall" developed by SAIL.

SECTION D

BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

Sr.No	Name	Designation	DIN Number
1.	Mr. Umesh Revankar	Managing Director	00141189

b. Details of the BR head

Sr.No	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Vinay Kelkar
3	Designation	Deputy Managing Director
4	Telephone number	91-022-4095 9595
5	e-mail id	secreterial@stfc.in

SECTION D (Contd.)

BUSINESS RESPONSIBILITY INFORMATION

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr.No	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N	Y	N	N	Y	N	N	N
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	#	#	#	#	#	#	#	#	#
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

The Link of the Policy is <http://stfc.in/pdf/Business-Responsibility-Policy.pdf>

SECTION D (Contd.)

BUSINESS RESPONSIBILITY INFORMATION

a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr.No	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	---	---	---	---	---	---	---	---	---
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	---	---	---	---	---	---	---	---	---
3	The company does not have financial or manpower resources available for the task	---	---	---	---	---	---	---	---	---
4	It is planned to be done within next 6 months	---	---	---	---	---	---	---	---	---
5	It is planned to be done within the next 1 year	---	---	---	---	---	---	---	---	---
6	Any other reason (please specify)	---	---	---	---	---	---	---	---	---

Governance related to BR

- The BR performance was reviewed two times by the Business Responsibility Committee.
- The Company will publish the Business Responsibility (BR) Report annually as per the requirements of the Listing Agreement entered into with Stock Exchanges. The hyperlink for viewing this is <http://stfc.in/pdf/Business-Responsibility-Policy.pdf>

SECTION E

PRINCIPLE-WISE PERFORMANCE

ETHICS OF THE COMPANY

PRINCIPLE 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

We have developed good governance structure for our organization and formulated procedures and practices that ensure ethical conduct at all levels of the organization. We continuously review and upgrade the procedures and practices. We maintain transparency in our communication with our shareholders.

(i) Code of Conduct for Directors, Senior Management Personnel and employees

The compliance with the code of conduct is regularly reported and monitored.

(ii) Strong Corporate Governance

The Company's philosophy on Corporate Governance, inter alia, is aimed at enhancing long term shareholder value, achieving transparency and professionalism in all decisions and activities of the Company and achieving excellence in corporate governance.

SECTION E (Contd.)

We have deployed the practice of separating the roles of the Chairman of the Board and the CEO to ensure the right focus to governance. The Board is headed by a non-executive Chairman. The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director, who functions under the overall supervision, direction and control of the Board of directors of our Company.

We have a distinct advantage that most of our senior management team have been with us for more than fifteen years and have grown with the Company. Over the years they have mastered the techniques in all fields of business operations, investor and customer relations. We have launched innovative financial products and fund raising methods. We take care of all our stakeholders. This has resulted in our enjoying the faith and confidence of our investors, customers and other stakeholders and building long term relationships, reputation and goodwill of the Company.

Apart from compliance with mandatory requirements of clause 49 of the Listing Agreement with stock exchanges relating to corporate governance, we have also complied with non-mandatory requirement by setting up a Remuneration, Compensation and Nomination Committee of three independent directors. Our independent directors have the requisite qualification and experience which enables them to contribute effectively in their capacity of independent director. The Remuneration Compensation and Nomination committee has framed policy for remuneration of executive director. The Chairman of the Remuneration, Compensation and Nomination Committee attended the last annual general meeting. We have Whistle blower policy in place.

We do not engage in any practice that is abusive, corrupt or anti-competition. We have avoided complicity with actions of third party that violates Business Responsibility Principles.

CONTRIBUTION TO SUSTAINABILITY

PRINCIPLE 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is engaged in the business of financing of commercial vehicles. Our customers are primarily Small Road Transport Operators (SRTOs) generally belonging to the weaker sections of the society. Our services help generating opportunities of self-employment and self-respect to SRTOs who are often denied financial support by organized lending institutions and who otherwise would be subjected to exploitation from unorganized money lenders. In the process of financing of pre-owned vehicles, we check authorization /certificates for safety, fitness and emission of the vehicle. Our various initiatives are aimed at influencing our customers for creating awareness about environment protection, reducing impact of emissions from on-road vehicles on the environment. We make appeal to our customers for timely maintenance of the vehicles. We give loans to them for replacement of tyres and engine parts.

We provide financial support to driver's training school run in collaboration with an NGO. The driving school imparts training for safe driving of heavy commercial vehicles to youths from rural areas.

EMPLOYEES WELL-BEING

PRINCIPLE 3 : Business should promote wellbeing of employees

We have large employee base. We believe that our employees are our most valuable asset and greatest strength. We provide equal opportunity to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Our employees belong to all parts of the country and are selected based on individual merit without any discrimination or preference. We continue to encourage the capable female employees reaching senior positions and participating in the organization's decision making process.

We are one of the first NBFCs launching Employees Stock Options (ESOP) Scheme in the year 2005 and many employees upto the branch manager level were benefitted. We have launched scheme to address health and welfare needs of our employees and their families. We have tied up with Thyrocare for conducting various medical check-up of employees and members of their families at subsidized rate. Large number of employees and their families availed benefits of the scheme.

SECTION E (Contd.)

We have schemes to reward best performers by payment of incentives. The permanent employees are entitled to retirement benefits such as provident fund, gratuity. We also provide for medical reimbursement, hospitalization, personal accident insurance benefits to permanent employees.

We foster a culture that welcomes ideas and feedback, and encourages open communication we periodically review and upgrade our employee welfare policies taking into account such feedback.

The Management Education Scheme has been designed to Excel the Employees in the area of Management. It delivers the rapid uplift of managerial skills, through exposure to the full range of subject areas. The program is specially designed for the Employees of Shriram to strengthen the area of their current specialization along with a comprehensive view of other functions of management. The program contents will help individuals to develop a strong understanding of Management Concepts for practical applications.

The program provides managerial concepts which are directly related to functioning within an organization, thus enhancing requisite competencies to be an effective manager. The program aims to develop the Employees in a general manager's perspective, and inculcate the habit of exploring and reflecting on applying learning in the context of work. 199 employees were participated for Management Education Scheme for the financial year ended 2013-14.

We continued to arrangement of cricket tournament at Navi Mumbai for employees and rewarded the best performers.

In order to ensure healthy working conditions, to prevent sexual harassment of women employees, we have constituted Internal Complaint Redressal Committee at various workplaces.

Status of Complaints - Sexual Harassment of Women during the financial year 2013-14

Sr. No	Particulars	No of Cases
1	No. of complaints of Sexual Harassment received in the year	Nil
2	No. of complaints disposed off during the year	NA
3	Number of cases pending for more than 90 days	Nil
4	No. of workshops or awareness program against Sexual Harassment carried out	2
5	Nature of action taken by the employer	As above

STAKEHOLDERS ENGAGEMENT

PRINCIPLE 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Our stakeholders broadly consist of our customers, investors, market intermediaries, lenders, employees, society etc. Our customers are primarily Small Road Transport Operators(SRTO) and First Time Users (FTUs).Our Investors comprise of shareholders (including Institutional Investors) and Debenture holders. Our lenders comprise of banks, financial institutions, Fixed Deposit holders.

As an asset finance company, our liquidity and ongoing profitability are, in large part, dependent upon our timely raising of capital and the costs associated therewith. Our funding requirements historically have been met from a combination of term loans from banks and financial institutions, issuance of Redeemable Non-Convertible Debentures, public deposits, the issue of commercial paper, as well as through securitization and assignment of our loan portfolio. Our business depends and will continue to depend on our ability to access diversified funding sources.

We have a track record of getting overwhelming response from investors to our past six Public Issue of Redeemable Non-Convertible Debentures. The Base issues were over-subscribed in a short span despite tough macro-economic and market conditions, reflecting the investors' confidence .

Our operational efficiency, integrity and a strong focus on catering to the needs of 'Aam Aadmi'(common man) are the values

SECTION E (Contd.)

driving the Company. These values are deep-rooted within the organization and have been strongly adhered to over the decades. It is this guiding philosophy of putting 'Aam Aadmi' first that has brought us closer to the grassroots, and made it the preferred choice for all the truck financing requirements amongst customers.

1. Our Customers

Our primary business involves lending money for purchase of commercial vehicles in India. Our customer portfolio principally consists of Small Road Transport Operators (SRTO) and First Time Users (FTUs). A significant majority of our customer base belongs to the low income group often not having any credit history supported by documents on which many of organized financial institutions rely. However, through our credit evaluation techniques, internally-developed valuation methodology which requires deep knowledge and practical experience developed over a period of time, relationship based approach and extensive branch network we have made our business model unique and sustainable.

We have in place Fair Practice Code for dealing with our customers. Our policy is to treat all customers in fair manner, our employees are trained to provide, assist, encourage, fair and equitable services to the customers.

Our entire recovery and collection operation is administered in-house and we do not outsource loan recovery and collection operations. We have relationship based recovery procedures well-suited to our target market in the commercial vehicle financing industry. We have high loan recovery ratios compared to others in the financial services industry.

2. Our Investors

Our philosophy is to enhance long term shareholders value. We have track record of payment of Interim and Final dividend for past several years consistently.

Our good track record has enabled us to obtain high credit ratings from the reputed Credit Rating Institutions. This enables smooth raising of funds from investors. We offer variety of options to our investors to subscribe various series of redeemable non-convertible debentures, secured and unsecured, of different maturities and interest pay-out dates providing good return and safety. We make timely payment of interest and repayment of debt instrument on their maturity.

We have appointed a senior executive at Vice President's level to focus on our Institutional investors. We regularly hold Investors meets and give presentation on financial results of the Company after same are made public. The Foreign Institutional Investors hold about 49% of our equity share capital.

3. Our Deposit holders and lenders

We continued to service our Fixed Deposit holders on time and offer good rate of returns. We are regular in payment of interest and repayment of credit facilities availed from Banks and Financial Institutions. In view of our good track record of timely payment of interest and repayment of loans, we enjoy good reputation, goodwill and standing in the financial markets.

4. Our Society

We discharge of Corporate Social Responsibility by undertaking projects of social welfare directly as well as through Shriram Foundation. The details of various projects run in this direction are contained in the note for Principle 8 of our Business Responsibility Report.

HUMAN RIGHTS

PRINCIPLE 5: Businesses should respect and promote human rights

As a good corporate citizen we respect the human rights of those who we engage with. We pay fair wages to our employees and do not discriminate between male and female employees. They are treated equally with dignity and are given equal opportunities, rights and benefits. We comply and adhere to all the human rights laws and guidelines of the Constitution of India, national laws. We strive to percolate these values at all levels in the organization.

SECTION E (Contd.)

ENVIRONMENT

PRINCIPLE 6 : Business should respect, protect and make efforts to restore the environment

We have Environment Policy in place. We commit to be an environmentally responsible and progressive company. We shall do this by –

1. Complying with applicable environmental regulations and other requirements.
2. Proactively addressing environmental impacts, direct and indirect.
3. Pursuing continual improvement of environmental performance.
4. Conserving natural resources and ensuring safe disposal of waste.
5. Creating awareness about environment protection and management and actively influencing our employees, customers, contractors, suppliers and communities to make a positive difference.

We are continuously making appeal to our shareholders to participate in the ‘Green initiative’ to reduce use of paper by converting their holding of physical shares into electronic shareholding by dematerialization, receiving soft copies of annual reports using internet facilities, receiving dividend by direct credit to their bank accounts instead of physical dividend warrants etc.

As a part of Green initiative for paperless office, we use electronic methods of communication within and outside our offices and avoid use of paper as far as possible.

For payment of Interest, dividend, maturity amount of debentures and fixed deposits etc. as far as possible we use methods of electronic remittances such as NECS, NEFT, RTGS which also ensures faster credit of money to the bank accounts of the investors, avoids use of paper for dividend warrants, interest warrants, cheques.

Our objective is to achieve highest level of paperless office by adopting practices, methods and modern techniques in our internal and external communication with all stakeholders.

We continued our efforts for conservation of water, electricity at our various offices, branches and workplaces.

INFLUENCING PUBLIC & REGULATORY POLICIES

PRINCIPLE 7 : Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

We are one of the oldest and the largest Indian asset financing Non-Banking Financial Company (NBFC) with a primary focus on financing pre-owned commercial vehicles. We take up the issues and matters impacting our business segment and give our suggestions in respect of the proposals of the regulatory and government bodies directly as well as through chambers of commerce in the best interest of the commercial vehicle financing segment of the Industry, Small Road Transport Operators.

We hold memberships of several industry associations such as Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI).

INCLUSIVE GROWTH

PRINCIPLE 8: Business should support inclusive growth and equitable development

The principle of inclusive growth is imbibed in our business model. A significant majority of our customer base belong to Small Road Transport Operators (SRTO) and First Time Users (FTUs) who often don't have any credit history supported by documents on which many of organized financial institutions rely making it difficult for them to access capital. We provide finance to these pre-owned commercial vehicle operators at favorable interest rates and repayment terms as compared to private financiers in the unorganized sector.

SECTION E (Contd.)

We have entered into partnership with an NGO for establishing driver training schools in the state of Jharkhand for youths from rural area enabling them to find gainful employment. We have plans to start two more such training schools in the backward areas of our country, subject to receipt of necessary recognition from the state governments of the respective states for grant of driving license.

We are proud to be a part of 'Shriram Group', which has helped enrich the quality of life of "the common man". Shriram Foundation was established in 1993 as the charitable arm of The Shriram Group to work for the financially under privileged sections. As a part of our Corporate Social Responsibility (CSR), we provide financial support to various projects and activities for welfare of society directly as well as those undertaken by Shriram Foundation as under:

LCV Driving School- 'Gurukul' in Jharkhand

The driving school located at Serai-Kela district of Jharkhand is being set up in collaboration with Government of Jharkhand. TATA 407 simulator specially customized for the school has been purchased.

We also provide financial support to various CSR projects undertaken by Shriram Foundation independently or in partnerships with NGOs in the following fields:

Education

Being aware of the fact that education is the key to the prosperity of any nation, Shriram Foundation runs schools in rural and semi-rural areas of Tamil Nadu and Andhra Pradesh. These schools serve children from under privileged families living in remote areas.

'Micro school'is another program to teach children aged between 3 and 6 years. These schools provide pre-school education to children based on Montessori methodology. Like other schools run by Shriram Foundation, micro schools are located in rural areas where residents do not have access to good schools.

Higher education through community college is another significant program of Shriram Foundation. Shriram-IGNOU Community Colleges are being run in Thiruneermalai and Anaikoil regions of Tamil Nadu to offer Certificate, Diploma and Associate Degree program in job-oriented skill based courses.

Empowerment

'Shriram Children's Home'has been run by Shriram Foundation for the past 20 years. The Shriram Children's Home is recognized under the Orphanages and Charitable Homes Act, 1960 and has been awarded 'FIT INSTITUTION' certification by the Child Welfare Committee of Chennai District. The children at the home are well nurtured and cared for to ensure a normal childhood. The plan for this unit is to function as a hostel for older girls continuing education, as we have successfully rehabilitated all the small children with assistance and extended family care.

'Shriram Vocational training center'instructs rural women on skill areas such as tailoring, embroidery, pickle making, handicrafts etc. Primary focus of this initiative is women empowerment as these courses help women find employment with companies or setup their own small enterprises. The center takes on projects under the Women Welfare and Development scheme from the Government of Tamil Nadu. The center has trained over 500 women over the last 2 years. The center has brought in 26 professional machines to train more women and students on tailoring and other textile related areas.

VALUE OF CUSTOMERS

PRINCIPLE 9 : Business should engage with and provide value to their customers and consumers in a responsible manner

We are happy to report that many of our customers, who initially belong to low income group, and approached us for financing a

SECTION E (Contd.)

tempo have made progress and advancement to now become owners of truck. The owners of truck have advanced to become owner of multiple commercial vehicles.

Apart from providing loans, we help our customers with the following:

- Settlement of Insurance claims
- Renewal of insurance policy
- Obtaining of permits from RTOs
- Tie-up with Axis Bank to provide co-branded credit cards
- Tie-up with service centers for refurbishing vehicles

We regularly review our procedures, practices and methods of communication with our customers to ensure that they are simple and customer friendly. Towards this end we have focused on upgrading our methods of communication. We are now communicating with customers through mobiles to inform them about sanction of loans, receipt of EMI, outstanding EMI, loan balance confirmations etc making information more easily accessible. We believe customer satisfaction is the key to our growth and success in the long term.

BUSINESS RESPONSIBILITY PARAMETER INDEX

Principle-wise performance

Sr.No	Questions	Whether Complied?
Principle 1		
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Yes, It extends only to the subsidiary Companies. The policy has been posted on the website of the Company
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaints were received regarding ethical and other matters contained in this principle
Principle 2		
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company is not engaged in manufacture of any goods. It is engaged in the business of financing of commercial vehicles, primarily to Small Road Transport Operators (SRTOs).
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): <ol style="list-style-type: none"> Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? Reduction during usage by consumers (energy, water) has been achieved since the previous year? 	Not Applicable

SECTION E (Contd.)

BUSINESS RESPONSIBILITY PARAMETER INDEX (Contd.)

Sr.No	Questions	Whether Complied?
3.	<p>Does the company have procedures in place for sustainable sourcing (including transportation)?</p> <p>i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	Not Applicable
4.	<p>Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	The Company provides services relating to vehicle financing through its branches. As a matter of practice, we give preference for recruitment of local people in our branches
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	Not Applicable

Principle 3

1.	Please indicate the Total number of employees.	18,122
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	NIL
3.	Please indicate the Number of permanent women employees.	1004
4.	Please indicate the Number of permanent employees with disabilities	32
5.	Do you have an employee association that is recognized by management	No
6.	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. Child labour/forced labour/involuntary labour Sexual harassment Discriminatory employment	NIL
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? <ul style="list-style-type: none"> • Permanent Employees • Permanent Women Employees • Casual/Temporary/Contractual Employees • Employees with Disabilities 	Yes, 60% of employees were given safety & skill training programmes in the last year.

SECTION E (Contd.)

BUSINESS RESPONSIBILITY PARAMETER INDEX (Contd.)

Sr.No	Questions	Whether Complied?
Principle 4		
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes, Please refer to the Principle 4 of the Report
Principle 5		
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	Yes, The policy also extends to our subsidiaries.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints were received for human rights violation during the reporting period
Principle 6		
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The policy extends to Company as well as subsidiaries
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, We have Environment policy in place. We have taken the green initiative through paperless office, water conservation etc.
3.	Does the company identify and assess potential environmental risks? Y/N	No
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc	No

SECTION E (Contd.)

BUSINESS RESPONSIBILITY PARAMETER INDEX (Contd.)

Sr.No	Questions	Whether Complied?
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	We are not engaged in manufacture of any goods. We are engaged in the business of financing of commercial vehicles, primarily to Small Road Transport Operators (SRTOs).
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. We are member of Finance Industry Development Council (FIDC), Confederation of Indian Industries (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) and various other state/city level associations.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes Governance & Administration

Principle 8

1.	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, Please refer to the Principle 8 of the Report
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Yes, the projects are undertaken through coordination and collaboration between in-house team, Shriram Foundation & NGOs.
3.	Have you done any impact assessment of your initiative?	No
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Yes, Please refer to the Section B of the Report
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes, We actively encourage participation of stakeholders in various programs. This includes both volunteering and proactive participation.

SECTION E (Contd.)

BUSINESS RESPONSIBILITY PARAMETER INDEX (Contd.)

Sr.No	Questions	Whether Complied?
Principle 9		
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	No complaints are pending as on the end of financial year.
	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Not Applicable
2.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
3.	Did your company carry out any consumer survey/consumer satisfaction trends?	No



FINANCIAL SECTIONS

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To,

The Members of

SHIRIRAM TRANSPORT FINANCE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Shriram Transport Finance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 information.

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 flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. 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 are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 Companies Act, 1956 ("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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;

On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & Co. LLP
Chartered Accountants
 ICAI Firm Registration Number: 301003E

per Viren H. Mehta
Partner
 Membership Number: 048749

Place: Mumbai
 Date: April 29, 2014

For G. D. Apte & Co.
Chartered Accountants
 ICAI Firm Registration Number: 100515W

Amey D. Tambekar
Partner
 Membership Number: 128355

Place: Mumbai
 Date: April 29, 2014

ANNEXURE

REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 299.97 lacs and the year-end balance of loans granted to such parties was Rs. Nil.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) According to information and explanations given to us, 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. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the

particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market price at the relevant time.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, investor education and protection fund, income-tax, wealth tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to sales-tax, customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, investor education and protection fund, income-tax, wealth tax, service tax, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to sales-tax, customs duty and excise duty are not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

ANNEXURE

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

Name of the statute	Nature of dues	Amount (Rs in lacs)	Years to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands	5,989.41	A.Y. 2011-12	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	22,352.68	A.Y. 2010-11	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	14,773.77	A.Y. 2008-09	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	9,562.97	A.Y. 2007-08	CIT (Appeals)
Finance Act, 1994 (Service Tax)	Service tax on hire purchase and lease transactions	21,230.18	A.Y. 2003-04 to 2009-10	CESTAT (Custom, Excise and Service tax appellate tribunal)
Finance Act, 1994 (Service Tax)	Service Tax demands	300*	A.Y. 2003-04 & 2004-05	Commissioner of Central Excise and Customs
Maharashtra Value Added Tax	Value Added Tax	1,843	A.Y. 2006-07	Maharashtra Sales Tax Tribunal
Andhra Pradesh Value Added Tax	Value Added Tax	348.41*	A.Y. 2005-06 to 2008-09	Andhra Pradesh High Court
Rajasthan Value Added Tax	Value Added Tax	116.37*	A.Y. 2006-07 to 2012-13	Deputy Commissioner appeals, Rajasthan
Orissa Value Added Tax	Value Added Tax	9.04*	A.Y. 2008-09 to 2012-13	Assistant Commissioner of commercial tax (Appeals)

*- net of amount paid under protest.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order, are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained other than funds temporarily invested pending utilization of the funds for the intended use.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has issued 2600, 30,656 and 17,455,801 secured non convertible debentures of Rs. 30,00,000, Rs.10,00,000 and Rs. 1000 each respectively. The Company has created security or charge in respect of debentures issued.
- (xx) We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Co. LLP
Chartered Accountants
 ICAI Firm Registration Number: 301003E

per Viren H. Mehta
Partner
 Membership Number: 048749

Place: Mumbai
 Date: April 29, 2014

For G. D. Apte & Co.
Chartered Accountants
 ICAI Firm Registration Number: 100515W

Amey D. Tambekar
Partner
 Membership Number: 128355

Place: Mumbai
 Date: April 29, 2014

BALANCE SHEET

AS AT MARCH 31, 2014

(Rs. in lacs)

Particulars	Note No	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	22,690.67	22,688.79
(b) Reserves and surplus	4	804,631.06	696,785.17
		827,321.73	719,473.96
(2) Non-current liabilities			
(a) Long-term borrowings	5	2,271,208.89	1,905,304.86
(b) Other Long-term liabilities	6	98,698.95	129,764.03
(c) Long-term provisions	7	127,174.08	113,468.54
		2,497,081.92	2,148,537.43
(3) Current liabilities			
(a) Short-term borrowings	8	298,589.79	414,686.94
(b) Trade payables		44,592.08	58,344.76
(c) Other current liabilities	6	1,225,628.63	1,076,193.53
(d) Short-term provisions	7	29,355.70	28,544.89
		1,598,166.20	1,577,770.12
Total		4,922,569.85	4,445,781.51
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		9,901.78	5,826.70
(ii) Intangible assets		164.49	178.56
(b) Non-current investments	10	68,779.99	59,231.50
(c) Deferred tax assets (net)	11	25,116.23	28,382.80
(d) Long-term loans and advances	12	2,209,907.78	1,948,353.68
(e) Other non-current assets	13	9,442.50	17,015.36
		2,323,312.77	2,058,988.60
(2) Current assets			
(a) Current investments	14	203,746.33	297,659.63
(b) Cash and bank balances	15	708,597.76	631,932.90
(c) Short-term loans and advances	12	1,678,912.32	1,449,484.29
(d) Other current assets	13	8,000.67	7,716.09
		2,599,257.08	2,386,792.91
Total		4,922,569.85	4,445,781.51
Significant Accounting Policies	2.1		

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

As per our report of even date

For S.R.BATLIBOI & Co. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

per Viren H. Mehta
Partner
Membership No. 048749

Mumbai
April 29, 2014

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

Ameya D. Tambekar
Partner
Membership No. 128355

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

Arun Duggal
Chairman
Parag Sharma
Chief Financial Officer

Umesh Revankar
Managing Director
Vivek M. Achwal
Company Secretary

STATEMENT OF PROFIT & LOSS
 FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in lacs)

Particulars	Note No	Year Ended March 31, 2014	Year Ended March 31, 2013
INCOME			
Revenue from operations	16	788,009.70	655,813.42
Other income	17	816.21	545.57
Total		788,825.91	656,358.99
EXPENDITURE			
Employee benefit expenses	18	40,885.97	38,890.20
Finance cost	19	393,251.86	287,555.34
Depreciation and amortisation	9	2,913.79	1,833.09
Other expenses	20	54,090.34	41,376.66
Provisions & write offs	21	114,879.69	85,084.59
Total		606,021.65	454,739.88
Profit before taxation		182,804.26	201,619.11
Provision for taxation			
Current tax		53,116.92	72,272.40
Deferred tax	11	3,266.57	(6,715.30)
Total tax expense / (income)		56,383.49	65,557.10
Profit after tax from operations		126,420.77	136,062.01
Earnings per share	22		
Basic (Rs.)		55.72	59.98
Diluted (Rs.)		55.72	59.98
Nominal value of equity share (Rs.)		10.00	10.00
Significant Accounting Policies	2.1		

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

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

per Viren H. Mehta
Partner
 Membership No. 048749
 Mumbai
 April 29, 2014

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

Ameya D. Tambekar
Partner
 Membership No. 128355

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

Arun Duggal <i>Chairman</i>	Umesh Revankar <i>Managing Director</i>
Parag Sharma <i>Chief Financial Officer</i>	Vivek M. Achwal <i>Company Secretary</i>

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

Particulars	(Rs. in lacs)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	182,804.26	201,619.11
Depreciation and amortisation	2,913.79	1,833.09
Loss / (profit) on sale of fixed assets (net)	(308.21)	47.11
Provision for diminution in value of investments	16.81	(178.66)
Employees Stock option compensation cost	0.90	(86.69)
Premium on Government Securities	10.49	0.80
Amortisation of Discount on Government Securities	(91.77)	(74.82)
Amortisation of Issue expenses for equity shares	152.78	152.78
Amortisation of Public issue expenses for non convertible debentures	1,467.06	1,578.01
Provision for credit loss on securitisation	-	17,617.43
Provisions for non performing assets and bad debt written off	113,601.45	65,369.78
Provisions for standard assets	1,261.43	2,276.04
Provision for gratuity	(1,715.11)	395.31
Provision for leave encashment	193.79	185.86
Operating profit before working capital changes	300,307.67	290,735.15
Movements in working capital:		
Increase / (decrease) in trade payables	(13,752.68)	10,780.44
Increase / (decrease) in provisions	(19,302.54)	(35,178.94)
Increase / (decrease) in provision for service tax- contested	15.81	26.36
Increase / (decrease) in other liabilities	(121,625.68)	(29,324.44)
(Increase) / decrease in investments	84,326.95	41,549.05
(Increase) / decrease in investments in associates	100.00	(100.00)
(Increase) / decrease in investments in subsidiaries	0.01	(0.01)
Decrease / (increase) in loans and advances	(567,056.49)	(861,936.16)
Decrease/(increase) in bank deposits (having original maturity of more than three months)(net)	15,450.96	(43,782.83)
Decrease / (increase) in other assets	273.42	140.01
Cash generated from operations	(321,262.57)	(627,091.37)
Direct taxes paid (net of refunds)	(56,581.90)	(73,254.81)
Net cash flow used in operating activities (A)	(377,844.47)	(700,346.18)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(7,180.19)	(4,206.05)
Proceeds from sale of fixed assets	515.91	93.79
Net cash used in investing activities (B)	(6,664.28)	(4,112.26)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014 (Contd.)

(Rs. in lacs)

Particulars	March 31, 2013	March 31, 2012
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	1.88	6.25
Securities premium on issue of equity capital	4.70	15.62
Amount received from institutional borrowing	1,758,710.00	1,992,665.00
Amount received from Public issue of non convertible debentures	123,589.04	60,000.00
Increase / (decrease) in Retail borrowings	127,215.42	84,042.75
Amount redeemed for Public issue of non convertible debentures	(27,120.05)	(46,923.16)
Repayment of institutional borrowing	(1,492,591.85)	(1,301,445.27)
Public issue expenses for non convertible debentures paid	(2,448.01)	(1,316.96)
Dividend paid	(15,881.04)	(15,877.71)
Tax on dividend	(2,698.57)	(2,575.35)
Net cash from financing activities (C)	468,781.52	768,591.17
Net increase / (decrease) in cash and cash equivalents (A + B + C)	84,272.77	64,132.73
Cash and Cash Equivalents at the beginning of the year	446,994.11	382,746.78
Cash and Bank balances taken over on merger	-	114.60
Cash and Cash Equivalents at the end of the year	531,266.88	446,994.11

Components of Cash and Cash Equivalents

CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
i) Cash on hand	13,587.88	9,478.19
ii) Cheques on hand	1,976.67	4,997.28
iii) Call Money (CBLO)	69,882.53	-
iv) Balances with scheduled banks in:		
Current accounts	184,449.84	374,352.42
Unpaid dividend accounts *	773.96	629.22
Deposits with original maturity of less than three months	260,596.00	57,537.00
TOTAL CASH AND CASH EQUIVALENTS (NOTE 15)	531,266.88	446,994.11

Significant Accounting Policies (Note 2.1)

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

Notes:

- 1) The above cash flow statement have been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement' notified under the provisions of the Companies Act, 1956 (the 'Act') read with General circular 8/2014, dated April 04, 2014, issued by the Ministry of Corporate Affairs.
- 2) All figures in brackets indicate outflow.
- 3) Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
- 4) During the year ended March 31, 2013, Shriram Holdings (Madras) Private Limited (SHMPL) amalgamated with the Company using "Purchase method" as defined under AS-14 Accounting for Amalgamations notified under Companies (AS) Rules, 2006 (as amended). Assets and liabilities taken over of SHMPL were settled for a net consideration of Rs. 279,487,425. The said net consideration was settled in the form of 500,868 equity shares of Rs. 10/- each. The Company has allotted the said shares on November 05, 2012. Details of Net Assets taken over has been disclosed under Note 33 to the financial statements. The said net assets include cash and bank balances amounting to Rs. 200/- and Rs. 11,460,048/- respectively. The said balances was taken over on November 05, 2012.
- *5) These balances are not available for use by the Company as they represent corresponding unpaid dividend liability.

As per our report of even date

For S.R.BATLIBOI & Co. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

per Viren H. Mehta
Partner
Membership No. 048749

Mumbai
April 29, 2014

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

Ameya D. Tambekar
Partner
Membership No. 128355

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

Arun Duggal
Chairman
Umesh Revankar
Managing Director

Parag Sharma
Chief Financial Officer

Vivek M. Achwal
Company Secretary

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under provisions of the Companies Act, 1956 ('the Act') read with General Circular 8/2014 dated April 04, 2014 , issued by the Ministry of Corporate Affairs and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year. The complete financial statements have been prepared along with all disclosures.

2.1. Significant Accounting Policies

a. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

b. Use of estimates

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

c. Fixed assets, depreciation/amortisation and impairment

Tangible fixed assets

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

Depreciation on tangible fixed assets

Depreciation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful lives of the respective fixed assets and are greater than or equal to the corresponding rates prescribed in Schedule XIV of the Act.

Particulars	Rates (SLM)	Schedule XIV rates (SLM)
Plant and equipment	10%	4.75%
Furniture and fixtures	10%	6.33%
Office equipments	10%	4.75%
Buildings	1.63%	1.63%
Computers	20%	16.21%
Vehicles	20%	9.50%

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

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

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

Intangible assets

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

Amortisation provided on straight line method (SLM), which reflect the management's estimate of the useful life of the intangible asset.

Particulars	Rates (SLM)
Computer software	33.33%

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

Impairment of assets

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

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

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. The reversal of impairment is recognised in statement of profit and loss account, unless the same is carried at revalued amount and treated as revaluation reserve.

d. Investments

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

e. Provisioning / Write-off of assets

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

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

f. Loans

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

g. Leases

Where the Company is the lessor

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

Where the Company is the lessee

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

h. FOREIGN CURRENCY TRANSLATION

Initial recognition

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

Conversion

Monetary assets and liabilities denominated in foreign currency are translated in to rupees at exchange rate prevailing on the date of the balance sheet.

Exchange differences

All exchange differences are dealt with including differences arising on translation settlement of monetary items in the statement of profit and loss.

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

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

i. Revenue recognition

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

- i. Income from financing activities is recognised on the basis of internal rate of return on time proportion basis. Income from other charges are booked at the commencement of the contract. Service tax on charges/fees is collected by the Company as an intermediary and accordingly revenue is presented on net basis.
- ii. Income recognised and remaining unrealised after installments become overdue for six months or more in case of secured/unsecured loans are reversed and are accounted as income when these are actually realised.
- iii. Additional finance charges / additional interest are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.
- iv. Income apportioned on securitisation/direct assignment of loan receivables arising under premium structure is recognised over the tenure of securities issued by SPV/agreements. Interest spread under par structure of securitisation/direct assignment of loan receivables is recognised on realisation over the tenure of the 'securities issued by SPV' / agreements. Loss/expenditure, if any, in respect of securitisation /direct assignment is recognised upfront.

Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation/ assignment.

Securitisation deferred consideration receivable comprises of Company's share of future interest strip receivables in case of a par structure securitised / assigned deals.

- v. Interest income on fixed deposits/margin money, call money (Collateralised borrowing and lending obligation), certificate of deposits, pass through certificates, subordinate debts, government securities, inter corporate deposits and treasury bills is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Discount, if any, on government and other securities acquired as long term investments is recognised on a time proportion basis over the tenure of the securities.
- vi. Dividend is recognised as income when right to receive payment is established by the date of balance sheet.
- vii. Profit/loss on the sale of investments is computed on the basis of weighted average cost of investments and recognized at the time of actual sale/redemption.
- viii. Income from services is recognised as per the terms of the contract on accrual basis.
- ix. Income from operating lease is recognized as rentals, as accrued on straight line basis over the period of the lease.

j. Retirement and other employee benefits

Provident Fund

All the employees of the company are entitled to receive benefits under the provident fund, a defined contribution

plan in which both the employee and the company contribute monthly at a stipulated rate. The company has no liability for future provident fund benefits other than its annual contribution and recognises such contributions as an expense in the period in which service is received.

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet Date using the Projected Unit Credit Method. The Company fully contributes all ascertained liabilities to The Trustees- Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with AS-15 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise.

Leave Encashment

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

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

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

k. Income tax

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

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

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

I. Segment reporting policies

Identification of segments:

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

Unallocated items:

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

Segment Policies :

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

m. Earnings per share

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

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

n. Provisions

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

o. Cash and cash equivalents

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

p. Equity shares and debentures issue expenses

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

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

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

q. Borrowing costs

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

r. Employee stock compensation costs

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

s. Contingent liabilities

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

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013
3. SHARE CAPITAL		
Authorised		
397,000,000 (March 31, 2013: 397,000,000)		
Equity Shares of Rs.10/- each	39,700.00	39,700.00
20,000,000 (March 31, 2013: 20,000,000)		
Preference Shares of Rs.100/- each	20,000.00	20,000.00
	59,700.00	59,700.00
Issued and Subscribed share capital		
226,936,877 (March 31, 2013: 226,918,077)		
equity shares of Rs. 10/- each	22,693.69	22,691.81
Paid up (Fully paid up)		
Equity Shares		
226,882,736 (March 31, 2013: 226,863,936)		
equity shares of Rs. 10/- each	22,688.27	22,686.39
	22,688.27	22,686.39
48,000 equity shares of Rs.10/- each (Rs. 5/- each paid up forfeited)	2.40	2.40
Total	22,690.67	22,688.79

	As at March 31, 2014		As at March 31, 2013	
	Numbers of shares	Rs. in lacs	Numbers of shares	Rs. in lacs
Reconciliation of the equity shares outstanding at the beginning and at end of reporting period.				
a. Shares outstanding at the beginning of the year	226,863,936	22,686.39	226,300,568	22,630.06
Issued during the period - Employee stock option scheme [Refer Note 25]	18,800	1.88	62,500	6.25
Issued on account of merger of Shriram Holdings (Madras) Private Limited [Refer Note 33]	-	-	500,868	50.08
Shares outstanding at the end of the year	226,882,736	22,688.27	226,863,936	22,686.39

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2014, the amount of per equity share dividend recognized as distributions to equity shareholders was Rs. 7.00 (March 31, 2013 : Rs. 7.00). Out of the total dividend declared during the year ended March 31, 2014, amount of interim dividend paid was Rs. 3.00 per equity share (March 31, 2013: Rs. 3.00) and amount of final dividend proposed was Rs. 4.00 per equity share (March 31, 2013: Rs. 4.00).

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

c. Shares reserved for issue under options

The Company has reserved Nil (March 31, 2013: 18,800) equity shares for issue under employee stock option scheme 2005. During the year ended March 31, 2014, 18,800 equity shares were vested and exercised.

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

The company has issued total 3,712,568 equity shares (March 31 2013 : 4,069,968) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee service, and includes 500,868 equity shares issued on account of merger of Shriram Holdings (Madras) Private Limited as per note (f) given below.

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

Details of shareholding	As at March 31, 2014		As at March 31, 2013	
	Numbers of shares	% holding in the class	Numbers of shares	% holding in the class
Name of the Shareholder				
Equity shares of Rs. 10/- each				
Shriram Capital Limited	59,103,162	26.05%	58,502,778	25.79%
Newbridge India Investment II Limited	-	-	22,847,468	10.07%
PHL Capital Private Limited	22,600,000	9.96%	-	-
Genesis Indian Investment Company Limited	13,648,064	6.02%	13,926,256	6.14%

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

- f.** The Hon'ble Madras High Court sanctioned the Scheme of arrangement for merger of Shriram Holdings (Madras) Private Limited (SHMPL) with the company ('the scheme') and the scheme came into effect from November 05, 2012 when the company filed the scheme with the registrar of companies, Tamil Nadu, Chennai. Pursuant to the scheme, the investment of SHMPL in the share capital of the company viz. 93,371,512 fully paid-up Equity shares of Rs.10/- each stood cancelled and the company issued and allotted 93,872,380 new equity shares of Rs. 10/- each fully paid-up to the shareholders of SHMPL. This resulted into increase of Rs.50.09 lacs in the paid-up capital of the company with effect from November 05, 2012. The merger is effective from April 01, 2012 and the effect of the same is considered in the financial statements for the year ended March 31, 2013.

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013
4. RESERVES AND SURPLUS		
Capital reserve		
Balance as per last account	2,761.83	17.03
Add: On account of merger of Shriram Holdings (Madras) Private Limited [Refer Note 33]	-	2,744.80
Closing balance	2,761.83	2,761.83
Capital redemption reserve	5,388.35	5,388.35
Securities premium account		
Balance as per last account	175,442.36	175,322.02
Add: Addition on ESOPs exercised	4.70	15.62
Add: Transferred from stock options outstanding	34.00	104.72
Closing balance	175,481.06	175,442.36
Debenture redemption reserve		
Balance as per last account	30,180.03	52,136.12
Add: Transfer from surplus balance in the statement of profit and loss	19,370.76	15,815.26
Less: Transfer to statement of profit and loss on account of redemption	(8,215.35)	(23,461.58)
Less: Transfer to statement of profit and loss on account of revised guidelines *	-	(14,309.77)
Closing balance	41,335.44	30,180.03
Stock option outstanding		
Employee stock option outstanding	-	34.00
Less : Deferred employee compensation outstanding	-	(0.90)
Closing balance	-	33.10
Other reserves		
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934		
Balance as per last account	129,199.79	101,199.79
Add: Transfer from surplus balance in the statement of profit and loss	26,000.00	28,000.00
Closing balance	155,199.79	129,199.79
General reserve		
Balance as per last account	65,153.63	51,153.63
Add: Transfer from surplus balance in the statement of profit and loss	13,000.00	14,000.00
Closing balance	78,153.63	65,153.63
Surplus in statement of profit and loss		
Balance as per last account	288,626.08	191,157.33
Add: Profit for the current year	126,420.77	136,062.01
Add: Excess provision written back - tax on dividend	-	0.41
Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(26,000.00)	(28,000.00)
Transfer to general reserve	(13,000.00)	(14,000.00)
Transfer to/from debenture redemption reserve	(11,155.41)	21,956.09
Interim dividend [amount per share Rs. 3.00 (March 31, 2013: Rs. 4.00)]	(6,806.48)	(6,825.68)
Tax on interim dividend	(1,156.34)	(1,107.30)
Proposed final dividend [amount per share Rs. 4.00 (March 31, 2013: Rs. 4.00)]	(9,075.31)	(9,074.56)
Tax on proposed dividend	(1,542.35)	(1,542.22)
Total appropriations	(68,735.89)	(38,593.67)
Net surplus in statement of profit and loss	346,310.96	288,626.08
Total	804,631.06	696,785.17

* As per General circular no 04/2013 dated February 11, 2013 issued by Ministry of corporate affairs, Debenture redemption reserve required to be maintained is revised to 25% from 50% , hence, the excess amount has been transferred back to the statement of profit and loss for the year ended March 31, 2013.

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current maturities*	Non-current portion	Current maturities*
5. LONG TERM BORROWINGS				
Subordinated debts (Unsecured)	391,303.31	50,441.72	312,839.63	54,267.15
Redeemable non convertible debentures				
Secured	891,321.70	424,337.08	870,097.87	296,481.41
Less: Unamortised discount	(145.65)	(582.15)	(580.61)	(2,118.62)
	891,176.05	423,754.93	869,517.26	294,362.79
Unsecured	2,150.00	79,580.00	81,730.00	47,380.00
Less: Unamortised discount	-	(110.08)	(110.08)	(784.49)
	2,150.00	79,469.92	81,619.92	46,595.51
Term loans from banks				
Unsecured	10,000.00	-	10,000.00	10,000.00
Secured	718,448.56	392,182.66	508,599.25	281,182.57
Fixed deposits (Unsecured)	192,410.45	38,011.76	68,220.02	66,418.28
Term loans from Financial institutions / Corporates				
Secured	65,700.00	38,800.00	54,500.00	27,000.00
Loans and advances from related parties				
Subordinated debts (Unsecured)				
from Associate	-	-	-	413.40
from Relative of Managing Director	1.10	-	0.30	-
Redeemable non convertible debentures (Secured)				
from Associate	-	-	3.60	2.40
from Managing Director	3.00	-	-	-
from Relative of Managing Director	14.33	1.39	4.88	2.21
Fixed deposits (Unsecured)				
from Relative of Managing Director	2.09	-	-	1.02
Total	2,271,208.89	1,022,662.38	1,905,304.86	780,245.33

* Amount disclosed under the Note 6 Other current liabilities

5. LONG TERM BORROWINGS (Contd.)

A) Subordinated Debt - Unsecured

- i) Privately placed subordinated debts of Rs. 100,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total
	<10%	>=10% <12%	>=12% <14%	>= 14%	
	Amount	Amount	Amount	Amount	
Over 60 months	-	13,769.00	-	-	13,769.00
48-60 Months	-	-	4,541.00	-	4,541.00
24-36 months	-	5,000.00	-	-	5,000.00
12-24 months	-	25,577.00	-	-	25,577.00
Total	-	44,346.00	4,541.00	-	48,887.00

Current maturity

Upto 12 months	-	15,000.00	5,500.00	-	20,500.00
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Terms of repayment as on March 31, 2013

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total
	<10%	>=10% <12%	>=12% <14%	>= 14%	
	Amount	Amount	Amount	Amount	
Over 60 months	-	13,769.00	4,541.00	-	18,310.00
36-48 months	-	5,000.00	-	-	5,000.00
24-36 months	-	25,577.00	-	-	25,577.00
12-24 months	-	15,000.00	5,500.00	-	20,500.00
Total	-	59,346.00	10,041.00	-	69,387.00

Current maturity

Upto 12 months	-	-	10,510.00	-	10,510.00
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- ii) Privately placed subordinated debts of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total
	<10%	>=10% <12%	>=12% <14%	>= 14%	
	Amount	Amount	Amount	Amount	
Over 60 months	-	106,010.00	-	-	106,010.00
48-60 Months	2,500.00	25,630.00	5,000.00	-	33,130.00
36-48 Months	-	25,000.00	-	-	25,000.00
24-36 months	-	5,000.00	-	-	5,000.00
12-24 months	-	35,000.00	-	-	35,000.00
Total	2,500.00	196,640.00	5,000.00	-	204,140.00

5. LONG TERM BORROWINGS (Contd.)

Current maturity

Current maturity is Rs. Nil as on March 31, 2014.

Terms of repayment as on March 31, 2013

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total
	<10%	>=10% <12%	>=12% <14%	>= 14%	
Amount	Amount	Amount	Amount	Amount	Amount
Over 60 months	-	95,890.00	5,000.00	-	100,890.00
48-60 months	-	25,000.00	-	-	25,000.00
36-48 months	-	5,000.00	-	-	5,000.00
24-36 months	-	35,000.00	-	-	35,000.00
Total	-	160,890.00	5,000.00	-	165,890.00

Current maturity

Upto 12 months	-	15,000.00	-	-	15,000.00
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- iii) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total
	<10%	>=10% <12%	>=12% <14%	>= 14%	
Amount	Amount	Amount	Amount	Amount	Amount
Over 60 months	-	65,695.12	-	-	65,695.12
48-60 Months	5.40	47,109.29	-	-	47,114.69
36-48 Months	1,481.88	6,589.06	-	-	8,070.94
24-36 months	46.99	3,487.45	-	-	3,534.44
12-24 months	-	5,551.41	0.50	-	5,551.91
Total	1,534.27	128,432.33	0.50	-	129,967.10

Current maturity

Upto 12 months	-	8,038.37	21,903.35	-	29,941.72
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Terms of repayment as on March 31, 2013

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total
	<10%	>=10% <12%	>=12% <14%	>= 14%	
Amount	Amount	Amount	Amount	Amount	Amount
Over 60 months	5.40	22,148.21	-	-	22,153.61
48-60 months	1,481.88	6,589.06	-	-	8,070.94
36-48 months	46.99	3,487.45	-	-	3,534.44
24-36 months	-	5,551.41	0.50	-	5,551.91
12-24 months	-	8,038.37	21,903.35	-	29,941.72
Total	1,534.27	45,814.50	21,903.85	-	69,252.62

Current maturity

Upto 12 months	-	22,400.37	6,770.18	-	29,170.55
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5. LONG TERM BORROWINGS (Contd.)

- iv) Public issue of subordinated debt of Rs. 1,000/- each (2010)-quoted
 Long term borrowing

Option Detail	Rate of interest	As at March 31, 2014	(Rs. in lacs)	
			As at March 31, 2013	Redeemable at par on
Option -IV	10.41%	91.00	91.00	1-Jun-17
	10.81%	1,687.00	1,687.00	1-Mar-17
	11.25%	3,746.08	3,746.08	1-Dec-16
Option -V	10.25%	110.30	110.30	1-Jun-17
	10.75%	204.32	204.32	1-Jun-17
	11.00%	2,471.61	2,471.61	1-Jun-17
Total		8,310.31	8,310.31	

Current maturity

Current maturity is Rs. Nil as on March 31, 2014 and March 31, 2013.

	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current maturities	Non-current portion	Current maturities
Total Subordinated Debts				
Privately placed (i+ii+iii)	382,994.10	50,441.72	304,529.62	54,680.55
Public issue (iv)	8,310.31	-	8,310.31	-
Total Subordinated debts	391,304.41	50,441.72	312,839.93	54,680.55
Less: issued to related parties	1.10	-	0.30	413.40
Total	391,303.31	50,441.72	312,839.63	54,267.15

B) Non convertible debenture (NCD) - Secured

- i) Privately placed redeemable non-convertible debentures of Rs. 1,000/- each
 Terms of repayment as on March 31, 2014
 Long term borrowing

Redeemable at par (from the date of the Balance Sheet)	Rate of interest					(Rs. in lacs)
	< 10%	= 10% < 12%	= 12% < 14%	= 14% < 16%	= 16%	
	Amount	Amount	Amount	Amount	Amount	
48-60 months	-	1,978.33	-	-	-	1,978.33
36-48 months	-	9,385.75	939.52	-	-	10,325.27
24-36 months	1.84	47,445.47	719.40	0.88	-	48,167.59
12-24 months	2,584.05	137,415.90	-	792.92	-	140,792.87
Total	2,585.89	196,225.45	1,658.92	793.80	-	201,264.06

Current maturity

upto 12 months	8,736.18	100,014.14	6.40	311.80	-	109,068.52
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5. LONG TERM BORROWINGS (Contd.)

Terms of repayment as on March 31, 2013

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest					Total
	< 10%	= 10% < 12%	= 12% < 14%	= 14% < 16%	= 16%	
	Amount	Amount	Amount	Amount	Amount	
48-60 months	-	8,613.59	939.52	-	-	9,553.11
36-48 months	1.84	6,534.46	719.88	0.88	-	7,257.06
24-36 months	1,669.55	136,832.48	-	792.92	-	139,294.95
12-24 months	3,637.90	100,192.44	6.40	311.80	-	104,148.54
Total	5,309.29	252,172.97	1,665.80	1,105.60	-	260,253.66

Current maturity

upto 12 months	46,737.79	29,109.31	1,582.89	282.32	0.48	77,712.79
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Nature of security

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

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

* Amount pertains to debentures issued prior to notification of the RBI Circular DNBD(PD) CC No. 330/03.10.001/2012-13 dated June 27, 2013.

ii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing (gross of unamortised discount on debenture of Rs. 145.65 lacs)

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest					Total
	< 10%^	= 10% < 12%*^ ¥	= 12% < 14%	= 14% < 16%	= 16%	
	Amount	Amount	Amount	Amount	Amount	
Over 60 months	5,960.00	120,920.00	-	-	-	126,880.00
48-60 months	1,500.00	17,500.00	-	-	-	19,000.00
36-48 months^	3,800.00	76,000.00	-	-	-	79,800.00
24-36 months*^	7,750.00	123,805.00	-	-	-	131,555.00
12-24 months^	6,600.00	40,800.00	-	-	-	47,400.00
Total	25,610.00	379,025.00	-	-	-	404,635.00

* Includes 1 NCD of Rs. 625.00 lacs partly paid to the extent of Rs. 50,000/-

^NCD amounting to Rs. 4,200.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

5. LONG TERM BORROWINGS (Contd.)

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	(Rs. in lacs)					Put/Call option date
1	10.60%			625.00			12-Aug-16
Total				625.00			

Current maturity (gross of unamortised discount on debenture of Rs. 582.15 lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest					(Rs. in lacs)
	< 10% ^ ¥	= 10% < 12% * ^ ¥	= 12% < 14%	= 14% < 16%	= 16%	
	Amount	Amount	Amount	Amount	Amount	
upto 12 months * ^ ¥	62,010.00	217,585.00	-	-	-	279,595.00

* Includes 1 NCD of Rs. 625.00 lacs partly paid to the extent of Rs. 50,000/-

*^NCD amounting to Rs. 19,720.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	(Rs. in lacs)					Put/Call option date
1	10.50%			625.00			13-Aug-14
2	10.30%			20,000.00			20-Jul-14
3	9.35%			5,000.00			23-Jun-14
4	9.35%			15,000.00			23-Jun-14
Total				40,625.00			

Terms of repayment as on March 31, 2013

Long term borrowing (gross of unamortised discount on debenture of Rs. 580.61 lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest					(Rs. in lacs)
	< 10% ^	= 10% < 12% * ^ ¥	= 12% < 14%	= 14% < 16%	= 16%	
	Amount	Amount	Amount	Amount	Amount	
48-60 months * ^	3,800.00	76,000.00	-	-	-	79,800.00
36-48 months ^ ¥	750.00	38,125.00	-	-	-	38,875.00
24-36 months ^	47,100.00	55,800.00	-	-	-	102,900.00
12-24 months ^ ¥	39,010.00	168,585.00	-	-	-	207,595.00
Total	90,660.00	338,510.00	-	-	-	429,170.00

* Includes 2 NCDs of Rs. 625.00 lacs each partly paid to the extent of Rs. 50,000/-

*^NCDs amounting to Rs. 22,420.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

5. LONG TERM BORROWINGS (Contd.)

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	(Rs. in lacs) Put/Call option date				
1	10.60%	625.00	12-Aug-16				
2	10.50%	625.00	13-Aug-14				
3	10.30%	20,000.00	20-Jul-14				
Total		21,250.00					

Current maturity (gross of unamortised discount on debenture of Rs. 2,118.62 lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest					(Rs. in lacs) Total Amount
	< 10% ^ ¥	= 10% < 12% ^ ¥	= 12% < 14%	= 14% < 16%	= 16%	
	Amount	Amount	Amount	Amount	Amount	
upto 12 months ^ ¥	19,510.00	125,900.00	31,000.00	-	-	176,410.00

^NCDs amounting to Rs. 18,110.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	(Rs. in lacs) Put/Call option date				
1	10.30%	31,000.00	6-Jan-14				
2	9.20%	30,000.00	24-Jun-13				
3	9.00%	20,000.00	2-May-13				
Total		81,000.00					

Nature of security

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

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

- iii) Privately placed redeemable non-convertible debenture of Rs. 3,000,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing (gross of unamortised discount on debenture of Rs. Nil)

Long term borrowing is Rs. Nil as on March 31, 2014

Current maturity

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest					(Rs. in lacs) Total Amount
	< 10%	= 10% < 12%*	= 12% < 14%	= 14% < 16%	= 16%	
	Amount	Amount	Amount	Amount	Amount	
upto 12 months *	-	1,600.00	-	-	-	1,600.00

*Partly paid to the extent of Rs. 100,000/-

Terms of repayment as on March 31, 2013

Long term borrowing(gross of unamortised discount on debenture of Rs. Nil)

Long term borrowing is Rs. Nil as on March 31, 2013

Current maturity

Current maturity is Rs. Nil as on March 31, 2013

Nature of security

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

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

5. LONG TERM BORROWINGS (Contd.)

iv) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each (2009)

Terms of repayment

Long term borrowing

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.00%	-	1,464.79	26-Aug-14	-
	11.25%	-	280.18	26-Aug-14	-
Option -II	11.25%	-	1,096.49	26-Aug-14	-
	11.50%	-	378.43	26-Aug-14	-
Total		-	3,219.89		

Current maturity

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.00%	1,484.62	-	26-Aug-14	-
	11.25%	260.36	-	26-Aug-14	-
	11.00%	-	2,929.58	26-Aug-13	-
	11.25%	-	560.36	26-Aug-13	-
Option -II	11.25%	1,123.20	-	26-Aug-14	-
	11.50%	351.72	-	26-Aug-14	-
	11.25%	-	2,192.99	26-Aug-13	-
	11.50%	-	756.85	26-Aug-13	-
Option -III	11.03%	-	10,422.51	1-Oct-13	-
	11.03%	7,508.65	-	26-Aug-14	-
Option -IV	11.00%	-	2,274.12	1-Oct-13	-
	11.00%	999.10	-	26-Aug-14	-
Total		11,727.64	19,136.42		

Nature of security

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

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

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

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

The Company has bought back NCDs of Rs. 4,215.23 lacs on 12-March-2010 and Rs. 3,000.00 lacs on 27-March-2012 , Rs. 23,505.26 lacs on 28-March-2012 and as per the terms of the issue Rs. 46,923.16 lacs and Rs. 6,439.79 lacs were redeemed on 26-August-2012 and 26-August-2013 respectively.

Put options were exercised for option III and IV on 26-August-2013 and Rs. 2,913.86 lacs and Rs. 1,275.02 lacs respectively were paid on 1-October-2013 in compliance with the terms of issue.

5. LONG TERM BORROWINGS (Contd.)

v) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each (2010)

Terms of repayment

Long term borrowing

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	9.00%	1,424.68	-	1-Jun-15	-
	9.50%	3,918.55	-	1-Jun-15	-
	9.75%	1,160.60	-	1-Jun-15	-
	10.00%	231.60	-	1-Jun-15	-
Option -II	9.50%	897.03	897.03	1-Jun-17	1-Jun-15
	10.00%	832.20	832.20	1-Jun-17	1-Jun-15
	10.25%	3,802.59	3,741.65	1-Jun-17	1-Jun-15
	10.50%	722.54	783.48	1-Jun-17	1-Jun-15
Option -III	9.75%	808.45	808.45	1-Jun-15	-
	10.25%	785.68	785.68	1-Jun-15	-
	10.50%	1,756.76	1,717.73	1-Jun-15	-
	10.75%	385.28	424.31	1-Jun-15	-
	9.75%	-	1,616.90	1-Jun-14	-
	10.25%	-	1,571.36	1-Jun-14	-
	10.50%	-	3,435.46	1-Jun-14	-
	10.75%	-	848.62	1-Jun-14	-
Total		16,725.96	17,462.87		

Current maturity

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	9.00%	-	3,398.67	1-Jun-15	1-Jun-13
	9.50%	-	10,495.95	1-Jun-15	1-Jun-13
	9.75%	-	1,496.49	1-Jun-15	1-Jun-13
	10.00%	-	363.36	1-Jun-15	1-Jun-13
Option -III	9.75%	-	1,616.90	1-Jun-13	-
	10.25%	-	1,571.36	1-Jun-13	-
	10.50%	-	3,435.46	1-Jun-13	-
	10.75%	-	848.62	1-Jun-13	-
	9.75%	1,616.90	-	1-Jun-14	-
	10.25%	1,571.36	-	1-Jun-14	-
	10.50%	3,513.52	-	1-Jun-14	-
	10.75%	770.56	-	1-Jun-14	-
Total		7,472.34	23,226.81		

5. LONG TERM BORROWINGS (Contd.)

Nature of security

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

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

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

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

The Company has bought back NCDs of Rs. 1,000.00 lacs on 14-July-2011 and as per the terms of the issue Rs. 7,472.34 lacs were redeemed on 1-June-2013.

Put options were exercised for option I on 1-June-2013 and Rs. 9,019.04 lacs were paid on 5-July-2013 in compliance with the terms of issue.

vi) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each (2011)

Terms of repayment

Long term borrowing

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.60%	53,470.83	53,470.83	11-Jul-16	12-Jul-15
	11.35%	24,313.78	24,313.78	11-Jul-16	12-Jul-15
	11.10%	7,340.36	7,340.36	11-Jul-16	12-Jul-15
Option –II	11.35%	-	3,462.05	11-Jul-14	-
	11.10%	-	3,173.19	11-Jul-14	-
	11.00%	-	8,239.72	11-Jul-14	-
Total		85,124.97	99,999.93		

Current maturity

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -II	11.35%	3,462.05	-	11-Jul-14	-
	11.10%	3,173.19	-	11-Jul-14	-
	11.00%	8,239.72	-	11-Jul-14	-
Total		14,874.96		-	

Nature of security

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

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

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

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

5. LONG TERM BORROWINGS (Contd.)

vii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each (2012)

Terms of repayment

Long term borrowing

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.15%	8,569.28	8,518.92	9-Aug-15	-
	10.25%	14,894.88	14,945.24	9-Aug-15	-
Option -II	11.40%	13,423.10	14,236.98	9-Aug-17	-
	10.50%	12,788.11	11,974.23	9-Aug-17	-
Option -III	11.15%	3,725.06	3,738.41	9-Aug-15	-
	10.25%	161.04	147.69	9-Aug-15	-
Option -IV	11.40%	6,315.11	6,356.94	9-Aug-17	-
	10.50%	123.42	81.59	9-Aug-17	-
Total		60,000.00	60,000.00		

Current maturity

Current maturity is Rs. Nil as on March 31, 2014 and March 31, 2013.

Nature of security

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

The Company has utilised the entire sum of Rs. 60,000/- lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

viii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each (2013)-1

Terms of repayment

Long term borrowing

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	10.90%	12,829.17	-	1-Aug-16	-
	9.65%	13,568.20	-	1-Aug-16	-
Option -II	11.15%	11,586.22	-	31-Jul-17	-
	9.80%	3,356.06	-	31-Jul-17	-
Option -III	11.15%	11,586.22	-	31-Jul-18	-
	9.80%	3,356.07	-	31-Jul-18	-
Option -IV	10.63%	5,797.30	-	31-Jul-18	-
	9.40%	104.42	-	31-Jul-18	-
Option -V	10.90%	6,075.57	-	1-Aug-16	-
	9.65%	43.60	-	1-Aug-16	-
Total		73,589.04	-		

Current maturity

Current maturity is Rs. Nil as on March 31, 2014 and March 31, 2013.

5. LONG TERM BORROWINGS (Contd.)

Nature of security

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

The Company has utilised the entire sum of Rs. 73,589.04 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

ix) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each (2013)-2

Terms of repayment

Long term borrowing

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.25%	7,762.63	-	24-Oct-16	-
	10.75%	19,373.21	-	24-Oct-16	-
Option -II	11.50%	3,164.51	-	24-Oct-18	-
	10.75%	7,489.01	-	24-Oct-18	-
Option -III	11.75%	4,734.26	-	24-Oct-20	-
	10.75%	3,023.29	-	24-Oct-20	-
Option -IV	11.25%	2,253.65	-	24-Oct-16	-
	10.75%	11.95	-	24-Oct-16	-
Option -V	11.50%	809.97	-	24-Oct-18	-
	10.75%	5.00	-	24-Oct-18	-
Option -VI	11.75%	1,370.42	-	24-Oct-20	-
	10.75%	2.10	-	24-Oct-20	-
Total		50,000.00	-		

Current maturity

Current maturity is Rs. Nil as on March 31, 2014 and March 31, 2013.

Nature of security

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

The Company has utilised the entire sum of Rs. 50,000.00 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current maturities	Non-current portion	Current maturities
Total non-convertible debentures - secured				
Privately placed (i+ii+iii)	605,899.06	390,263.52	689,423.65	254,122.79
Public issue (iv+v+vi+vii+viii+ix)	285,439.97	34,074.95	180,682.70	42,363.23
Total non-convertible debentures-secured	891,339.03	424,338.47	870,106.35	296,486.02
Less: issued to related parties	17.33	1.39	8.48	4.61
Total	891,321.70	424,337.08	870,097.87	296,481.41

5. LONG TERM BORROWINGS (Contd.)

C. Redeemable non-convertible debentures (NCD) - Unsecured

Privately placed unsecured redeemable non-convertible debentures of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing (gross of unamortised discount on debenture of Rs. Nil)

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	<10%^	=10% <12%^	Total
	Amount	Amount	Amount
12-24 months^	-	2,150.00	2,150.00
Total	-	2,150.00	2,150.00

^NCDs amounting to Rs. 2,150.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

Current maturity (gross of unamortised discount on debenture of Rs. 110.08 lacs)

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	<10%^	=10% <12%^	Total
	Amount	Amount	Amount
upto 12 months^¥	22,750.00	56,830.00	79,580.00
Total	22,750.00	56,830.00	79,580.00

^NCDs amounting to Rs. 23,170.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under

(Rs. in lacs)

Sr No	Rate of Interest	Amount	Put/Call option date
1	10.07%	25,000.00	30-Apr-14
Total		25,000.00	

Terms of repayment as on March 31, 2013

Long term borrowing (gross of unamortised discount on debenture of Rs. 110.08 lacs)

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	<10%^	=10% <12%^	Total
	Amount	Amount	Amount
24-36 months^	-	2,150.00	2,150.00
12-24 months^¥	22,750.00	56,830.00	79,580.00
Total	22,750.00	58,980.00	81,730.00

^NCDs amounting to Rs. 25,320.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

5. LONG TERM BORROWINGS (Contd.)

¥ Out of the above NCDs having put/call option are as under :

Sr No	Rate of Interest	Amount	Put/Call option date
1	10.07%	25,000.00	1-May-13
Total		25,000.00	

Current maturity (gross of unamortised discount on debenture of Rs. 784.49 lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	$<10\%^\wedge$ ¥	$\geq 10\% < 12\%^\wedge$	Total
	Amount	Amount	Amount
upto 12 months [¥]	22,280.00	25,100.00	47,380.00
Total	22,280.00	25,100.00	47,380.00

[¥]NCDs amounting to Rs. 27,900.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	Put/Call option date
1	9.59%	20,000.00	24-Mar-14
Total		20,000.00	

D. Term Loan from bank- Unsecured

As at March 31, 2014

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	(Rs. in lacs)	
			Non-current portion	Current maturities
48-60 months	14.00%	Bullet	10,000.00	-
Total			10,000.00	-

As at March 31, 2013

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	(Rs. in lacs)	
			Non-current portion	Current maturities
48-60 months	14.00%	Bullet	10,000.00	-
Upto 12 months	10.00%	Bullet	-	10,000.00
Total			10,000.00	10,000.00

5. LONG TERM BORROWINGS (Contd.)

E. Term loans from banks - Secured

As at March 31, 2014

Terms of repayment

Long term borrowing

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Non-current portion	Current maturities	(Rs. in lacs)
48-60 months	10.50% to 11.20%	10 to 48 installments of monthly, quarterly & half yearly frequency	126,488.69	32,000.00	
36-48 months	10.35% to 11.25%	5 to 48 installments of monthly, quarterly, half yearly & yearly frequency	308,208.36	116,668.67	
24-36 months	10.00% to 11.75%	1 to 60 installments of bullet, monthly, quarterly , half yearly & yearly frequency	213,203.52	110,714.29	
12-24 months (* refer security details)	9.00% to 12.25%	1 to 60 installments of bullet, monthly, quarterly and half yearly frequency	70,547.99	58,486.01	
Upto 12 months	9.75% to 12.75%	1 to 48 installments of bullet, monthly and quarterly frequency	-	74,313.69	
Total			718,448.56	392,182.66	

Nature of security	As at March 31, 2014	(Rs. in lacs)
a) *includes secured by hypothecation of vehicles for own use		2.91
b) Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans		1,110,628.31
Total		1,110,631.22

As at March 31, 2013

Terms of repayment

Long term borrowing

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Non-current portion	Current maturities	(Rs. in lacs)
48-60 months	10.35% to 10.75%	5 to 20 installments of quarterly and yearly frequency	111,999.95	28,000.00	
36-48 months	10.35% to 11.75%	1 to 60 installments of bullet, monthly, quarterly and half yearly frequency	212,414.24	71,190.48	
24-36 months (* refer security details)	9.00% to 12.50%	1 to 60 installments of bullet, monthly, quarterly, half yearly frequency	115,710.78	40,435.98	
12-24 months	9.50% to 13.00%	1 to 48 installments of bullet, monthly, quarterly, half yearly and yearly frequency	68,474.28	25,701.00	
Upto 12 months	9.00% to 13.75%	1 to 48 installments of bullet, monthly, quarterly, half yearly and yearly frequency	-	115,855.11	
Total			508,599.25	281,182.57	

5. LONG TERM BORROWINGS (Contd.)

(Rs. in lacs)

Nature of security	As at March 31, 2013
a) *includes secured by hypothecation of vehicles for own use	5.18
b) Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans	789,776.64
Total	789,781.82

F. Fixed deposits- Unsecured -Refer Note 27
Terms of repayment as on March 31, 2014
Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	< 10%	>= 10% < 12%	Total
	Amount	Amount	Amount
48-60 months	-	9,075.19	9,075.19
36-48 months	-	5,968.13	5,968.13
24-36 months	0.02	134,125.09	134,125.11
12-24 months	14,325.65	28,918.46	43,244.11
Total	14,325.67	178,086.87	192,412.54

Current maturity

Upto 12 months	19,502.62	18,509.14	38,011.76
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Terms of repayment as on March 31, 2013
Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	< 10%	>= 10% < 12%	Total
	Amount	Amount	Amount
48-60 months	-	4,424.72	4,424.72
36-48 months	-	5,711.40	5,711.40
24-36 months	7,678.53	28,948.08	36,626.61
12-24 months	2,684.84	18,772.45	21,457.29
Total	10,363.37	57,856.65	68,220.02

Current maturity

Upto 12 months	55,005.29	11,414.01	66,419.30
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(Rs. in lacs)

Total fixed deposits	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current maturities	Non-current portion	Current maturities
	Amount	Amount	Amount	Amount
Total Fixed deposits	192,412.54	38,011.76	68,220.02	66,419.30
Less: issued to related parties	2.09	-	-	1.02
Total	192,410.45	38,011.76	68,220.02	66,418.28

5. LONG TERM BORROWINGS (Contd.)

G. Term Loan from financial institution/corporates - Secured

As at March 31, 2014

Long term borrowing

Terms of repayment

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Non-current portion	Current maturities
36-48 months	11.10%	20 installments of quarterly frequency	27,500.00	10,000.00
24-36 months	10.50%	11 installments of quarterly frequency	33,200.00	16,800.00
12-24 months	11.00%	10 installments of quarterly frequency	5,000.00	12,000.00
Total			65,700.00	38,800.00

Nature of security

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

As at March 31, 2013

Long term borrowing

Terms of repayment

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Non-current portion	Current maturities
48-60 months	11.10%	20 installments of quarterly frequency	37,500.00	10,000.00
24-36 months	11.00%	11 installments of quarterly frequency	17,000.00	12,000.00
Upto 12 months	9.25%	Bullet	-	5,000.00
Total			54,500.00	27,000.00

Nature of security

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

(Rs. in lacs)

Total Long-term borrowings	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current maturities	Non-current portion	Current maturities
Secured borrowings	1,675,341.94	854,738.98	1,432,624.99	602,549.97
Unsecured borrowings	595,866.95	167,923.40	472,679.87	177,695.36
Total Long-term borrowings	2,271,208.89	1,022,662.38	1,905,304.86	780,245.33

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Long term	Short term	Long term	Short term
6. OTHER LIABILITIES				
Current maturities of long term debts [Refer Note 5]	-	1,022,662.38	-	780,245.33
Interest accrued but not due on loans	48,797.04	100,142.54	57,150.34	79,670.09
Application money on redeemable non convertible debentures	-	-	2,109.76	-
Application money on subordinated debts	-	-	311.59	-
Investor education and protection fund shall be credited by the following amounts (as and when due)				
- Unclaimed dividend	-	773.97	-	629.22
- Unclaimed matured deposits and interest accrued thereon	-	4,496.26	-	1,246.86
- Unclaimed matured debentures and interest accrued thereon	-	6,324.62	-	5,402.65
- Unclaimed matured subordinate debts and interest accrued thereon	-	6,295.16	-	3,752.38
Temporary credit balance in bank accounts	-	3,614.54	-	72,368.03
Tax deducted at source	-	1,662.07	-	1,411.26
Service tax payable	-	-	-	5.09
Statutory dues pertaining to employees	-	340.68	-	280.25
Value added tax	-	412.34	-	412.34
Works contract tax payable	-	1.17	-	-
Unrealised gain on securitisation*	35,842.13	78,270.16	57,403.45	130,594.91
Payable to subsidiary company # \$	-	632.74	-	175.12
Retention and others	14,059.78	-	12,788.89	-
Total	98,698.95	1,225,628.63	129,764.03	1,076,193.53

* Includes realised gain on premium structure securitization / assignment deals amounting to Rs. 155.31 lacs (March 31, 2013: Rs. 3,455.73 lacs) - Also refer note 2.1 (i) (iv).

Payable to subsidiary company M/s. Shriram Equipment Finance Company Limited Rs. Nil (March 31, 2013: Rs. 175.12 lacs)

\$ Payable to subsidiary company M/s. Shriram Automall India Limited Rs. 632.74 lacs (March 31, 2013: Rs. Nil)

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Long term	Short term	Long term	Short term
7. PROVISIONS				
For employee benefits				
For gratuity	-	44.96	1,624.39	135.67
For leave encashment and availment	-	1,555.75	-	1,361.96
For others				
For non-performing assets	114,759.11	-	79,772.55	-
For standard assets [Refer note (e) of note 2.1]	5,044.61	3,982.70	4,474.23	3,291.65
For credit loss on securitisation	7,370.36	-	27,597.37	-
For service tax- contested	-	8,793.99	-	8,778.18
For income tax	-	4,360.64	-	4,360.64
[net of advance tax Rs. 166,920.12 lacs (March 31, 2013: Rs. 166,920.12 lacs)]				
Proposed dividend	-	9,075.31	-	9,074.56
Corporate dividend tax	-	1,542.35	-	1,542.23
Total	127,174.08	29,355.70	113,468.54	28,544.89

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013
8. SHORT TERM BORROWINGS		
Secured		
Redeemable non convertible debentures	41,000.00	69,750.00
Term loans		
i) From banks	194,799.86	183,800.00
ii) From financial institutions / corporates	10,000.00	-
Loans repayable on demand (Secured)		
Cash credit	35,213.34	98,108.20
Unsecured		
Unsecured redeemable debenture	-	25,000.00
Inter corporate deposits from subsidiary	-	975.00
Term loan from banks	2,200.00	-
Commercial papers from other than banks	16,000.00	37,500.00
Less: unamortized discount	(623.41)	(446.26)
	15,376.59	37,053.74
Total	298,589.79	414,686.94

a. Non-convertible debenture (NCD)-Secured

- i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2014

(Rs. in lacs)

	Rate of interest	
	>=10% <12%¥	Total
	Amount	Amount
Redeemable at par (from the date of the Balance Sheet)		
upto 12 months	40,000.00	40,000.00

¥ Out of the above NCDs having put/call option are as under

(Rs. in lacs)

Sr No	Rate of interest	Amount	Put/Call option date
1	10.95%	30,000.00	26-Sep-14
2	10.72%	7,500.00	24-Sep-14
3	10.72%	2,500.00	24-Sep-14
Total		40,000.00	

Terms of repayment as on March 31, 2013

(Rs. in lacs)

	Rate of interest	
	< 10%	Total
	Amount	Amount
Redeemable at par (from the date of the Balance Sheet)		
upto 12 months	69,750.00	69,750.00

8. SHORT TERM BORROWINGS (Contd.)

Nature of security

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

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

(ii) Privately placed redeemable non-convertible debenture of Rs. 3,000,000/- each

Terms of repayment as on March 31, 2014

	Rate of interest		(Rs. in lacs)
	>= 10% < 12% *¥	Total	
	Amount	Amount	
Redeemable at par (from the date of the Balance Sheet)			
upto 12 months	1,000.00	1,000.00	

*Partly paid to the extent of Rs. 1,00,000/-

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of interest	Amount	Put/Call option date	(Rs. in lacs)
1	10.50%	1,000.00	19-Aug-14	
Total		1,000.00		

Terms of repayment as on March 31, 2013

NCD outstanding is Rs. Nil

Nature of security

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

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

b. Term loans from bank - Secured

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2014	(Rs. in lacs)
Upto 12 months	10.00 % to 11.25%	Bullet	194,799.86	
Total			194,799.86	

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

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2013	(Rs. in lacs)
Upto 12 months	9.90 % to 10.35%	Bullet	183,800.00	
Total			183,800.00	

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

8. SHORT TERM BORROWINGS (Contd.)

c. Term loans from financial institution -Secured

Terms of repayment

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2014
Upto 12 months	10.25%	Bullet	10,000.00
Total			10,000.00

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

Terms of repayment

Term loans from financial institution outstanding is Rs. Nil as on March 31, 2013.

d. Term loans from bank -Unsecured

Terms of repayment

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2014
Upto 12 months	10.00%	Bullet	2,200.00
Total			2,200.00

Terms of repayment

Term loans from financial institution outstanding is Rs. Nil as on March 31, 2013.

e. Redeemable non-convertible debentures (NCD)- Unsecured

Privately placed unsecured redeemable non-convertible debentures of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2014

Term loans from financial institution outstanding is Rs. Nil as on March 31, 2014.

Terms of repayment as on March 31, 2013

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	< 10%	>=10% <12%	Total
	Amount	Amount	Amount
Upto 12 months	25,000.00	-	25,000.00
Total	25,000.00	-	25,000.00

(Rs. in lacs)

f. Cash Credit from bank

As at March 31, 2014

As at March 31, 2013

Secured by hypothecation of specific assets covered under hypothecation loan agreements	35,213.34	98,108.20
Total	35,213.34	98,108.20

8. SHORT TERM BORROWINGS (Contd.)

g. Commercial paper

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As on March 31, 2014
upto 12 months	10.20 % to 10.35 %	Bullet	16,000.00

Note

- 1) The amount of commercial paper is disclosed at gross value. The amount of unamortised discount on commercial paper is Rs. 623.41 lacs.

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As on March 31, 2013
upto 12 months	8.96 % to 9.90 %	Bullet	37,500.00

Note

- 1.) The amount of commercial paper is disclosed at gross value. The amount of unamortised discount on commercial paper is Rs. 446.26 lacs.
 2.) The Company has bought back commercial paper of Rs. 25,000.00 lacs on February 11, 2013.

h. Inter corporate deposits from subsidiary

Inter corporate deposits from subsidiary is Rs. Nil as on March 31, 2014

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As on March 31, 2013
upto 12 months	11.00%	Bullet	975.00

(Rs. in lacs)

Total Short-term borrowings	As at March 31, 2014	As at March 31, 2013
Secured borrowings	281,013.20	351,658.20
Unsecured borrowings	17,576.59	63,028.74
Total Short-term borrowings	298,589.79	414,686.94

Particulars	Tangible fixed assets						(Rs. in lacs)
	Land - freehold	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	
9. FIXED ASSETS							
Gross block							
As at April 1, 2012	10.18	526.03	3,788.08	187.72	1,251.01	142.79	3,917.64
Additions	0.58	-	2,220.28	48.72	415.07	-	1,324.56
Deletions	-	-	306.01	16.54	72.94	60.52	360.36
Adjustment	-	-	-	-	-	-	-
As at March 31, 2013	10.76	526.03	5,702.35	219.90	1,599.14	82.27	4,881.84
Additions	3.39	-	2,834.05	91.68	744.52	0.10	3,417.34
Deletions	-	138.48	271.85	12.77	116.28	4.22	481.83
Adjustment	-	-	-	-	-	-	-
As at March 31, 2014	14.15	387.55	8,264.55	298.81	2,221.38	78.15	7,817.35
Depreciation							
As at April 1, 2012	-	119.26	2,174.63	99.44	647.41	92.74	3,065.27
Charge for the year	-	8.58	733.34	26.37	300.58	5.71	591.75
Deletions	-	-	250.45	7.97	53.85	30.62	332.58
Adjustment	-	-	-	-	-	-	-
As at March 31, 2013	-	127.84	2,657.52	117.84	894.14	67.83	3,324.44
Charge for the year	-	7.33	1,118.14	43.37	512.19	4.57	1,122.68
Deletions	-	41.48	216.99	8.29	85.41	4.01	461.55
Adjustment	-	-	-	-	-	-	-
As at March 31, 2014	-	93.69	3,558.67	152.92	1,320.92	68.39	3,985.57
Net block							
As at March 31, 2013	10.76	398.19	3,044.83	102.06	699.00	14.44	1,557.40
As at March 31, 2014	14.15	293.86	4,705.88	145.89	900.46	9.76	3,831.78
Depreciation and amortisation							
(Rs. in lacs)							
Year ended							
March 31, 2014							
on tangible assets							
on intangible assets							
on investment property							
Total	2,913.79						1,833.09

10. NON-CURRENT INVESTMENTS

(Rs. in lacs)

		As at March 31, 2014	As at March 31, 2013
Non-current Investments			
1 Investment property (net of depreciation)		197.47	199.78
2 Non trade :		-	240.00
A. a) Investment in Equity shares-quoted		4,065.00	4,207.51
A. b) Investment in Equity shares-unquoted		25,000.00	25,100.00
A. c) Investment in Preference shares		33,089.48	23,778.56
B. Investment in Government securities		5,000.00	5,000.00
C. Investment in Subordinated debts		1,453.04	873.15
D. Investment in Venture capital fund		(25.00)	(167.50)
Less : Aggregate provision for diminution in value of investments		68,779.99	59,231.50
Total			

(Rs. in lacs)

Particulars	Face value (Rs.)	Quantity	Amount	Quantity	Amount
		As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
1. Investment property					
(at cost less accumulated depreciation)					
Cost of land and building given on operating lease			211.66		211.66
Less: accumulated depreciation			14.19		11.88
Net Block			197.47		199.78
2. Non trade					
(valued at cost unless stated otherwise)					
A. Shares : Fully paid up					
a) Quoted - Equity shares					
Investment in associates					
Shriram Asset Management Company Limited (40% Share) #	10	-	-	2,400,000	240.00
b) Unquoted - Equity shares					
Investment in wholly owned subsidiaries					
Shriram Equipment Finance Company Limited @	10	10,000,000	1,000.00	10,000,000	1,000.00
Shriram Automall India Limited	10	30,000,000	3,000.00	30,000,000	3,000.00
Shriram Insurance Broking Company Limited [Refer Note 29]	10	-	-	60	0.01
(Company winded up during the year)					
Investment in other companies					
State Industrial Investment Corporation of Maharashtra Limited	10	50,000	40.00	50,000	40.00
Credential Finance Limited	10	25,000	-	25,000	-
[At cost less provision for other than temporary diminution in value of Rs. 25.00 lacs (March 31, 2013: Rs. 25.00 lacs)]					

(Rs. in lacs)

	Face value (Rs.)	Quantity	Amount	Quantity	Amount
		As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
10. NON-CURRENT INVESTMENTS (Contd.)					
Ashley Transport Services Limited (Company dissolved during the year) [At cost less provision for other than temporary diminution in value of Rs. Nil (March 31, 2013: Rs. 142.50 lacs)]	100	-	-	225,000	-
c) Unquoted - Preference shares					
Investment in wholly owned subsidiaries					
Shiram Equipment Finance Company Limited	100	25,000,000	25,000.00	25,000,000	25,000.00
Investment in associates					
Shriram Asset Management Company Limited (Sold 100,000 shares of Rs. 100/- each during the year)	100	-	-	100,000	100.00
B. Quoted-Government Securities [Refer note 27]					
Quoted					
6.13% GOI Loan 2028	100	176,000	177.47	176,000	177.57
6.35% GOI Loan 2020	100	2,500,000	2,385.64	2,500,000	2,365.79
6.49% GOI Loan 2015	100	500,000	495.73	500,000	492.13
6.90% GOI Loan 2019	100	5,000,000	4,793.75	5,000,000	4,754.74
7.02% GOI Loan 2016	100	400,000	397.02	400,000	395.77
7.80% GOI Loan 2020	100	2,500,000	2,495.30	2,500,000	2,494.53
8.13% GOI Loan 2022	100	2,500,000	2,502.31	2,500,000	2,502.58
8.24% GOI Loan 2027	100	500,000	497.28	500,000	497.06
8.26% GOI Loan 2027	100	2,500,000	2,454.90	2,500,000	2,484.32
8.26% GOI Loan 2027	100	5,000,000	4,909.80	5,000,000	4,870.24
8.97% GOI Loan 2030	100	2,500,000	2,668.33	2,500,000	2,743.83
8.33% GOI Loan 2026 (Purchased during the year)	100	2,500,000	2,331.34	-	-
8.28% GOI loan 2027 (Purchased during the year)	100	5,000,000	6,980.61	-	-
C. Unquoted - Investment in Subordinate Debts					
Yes Bank Limited	1,000,000	500	5,000.00	500	5,000.00
D. Unquoted- Venture Capital Fund					
ICICI Investment Management Company Limited	10,000	14,530	1,453.04	8,731	873.15
Total			68,779.99		59,231.50
Aggregate Value of Quoted Investments					
Cost of acquisition			33,089.48		24,018.57
Market Value			29,430.21		24,681.26
Aggregate Value of Unquoted Investments					
Cost of acquisition			35,518.04		35,180.65
Aggregate Provision for diminution in value of investments			25.00		167.50

These shares are subject to restrictive covenants of regulatory authority.

@ 3,000,000 shares have been pledged against loan availed by subsidiary from Bank.

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013
11. DEFERRED TAX ASSETS (NET)		
Deferred tax asset		
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	547.80	433.13
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	4,440.61	4,128.59
Provision for securitization	18,240.09	22,110.15
Provision for standard assets	3,068.38	2,519.64
Gross deferred tax assets (A)	26,296.88	29,191.51
Deferred tax liability		
Debenture Issue Expenses	1,180.65	808.71
Gross deferred tax liability (B)	1,180.65	808.71
Net deferred tax assets (A-B)	25,116.23	28,382.80

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013		
	Non-current portion	Current portion #	Non-current portion	Current portion #
12. LOANS AND ADVANCES				
Unsecured, considered good				
Capital Advances	148.63	-	610.68	-
Security Deposits	3,077.40	827.03	2,075.85	1,095.16
Secured, considered good				
Hypothecation loans	1,943,326.59	1,442,774.55	1,743,738.16	1,206,603.62
Retained interest on securitisation	41,178.54	40,768.00	31,172.67	21,172.94
Other loans	10.19	30.05	82.80	39.97
Securitisation deferred consideration receivable	37,139.46	79,937.37	54,636.13	130,077.34
Unsecured, considered good				
Unsecured loans^	12,928.42	102,133.39	9,682.50	84,315.21
Advance - hypothecation loans	1,007.45	-	1,873.60	-
Debtors on securitisation [net of delinquency provision Rs. 46,292.75 lacs (March 31, 2013: Rs. 37,541.27 lacs)]	-	34.09	-	1,189.05
Unsecured, considered good				
Advance recoverable from subsidiaries [Refer note 28]*\$	14,152.06	189.96	-	438.50
Doubtful				
Secured hypothecation loans	139,211.07	-	94,377.74	-
Other loans	350.64	-	615.32	-
Unsecured loan	5,452.50	-	3,175.33	-
Advances recoverable in cash or in kind or for value to be received	36.14	-	36.14	-

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current portion #	Non-current portion	Current portion #
12. LOANS AND ADVANCES (Contd.)				
Other loans and advances -Unsecured, considered good				
Advances recoverable in cash or in kind or for value to be received	3,327.54	9,095.98	973.72	2,898.66
Service tax credit (input) receivable	-	2,308.62	-	752.43
Prepaid expenses	155.26	813.28	362.13	901.41
Advance income tax (net of provision for taxation) [Refer Note 33]	8,405.89	-	4,940.91	-
[net of provision for income tax Rs. 237,687.55 lacs (March 31, 2013: Rs. 182,570.63 lacs)]				
Total	2,209,907.78	1,678,912.32	1,948,353.68	1,449,484.29

Includes current maturities of long term loans and advances

^ Advance given to the company in which a director is interested Rs. Nil (March 31, 2013: Rs. 136.29 lacs)

* Advance given to subsidiary M/s. Shriram Equipment Finance Company Limited Rs. 14,342.02 lacs
(March 31, 2013: Rs. 319.67 lacs)

\$ Advance given to subsidiary M/s. Shriram Automall India Limited Rs. Nil (March 31, 2013: Rs. 118.83 lacs)

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current portion	Non-current portion	Current portion
13. OTHER ASSETS				
Unsecured, considered good				
Fixed deposits with banks (Note 15)	0.50	-	-	-
Margin money deposit with banks (Note 15)	6,374.05	-	14,217.60	-
Interest accrued on investments	-	1,029.29	-	1,148.20
Interest accrued on fixed deposits with banks	372.08	5,302.51	505.43	5,323.66
Public issue expenses for non convertible debentures	1,957.42	1,516.10	1,401.11	1,091.46
Issue expenses for equity shares	738.45	152.77	891.22	152.77
Total	9,442.50	8,000.67	17,015.36	7,716.09

(Rs. in lacs)

		As at March 31, 2014	As at March 31, 2013
14. CURRENT INVESTMENTS			
1 Investment in Government securities		-	85.03
2 a) Investment in Certificate of deposit with banks		203,561.74	297,574.60
2 b) Investment in Mutual fund		201.40	-
Less : Aggregate provision for diminution in value of investments		(16.81)	-
Total		203,746.33	297,659.63

(Rs. in lacs)

	Particulars	Face value (Rs.)	Quantity	Amount	Quantity	Amount
			As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
1. Current portion of long term investments (valued at cost unless otherwise mentioned)						
a) Quoted: Government Securities [Refer note 27]						
12.40% GOI Loan 2013	100		-	-	85,000	85.03
This security is redeemable on August 20, 2013 at par						
2. Current Investments (At lower of cost and fair value)						
a) Unquoted: Investment in Certificate of Deposit with Banks						
Allahabad Bank		20,000	19,587.42	-	-	-
Andhra Bank		30,000	29,458.76	20,000	18,436.20	
[At cost less provision for diminution in value of Rs. 9.39 lacs (March 31, 2013: Rs. Nil)]						
Axis Bank			-	30,000	29,229.36	
Bank of Baroda		2,500	2,452.54	2,500	2,309.57	
[At cost less provision for diminution in value of Rs. 0.01 lacs (March 31, 2013: Rs. Nil)]						
Bank of India			-	2,500	2,442.49	
Canara Bank			-	20,000	19,584.48	
Central Bank of India		10,000	9,896.90	20,000	19,564.42	
Federal Bank Limited			-	10,000	9,837.48	
HDFC Bank Limited			-	5,000	4,900.71	
ICICI Bank Limited			-	20,000	19,708.42	
Industrial Development Bank of India Limited		25,000	24,556.87	20,000	19,583.62	
[At cost less provision for diminution in value of Rs. 7.41 lacs (March 31, 2013: Rs. Nil)]						
Indian Bank			-	20,000	19,205.82	
Indusind Bank Limited		10,000	9,797.95	20,000	19,563.69	
Karur Vysya Bank			-	20,000	19,590.16	
Punjab National Bank			-	11,000	10,818.19	
South Indian Bank		30,000	29,330.27	-	-	-
State Bank of Bikaner & Jaipur			-	5,000	4,913.45	
Syndicate Bank		20,000	19,670.98	20,000	19,130.18	

Particulars	Face value (Rs.)	Quantity		Amount		(Rs. in lacs)	
		As at March 31, 2014		As at March 31, 2014		As at March 31, 2013	
		Quantity	Amount	Quantity	Amount	Quantity	Amount
UCO Bank		30,000	29,301.33	-	-	-	-
Union Bank of India		20,000	19,670.98	-	-	-	-
United Bank of India		-	-	40,000	39,135.10	-	-
Vijaya Bank		10,000	9,820.93	20,000	19,621.26	-	-
b) Quoted: Investment in Mutual Fund							
Shriram Equity & Debt Opportunities Fund Direct	10	2,000,000	200.00	-	-	-	-
DWS Insta Cash Plus Fund - Direct Plan - Growth	10	840.33	1.40	-	-	-	-
Total			203,746.33			297,659.63	
Aggregate Value of Quoted Investments							
Cost of acquisition			201.40			85.03	
Market Value			213.32			87.31	
Aggregate Value of Unquoted Investments							
Cost of acquisition			203,544.93			297,574.59	
Aggregate Provision for diminution in value of investments					16.81		-

		As at March 31, 2014		As at March 31, 2013	
		Non-current portion	Current portion	Non-current portion	Current portion
15. CASH AND BANK BALANCES					
Cash and cash equivalents					
i) Balances with scheduled banks in:					
Current accounts		-	184,449.84	-	374,352.42
Unpaid dividend accounts		-	773.96	-	629.22
Deposits with original maturity of less than three months		-	260,596.00	-	57,537.00
ii) Cheques on hand		-	1,976.67	-	4,997.28
iii) Cash on hand		-	13,587.88	-	9,478.19
iv) Call Money (CBLO)		-	69,882.53	-	-
		-	531,266.88		446,994.11
Other bank balances					
Deposits with original maturity for more than 12 months		0.50	290.80	-	290.80
Deposits with original maturity for more than 3 months but less than 12 months		-	31,878.40	-	24,735.24
Margin money deposit#		6,374.05	145,161.68	14,217.60	159,912.75
		6,374.55	177,330.88	14,217.60	184,938.79
Amount disclosed under non-current assets					
[Refer Note 13]		(6,374.55)		(14,217.60)	
Total		-	708,597.76		631,932.90

Includes deposits of Rs. 139,935.51 lacs (March 31, 2013 : Rs. 151,893.09 lacs) pledged with Banks as margin for credit enhancement, Rs. 11,194.65 lacs (March 31, 2013: Rs. 21,995.05 lacs) as margin for guarantees and Rs. 405.57 lacs (March 31, 2013: Rs. 242.22 lacs) pledged as lien against loans taken.

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
16. REVENUE FROM OPERATIONS		
Interest income on		
- loan portfolio and related charges	583,812.47	432,726.05
- securitisation and direct assignment	85,372.36	175,165.21
- margin money on securitisation/ assignments	13,354.78	12,819.22
- pass through certificates*	48,304.69	12,066.44
- deposits with banks	6,421.74	1,576.39
- long- term investments	2,725.87	2,201.92
- current investments	2,864.01	3,008.35
Other financial services		
Reversal of provision for credit loss on securitisation	11,475.54	-
Income from portfolio management services	85.67	269.82
Income from commission services	3,617.42	1,511.05
Bad debt recovery	474.08	572.33
Dividend on long- term investments [includes dividend from subsidiary Rs. 2.50 lacs (March 31, 2013: Rs. 2.50 lacs)]	3.00	3.00
Dividend on current investments	-	120.12
Profit on sale of long term investments (net)	134.40	-
Profit on sale of current investments (net)	29,363.67	13,773.52
Total	788,009.70	655,813.42

* includes Rs 16,501.23 lacs (March 31, 2013: Rs. Nil) of income on pass through certificates where distribution tax has been deducted by the trustees as per section 115TA of Income Tax Act.

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
17. OTHER INCOME		
Income from operating lease	10.14	9.94
Profit on sale of assets (net)	308.21	-
Miscellaneous income	497.86	535.63
Total	816.21	545.57

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
18. EMPLOYEE BENEFIT EXPENSES		
Salaries, other allowances and bonus	37,485.00	35,947.12
Gratuity expenses	207.03	540.08
Contribution to provident and other funds	2,079.94	1,688.02
Expense on Employee Stock Option Scheme**	0.90	(86.69)
Staff welfare expenses	1,113.10	801.67
Total	40,885.97	38,890.20

** Negative amount in the year ended March 31, 2013 owing to forfeiture of options granted to employees in the past along with option lapse on account of employee resignation against which ESOP expense were duly booked in the past over the vesting period of such options.

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
19. FINANCE COST		
Interest expense		
Debentures	157,834.99	115,939.70
Subordinated debts	49,898.36	42,613.42
Fixed deposits	18,404.23	13,520.29
Loans from banks	126,487.99	83,308.85
Loans from institutions and others	9,939.64	4,950.72
Commercial paper	1,647.01	4,866.22
Other borrowing costs		
Professional charges - resource mobilisation	9,239.80	5,283.74
Processing charges on loans	1,045.75	1,166.33
Brokerage	12,270.88	9,997.32
Sourcing fees	716.59	620.39
Service charges	4,299.56	3,710.35
Amortisation of NCD public issue expenses	1,467.06	1,578.01
Total	393,251.86	287,555.34

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
20. OTHER EXPENSES		
Rent	7,370.68	6,430.43
Electricity expenses	930.76	715.57
Repairs & maintenance		
- Buildings	0.29	1.68
- Others	890.26	912.01
Rates & taxes	168.27	361.50
Printing & stationery	1,350.57	1,821.41
Travelling & conveyance	10,442.15	2,836.22
Advertisement	156.27	578.00
Business promotion	2,486.02	940.34
Royalty	2,093.94	1,780.99
Directors' sitting fees	10.93	7.49
Insurance	39.43	20.23
Communication expenses	4,074.20	2,562.04
Payment to auditor [Refer Note 32]		
As Auditor:		
- Audit fees	122.64	126.25
- Tax audit fees	6.90	7.21
- Out of pocket	4.60	6.10
In any other manner:		
- Certification	2.34	1.79

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
20. OTHER EXPENSES (Contd.)		
Bank charges	3,049.29	3,267.86
Processing charges on securitization	5.31	5.31
Professional charges on securitization	5,709.05	6,656.22
Legal & professional charges	2,724.68	2,060.27
Donations	477.25	499.50
Loss on sale of fixed assets (net)	-	47.11
Issue expenses for equity shares	152.78	152.78
Service charges	3,937.95	3,517.01
Miscellaneous expenses	7,883.78	6,061.34
Total	54,090.34	41,376.66

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
21. PROVISIONS & WRITE OFFS		
Provision for non performing assets	34,062.10	18,004.49
Provision for standard assets [Refer note (e) of note 2.1]	1,261.43	2,276.04
Provision for credit loss on securitisation	-	17,617.43
Provision for diminution in value of investments*	16.81	(178.66)
Bad debts written off	79,539.35	47,365.29
Total	114,879.69	85,084.59

* Negative amount in the year ended March 31, 2013 owing to provision for diminution in value of investments booked on current investments during previous year ended March 31, 2012 written back on sale in the year ended March 31, 2013.

	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
22. EARNINGS PER SHARE			
Net Profit after tax as per statement of profit and loss (Rs. in lacs) (A)	126,420.77	136,062.01	
Weighted average number of equity shares for calculating basic EPS (in lacs) (B)	2,268.76	2,268.32	
Weighted average number of equity shares for calculating diluted EPS (in lacs) (C)	2,268.76	2,268.50	
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	55.72	59.98	
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	55.72	59.98	

	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Weighted average number of equity shares for calculating basic EPS (in lacs)	2,268.76	2,268.32	
Add : Equity shares for no consideration arising on grant of stock options under ESOP (in lacs)	-	0.18	
Weighted average number of equity shares in calculating diluted EPS (in lacs)	2,268.76	2,268.50	

23. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has an defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

During the year the company has funded Rs. 1,849.88 lacs for gratuity being defined benefit obligation outstanding as on September 30, 2013.

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

Statement of Profit and Loss

Net employee benefit expense (recognized in employee cost)

(Rs. in lacs)

Particulars	Gratuity	
	Year ended March 31, 2014	Year ended March 31, 2013
Current service cost	309.42	265.80
Interest cost on benefit obligation	140.81	116.01
Expected return on plan assets	Nil	Not applicable
Net actuarial (gain) / loss recognised in the year	(243.20)	158.27
Past service cost	Nil	Nil
Net benefit expense*	207.03	540.08
Actual return on plan assets	46.75	Not applicable

(Rs. in lacs)

* Net benefit expense includes	Gratuity	
	Year ended March 31, 2014	Year ended March 31, 2013
transferred from subsidiary company	10.93	10.84
transferred to subsidiary company	(3.29)	(29.01)
transferred from other company	0.10	Nil
transferred to other company	Nil	(17.24)

Balance sheet

Benefit asset/(liability)

(Rs. in lacs)

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	1,941.59	1,760.07
Fair value of plan assets	1,896.63	Not applicable
Surplus/(deficit)	(44.96)	(1,760.07)
Less: Unrecognised past service cost	Nil	Nil
Plan asset / (liability)*	(44.96)	(1,760.07)

* Disclosed under Note 7 - Provisions

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

(Rs. in lacs)

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Opening defined benefit obligation	1,760.07	1,364.76
Interest cost	140.81	116.00
Current service cost	309.42	265.80
Benefits paid	(72.26)	(144.76)
Actuarial (gains) / losses on obligation	(196.45)	158.27
Closing defined benefit obligation	1,941.59	1,760.07

Changes in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Opening fair value of plan assets	Nil	Not applicable
Expected return	Nil	Not applicable
Contributions by employer	1,849.88	Not applicable
Benefits paid	Nil	Not applicable
Actuarial gains / (losses)	46.75	Not applicable
Closing fair value of plan assets	1,896.63	Not applicable

The Company did not contribute any amount to gratuity in 2012-13 as the scheme was unfunded.

The Company expects to contribute Rs. 355.15 lacs to gratuity in the next year.

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

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Investments with insurer	%	%
	100	Not applicable

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

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Discount rate	9.36%	8.00%
Expected rate of return on assets	8.70%	Not applicable
Increase in compensation cost	5.00%	5.00%
Employee Turnover*	5% and 10%	5% and 10%

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

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

Particulars	(Rs. in lacs)				
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligation	1,941.59	1,760.07	1,364.76	903.67	612.63
Plan assets	1,896.63	NA	NA	NA	NA
Surplus / (deficit)	(44.96)	(1,760.07)	(1,364.76)	(903.67)	(612.63)
Experience adjustments on plan liabilities (gains)/losses	56.98	72.75	338.86	74.98	55.56
Experience adjustments on plan assets (losses)/gains	46.75	NA	NA	NA	NA

24. Segment information

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

25. EMPLOYEE STOCK OPTION PLAN

	Series I	Series II	Series III	Series IV	Series V	Series VI
Date of grant	31-Oct-05	1-Apr-06	9-Oct-06	17-Aug-07	15-Jul-08	13-May-09
Date of Board/committee Approval	19-Oct-05	22-Feb-06	6-Sep-06	17-Aug-07	15-Jul-08	13-May-09
Date of Shareholder's approval	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05
Number of options granted	2,962,500	832,500	910,000	109,000	77,000	50,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity
Graded Vesting Period						
After 1 year of grant date	10% of options granted	10% of options granted	10% of options granted	10% of options granted	10% of options granted	10% of options granted
After 2 years of grant date	20% of options granted	20% of options granted	20% of options granted	20% of options granted	20% of options granted	20% of options granted
After 3 years of grant date	30% of options granted	30% of options granted	30% of options granted	30% of options granted	30% of options granted	30% of options granted
After 4 years of grant date	40% of options granted	40% of options granted	40% of options granted	40% of options granted	40% of options granted	40% of options granted
Exercisable period	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date
Vesting Conditions	On achievement of predetermined targets.					

The serieswise details have been summarized below:

March 31, 2014

	Series I	Series II	Series III	Series IV	Series V	Series VI
	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Outstanding at the beginning of the period (Number of Shares)	-	-	4,000	-	-	14,800
Add: Granted during the period (Number of Shares)	-	-	-	-	-	-
Less: Forfeited during the period (Number of Shares)	-	-	-	-	-	-
Less: Exercised during the period (Number of Shares)	-	-	4,000	-	-	14,800
Less: Expired during the period (Number of Shares)	-	-	-	-	-	-

25. EMPLOYEE STOCK OPTION PLAN (Contd.)
March 31, 2014

	Series I	Series II	Series III	Series IV	Series V	Series VI
	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Outstanding at the end of the period (Number of Shares)	-	-	-	-	-	-
Exercisable at the end of the period (Number of Shares)	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-	-	-
Weighted average fair value of options granted	59.04	91.75	74.85	136.40	253.90	201.45
Weighted Average Exercise Price (Rs.)	35.00	35.00	35.00	35.00	35.00	35.00

March 31, 2013

	Series I	Series II	Series III	Series IV	Series V	Series VI
	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Outstanding at the beginning of the period (Number of Shares)	81,900	13,500	39,050	-	28,400	32,900
Add: Granted during the period (Number of Shares)	-	-	-	-	-	-
Less: Forfeited during the period (Number of Shares)	-	-	-	-	-	-
Less: Exercised during the period (Number of Shares)	10,400	6,000	11,400	-	23,600	11,100
Less: Expired during the period (Number of Shares)	71,500	7,500	23,650	-	4800	7,000
Outstanding at the end of the period (Number of Shares)	-	-	4,000	-	-	14,800
Exercisable at the end of the period (Number of Shares)	-	-	4,000	-	-	-
Weighted average remaining contractual life (in years)	5.09	5.49	6.01	6.88	7.78	8.60
Weighted average fair value of options granted	59.04	91.75	74.85	136.40	253.90	201.45
Weighted Average Exercise Price (Rs.)	35.00	35.00	35.00	35.00	35.00	35.00

The weighted average share price for the period over which stock options were exercised was Rs.650.99 (March 31, 2013: Rs. 660.98)

25. EMPLOYEE STOCK OPTION PLAN (Contd.)

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

March 31, 2014

There are no stock options outstanding as at March 31, 2014.

March 31, 2013

Series	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Series I	Rs. 35/-	-	5.09	Rs. 35/-
Series II	Rs. 35/-	-	5.49	Rs. 35/-
Series III	Rs. 35/-	4,000	6.01	Rs. 35/-
Series IV	Rs. 35/-	-	6.88	Rs. 35/-
Series V	Rs. 35/-	-	7.78	Rs. 35/-
Series VI	Rs. 35/-	14,800	8.60	Rs. 35/-

Stock Options granted

Series I:

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

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

Series II:

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

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

25. EMPLOYEE STOCK OPTION PLAN (Contd.)

Series III:

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

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

Series IV:

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

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

Series V:

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

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

25. EMPLOYEE STOCK OPTION PLAN (Contd.)

Series VI:

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

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

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

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

Particulars	(Rs. in lacs)	
	As at March 31, 2014	As at March 31, 2013
Total compensation cost pertaining to employee share-based payment plan (entirely equity settled)	0.90	(86.69)
Liability for employee stock options outstanding as at year end	-	34.00
Deferred compensation cost	-	0.90

25. EMPLOYEE STOCK OPTION PLAN (Contd.)

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

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit as reported (Rs. in lacs)	126,420.77	136,062.01
Add: Employee stock compensation under intrinsic value method (Rs. in lacs)	0.90	(86.69)
Less: Employee stock compensation under fair value method (Rs. in lacs)	0.86	(80.20)
Proforma profit (Rs. in lacs)	126,420.81	136,055.52
Earnings per share		
Basic (Rs.)		
- As reported	55.72	59.98
- Proforma	55.72	59.98
Diluted (Rs.)		
- As reported	55.72	59.98
- Proforma	55.72	59.98
Nominal Value (Rs.)	10.00	10.00

26. LEASES

In case of assets taken on lease

The company has taken various office premises, furniture and fixtures, computers and plant and machinery under operating lease. The lease payments recognized in the statement of profit & loss are Rs. 7,370.68 lacs (March 31, 2013: Rs. 6,430.43 lacs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 6 to 144 months. There are no restrictions imposed by lease arrangements. There are no sub leases.

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

	(Rs. in lacs)	
	As at March 31, 2014	As at March 31, 2013
Minimum Lease Payments:		
Not later than one year	929.23	876.92
Later than one year but not later than five years	1,519.86	679.04
Later than five years	453.84	58.81

27. In accordance with the Reserve Bank of India circular no.RBI/2006-07/ 225 DNBS (PD) C.C No. 87/03.02.004/2006-07 dated January 4, 2007, the Company has created a floating charge on the statutory liquid assets comprising of investment in Government Securities to the extent of Rs. 34,076.00 lacs (March 31, 2013: Rs. 24,161.00 lacs) in favour of trustees representing the public deposit holders of the Company.

28. RELATED PARTIES DISCLOSURE

Related party where control exists

Subsidiary	:	Shriram Equipment Finance Company Limited (SEFCL) Shriram Automall India Limited (SAMIL) Shriram Insurance Broking Company Limited (SIBCL) (upto December 13, 2013)
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Other related parties

Enterprises having significant influence over the Company	:	Shriram Holdings (Madras) Private Limited (upto November 05, 2012) Shriram Capital Limited Newbridge India Investments II Limited (upto May 10, 2013) Shriram Ownership Trust Shriram Financial Ventures (Chennai) Private Limited (w.e.f. August 31, 2012)
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Associates	:	Shriram Asset Management Company Limited (upto June 18, 2013)
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Key Management Personnel	:	Mr. Umesh Revankar, Managing Director
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Relatives of Key Management Personnel	:	Mrs. Suchita U. Revankar (spouse) Master Shirish U. Revankar (son) Master Shreyas U. Revankar (son) Mrs. Geeta G. Revankar (mother)
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28. RELATED PARTIES DISCLOSURE (Contd.)

Particular	March 31, 2014	March 31, 2013	Enterprises having significant influence over the company		Associates	March 31, 2014	March 31, 2013	Key Management Personnel (Managing Director, Whole time director, manager and other management personnel)	Relative of Key Management Personnel	March 31, 2014	March 31, 2013	Total
			Subsidiaries	March 31, 2013								
(Rs. in lacs)												
Payments/Expenses												
Employee benefits for key management personnel	-	-	-	-	-	-	48.18	43.56	-	-	48.18	43.56
Royalty paid to Shriram Ownership Trust	2,093.94	1,780.99	-	-	-	-	-	-	-	-	2,093.94	1,780.99
Data sourcing fees paid to Shriram Ownership Trust	716.59	620.39	-	-	-	-	-	-	-	-	716.59	620.39
Service charges paid to Shriram Ownership Trust	4,299.56	3,722.35	-	-	-	-	-	-	-	-	4,299.56	3,722.35
Service charges paid to Shriram Capital Limited	3,937.95	3,517.01	-	-	-	-	-	-	-	-	3,937.95	3,517.01
Equity dividend paid ^Ω						3.13	1.52				3.13	1.52
- Shriram Capital Limited	4,104.08	1,755.08	-	-	-	-	-	-	-	-	4,104.08	1,755.08
Non-convertible debenture matured ^Ω	-	-	-	-	-	-	-	-	2.01	1.09	2.01	1.09
Fixed deposit matured	-	-	-	-	-	-	-	-	1.02	-	1.02	-
Interest on fixed deposit	-	-	-	-	-	-	-	-	0.15	0.12	0.15	0.12
Interest on subordinated debt	-	-	-	17.50	76.30	-	-	0.07	0.04	17.57	17.57	76.34
Interest on non-convertible debenture	-	-	-	0.12	0.62	0.22	-	1.64	1.18	1.98	1.98	1.80
Investment in equity shares in Shriram Insurance Broking Company Limited ^Ω	-	-	-	0.01	-	-	-	-	-	-	-	0.01
Investment in preference shares ^Ω	-	-	-	-	100.00	-	-	-	-	-	-	100.00
Employee benefits paid ^Ω												
- Shriram Capital Limited	-	17.24	-	-	-	-	-	-	-	-	-	17.24
- Shriram Automall India Limited	-	9.18	86.90	-	-	-	-	-	-	-	9.18	86.90
Rent paid					0.39	2.26					0.39	2.26
- Shriram Automall India Limited	-	383.87	83.10	-	-	-	-	-	-	-	383.87	83.10
- Shriram Capital Limited	20.55	-	-	-	-	-	-	-	-	-	20.55	-
Interest paid on unsecured Loan												
- Shriram Automall India Limited	-	156.86	26.45	-	-	-	-	-	-	-	156.86	26.45

28. RELATED PARTIES DISCLOSURE (Contd.)

(Rs. in lacs)

Particular	Enterprises having significant influence over the company			Key Management Personnel (Managing Director, Whole time director, manager and other management personnel)			Relative of Key Management Personnel			Total
	March 31, 2014	March 31, 2013	Subsidiaries	Associates	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	
Business mobilisation expenses paid to Shriram Autonall India Limited	-	-	147.43	155.15	-	-	-	-	147.43	155.15
Staff cost paid to Shriram Autonall India Limited	-	-	-	78.07	-	-	-	-	-	78.07
Other administrative expenses paid to										
- Shriram Insurance Broking Company Limited	-	0.02	1.40	-	-	-	-	-	0.02	1.40
- Shriram Capital Limited	5.11	-	-	-	-	-	-	-	5.11	-
- Shriram Autonall India Limited	-	8.59	-	-	-	-	-	-	8.59	-
Branch opening expenses paid to Shriram Autonall India Limited	-	-	11.22	-	-	-	-	-	11.22	-
Service contract paid to Shriram Autonall India Limited	-	46.54	-	-	-	-	-	-	46.54	-
Unsecured loan given ♀										
- Shriram Insurance Broking Company Limited	-	-	0.15	-	-	-	-	-	0.15	-
- Shriram Capital Limited	-	34,500.00	-	-	-	-	-	-	34,500.00	-
- Shriram Autonall India Limited	-	-	504.08	-	-	-	-	-	504.08	-
- Shriram Equipment Finance Company Limited	-	-	16,423.58	-	-	-	-	-	16,423.58	-
Inter-corporate deposit paid	-	-	-	-	-	-	-	-	-	-
- Shriram Autonall India Limited	-	-	2,375.00	-	-	-	-	-	2,375.00	-

28. RELATED PARTIES DISCLOSURE (Contd.)

Particular	March 31, 2014	Enterprises having significant influence over the company	Subsidiaries	Associates	Key Management Personnel (Managing Director, Whole time director, manager and other management personnel)			Relative of Key Management Personnel	Total
					March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	
Receipts/income									
Expenses									(Rs. in lacs)
- Shriram Automall India Limited	-	133.57	171.85	-	-	-	-	-	133.57 171.85
- Shriram Equipment Finance Company Limited	-	282.84	249.12	-	-	-	-	-	282.84 249.12
Unsecured loan repaid μ									
- Shriram Insurance Broking Company Limited	-	0.15	-	-	-	-	-	-	0.15 -
- Shriram Capital Limited	-	37,00,000	-	-	-	-	-	-	37,00,000
- Shriram Automall India Limited	-	1,722.33	673.08	-	-	-	-	-	1,722.33 673.08
- Shriram Equipment Finance Company Limited	-	2,096.40	40,897.24	-	-	-	-	-	2,096.40 40,897.24
Unsecured loan received μ									
- Shriram Automall India Limited	-	1,400.00	975.00	-	-	-	-	-	1,400.00 975.00
Interest Received on unsecured loan									
- Shriram Capital Limited	-	1,167.43	-	-	-	-	-	-	1,167.43 -
- Shriram Equipment Finance Company Limited	-	1,854.47	2,213.71	-	-	-	-	-	1,854.47 2,213.71
Rent and electricity									
- Shriram Capital Limited	11.32	15.17	-	-	-	-	-	-	11.32 15.17
- Shriram Automall India Limited	-	90.29	17.59	-	-	-	-	-	90.29 17.59
- Shriram Asset Management Company Limited	-	-	-	1.16	5.40	-	-	-	1.16 5.40
Employee benefits received μ									
- Shriram Equipment Finance Company Limited	-	1.01	-	-	-	-	-	-	1.01 -
- Shriram Automall India Limited	-	18.87	18.61	-	-	-	-	-	18.87 18.61
Non-convertible debenture μ									
Fixed deposit μ	-	-	-	-	-	-	-	-	2.09 -
Subordinated Debts μ	-	-	-	-	-	-	-	-	0.80 -
Application money of NCD μ	-	-	-	-	-	-	-	-	0.50 -
Dividend on preference shares Shriram Equipment Finance Company Limited	-	2.50	2.50	-	-	-	-	-	2.50 2.50

28. RELATED PARTIES DISCLOSURE (Contd.)

Particular	March 31, 2013	March 31, 2014	Enterprises having significant influence over the company	Subsidiaries	Associates	Key Management Personnel (Managing Director, Whole time director, manager and other management personnel)	Relative of Key Management Personnel	Total	March 31, 2013	March 31, 2014
Balance Outstanding at the year end										
Share capital	-	-		-	-	5.52	5.08	-	-	5.52
- Shriram Capital Limited	5,910.32	5,850.28		-	-	-	-	-	5,910.32	5,850.28
Investment in equity shares										
- Shriram Equipment Finance Company Limited	-	-	1,000.00	1,000.00	-	-	-	1,000.00	1,000.00	
- Shriram Autonall India Limited	-	-	3,000.00	3,000.00	-	-	-	3,000.00	3,000.00	
- Shriram Insurance Broking Company Limited	-	-	0.01	-	-	-	-	-	-	0.01
- Shriram Asset Management Company Limited	-	-	-	-	240.00	-	-	-	-	240.00
Investment in preference shares										
- Shriram Equipment Finance Company Limited	-	-	25,000.00	25,000.00	-	-	-	25,000.00	25,000.00	
- Shriram Asset Management Company Limited	-	-	-	-	10,000	-	-	-	-	10,000
Unsecured loan recoverable from subsidiary companies										
- Shriram Equipment Finance Company Limited	-	-	14,152.06	-	-	-	-	14,152.06	-	
- Shriram Autonall India Limited	-	-	118.83	-	-	-	-	-	-	118.83
- Shriram Insurance Broking Company Limited	-	-	1.55	-	-	-	-	-	-	1.55
Unsecured loan payable to subsidiary companies										
- Shriram Equipment Finance Company Limited	-	-	175.12	-	-	-	-	-	-	175.12
- Shriram Autonall India Limited	-	-	632.74	975.00	-	-	-	632.74	975.00	
Amount payable towards capital advance Shriram Autonall India Limited					42.42	-	-	-	-	42.42
Interest receivable on unsecured loan										
- Shriram Equipment Finance Company Limited	-	-	189.96	319.67	-	-	-	-	189.96	319.67
Expenses recoverable										
- Shriram Equipment Finance Company Limited	-	-	53.38	24.84	-	-	-	53.38	24.84	
- Shriram Autonall India Limited	-	-	11.87	16.64	-	-	-	-	11.87	16.64
Non-convertible debenture					-	6.00	3.00	15.72	7.09	18.72
Interest payable on non-convertible debenture					-	0.22	-	1.19	1.03	1.41
										1.03

28. RELATED PARTIES DISCLOSURE (Contd.)

Particular	Enterprises having significant influence over the company	Subsidiaries		Associates		Key Management Personnel (Managing Director, Whole time director, manager and other management personnel)		Relative of Key Management Personnel		Total	
		March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014
Rent receivable from Shriram Capital Limited	0.94	0.94	-	-	-	-	-	-	-	0.94	0.94
Administrative expenses payable to Shriram Capital Limited	3.65	-	-	-	-	-	-	-	-	3.65	-
Outstanding expenses											
- Shriram Ownership Trust	195.49	1,881.19	-	-	-	-	-	-	-	195.49	1,881.19
Fixed deposit	-	-	-	-	-	-	-	2.09	1.02	2.09	1.02
Interest payable on fixed deposit	-	-	-	-	-	-	-	0.12	0.30	0.12	0.30
Subordinated debt	-	-	-	-	-	413.40	-	1.10	0.30	1.10	413.70
Interest payable on subordinated debt	-	-	-	-	-	270.57	-	0.18	0.11	0.18	270.68
Guarantee given by the company											
- Shriram Equipment Finance Company Limited	-	-	100.00	100.00	-	-	-	-	-	100.00	100.00
- Shriram Automall India Limited	-	-	200.00	400.00	-	-	-	-	-	200.00	400.00

Ω Denotes payment
 μ Denotes receipt

29. CONTINGENT LIABILITIES NOT PROVIDED FOR

	(Rs. in lacs)	As at March 31, 2014	As at March 31, 2013
a. In respect of Income tax demands where the company has filed appeal before CIT (Appeals)	52,678.52	46,689.12	
b. VAT demand where the company has filed appeal before Tribunal	2,532.82	1,843.09	
c. Service tax liability pertaining to HP/Lease	12,824.07	-	
d. Guarantees and counter guarantees	237,503.49	226,750.85	
e. Guarantees given for subsidiaries	300.00	500.00	

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals.

The Company has received Show Cause Notice demanding service tax on services rendered towards provision of collection of receivables and liquidity facilities in respect of Securitisation / Direct Assignments for the period 2008-09 to 2011-12 and the same is contested by the Company.

Disputed income tax demand are on account of	(Rs. in lacs)	As at March 31, 2014	As at March 31, 2013
a. Transfer to statutory reserve, provision for NPA, securitisation, etc	32,866.07	27,288.44	
b. Securitisation and royalty for AY 2008-09 and 2007-08	19,773.64	19,400.68	
c. Disallowance of ESOP expenses	38.81	-	
		52,678.52	46,689.12

Commitments not provided for	(Rs. in lacs)	As at March 31, 2014	As at March 31, 2013
a. Estimated amount of contracts remaining to be executed on capital account	191.76	382.71	
b. Uncalled amount in investment in ICICI Investment Management Company Limited	1,046.96	1,626.85	
c. Uncalled amount in investment in Shriram Insurance Broking Company Limited (SIBCL)	-	49.99	

30. SECURITISATION/ DIRECT ASSIGNMENT

The Company sells loans through securitisation and direct assignment.

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below:

Particulars	(Rs. in lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Total number of loan assets under par structure	210,869	216,084
Total book value of loan assets	805,635.46	780,379.62
Sale consideration received	805,635.46	780,379.62

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

Particulars	(Rs. in lacs)	
	As at March 31, 2014	As at March 31, 2013
No. of SPVs sponsored by the Company for securitisation transactions	48	34
Total amount of securitised assets as per the books of SPVs sponsored by the Company	1,226,692.65	943,519.90
Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet		
a) Off - Balance Sheet Exposures		
First Loss	751.25	751.25
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	80,349.45	38,354.45
Investment in PTC	56,347.80	37,112.85
Amount of exposures to securitisation transaction other than MRR		
a) Off - Balance Sheet Exposures		
i) Exposures to own securitisations		
First Loss	-	1,207.00
Others	96,464.92	43,955.46
ii) Exposures to third party securitisations		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own securitisations		
First Loss	11,664.54	11,462.58
Others	27,307.99	36,045.91
ii) Exposures to third party securitisations		
First Loss	-	-
Others	-	-

30. SECURITISATION/ DIRECT ASSIGNMENT (Contd.)

The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given below:

Particulars	(Rs. in lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Total number of loan assets under par structure	87,153	51,920.00
Total book value of loan assets	262,319.32	98,050.69
Sale consideration received	262,319.32	98,050.69

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

Particulars	(Rs. in lacs)	
	As at March 31, 2014	As at March 31, 2013
No. of transactions assigned by the Company	55	70
Total amount outstanding	423,228.38	838,866.02
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet		
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	-	-
Investment in PTC	23,841.58	9,805.07
Amount of exposures to assigned transaction other than MRR		
a) Off - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	26,909.41	36,749.49
Others	97,287.54	134,145.21
ii) Exposures to third party assigned transactions		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	19,737.27	33,577.52
Others	575.61	12,268.12
ii) Exposures to third party assigned transactions		
First Loss	-	-
Others	-	-

30. SECURITISATION/ DIRECT ASSIGNMENT (Contd.)

The information on direct assignment of the Company as an originator in respect of premium transaction done during the year is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Total number of loan assets under premium structure	-	-
Total book value of loan assets	-	-
Sale consideration received	-	-

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium structure is given below:

(Rs. in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
No. of transactions assigned by the Company	6	13
Total amount outstanding	4,358.10	32,801.82
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet		
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	-	-
Investment in PTC	-	-
Amount of exposures to assigned transaction other than MRR		
a) Off - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	4,222.20	6,168.20
Others	1,831.00	17,280.63
ii) Exposures to third party assigned transactions		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	1,754.36	19,884.27
Others	303.45	5,727.93
ii) Exposures to third party assigned transactions		
First Loss	-	-
Others	-	-

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

Particulars	As at March 31, 2014	As at March 31, 2013
The principal amount remaining unpaid to supplier as at the end of the year	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

- 32.** In addition to the auditors remuneration shown in operating and other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non convertible debentures of Rs. 120.62 lacs (March 31, 2013: Rs. 53.38 lacs) [including out of pocket expenses of Rs. 1.52 lacs (March 31, 2013: Rs. 0.46 lacs)] have been amortised as per note 13 and shown under other assets.

33. MERGER OF SHIRIRAM HOLDINGS (MADRAS) PRIVATE LIMITED ['SHMPL'] WITH THE COMPANY DURING THE YEAR ENDED MARCH 31, 2013 :

- (a) On December 21, 2011, the Board of Directors of the Company have approved the merger SHMPL with the Company. In terms of the Scheme of Amalgamation & Arrangement (Scheme) approved by Hon'ble High Court of Madras vide order dated September 13, 2012 and subsequent filing thereof with the Registrar of Companies ('ROC'), Tamil Nadu dated November 05, 2012, Shriram Holdings (Madras) Private Limited ("SHMPL"), an Investment company has been amalgamated with the Company with effect from April 01, 2012. The scheme was effective only after the filing thereof with ROC, Tamil Nadu and had an appointed date of April 01, 2012.
- (b) Prior to the merger, SHMPL held 93,371,512 shares of the Company.
- (c) The amalgamation has been accounted for under the "Purchase method" as prescribed by "Accounting Standard 14 (AS-14) Accounting for Amalgamation" notified under Companies (Accounting Standards) Rules, 2006 (as amended).
- (d) In accordance with the said Scheme:
 - i) All the assets (other than shares of the Company held by "SHMPL" of the Company), debts, liabilities, duties and obligations of SHMPL have been vested in the Company with effect from April 01, 2012 and have been recorded at their respective Fair values under the purchase method of accounting for amalgamation. There were no difference in the accounting policies of "SHMPL" and the Company.
 - ii) Exchange ratio determined at 313:124 (i.e. 313 equity shares of Rs. 10/- each of the Company for every 124 equity shares of Rs. 10/- each of "SHMPL" and these equity shares ranking pari-passu with the existing equity shares of the Company.
 - iii) Additional issue of 500,868 equity shares to the shareholders of SHMPL, pursuant to Net Assets taken over by the Company.
 - iv) In accordance with the said scheme, excess of the Net Assets Value taken over by the Company vis-a-vis additional equity shares issued has been transferred to capital reserves.
 - v) Details of Net Assets taken over and transfer to Capital reserve is as under:

		Amount in Rupees
Fair Value of the asset:		
-Investment		264,510,406.00
-Cash		200.00
-Bank		11,460,048.00
-Other Asset (Advance tax)		3,534,271.00
Less: Liabilities (creditors)		(17,500.00)
Fair Value of Net asset taken over		279,487,425.00
Less:		
Additional issue of equity share (500,868 equity shares of Rs. 10 each)		(5,008,680.00)
Amount taken to capital reserves on amalgamation		274,478,745.00

34. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Rs. in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Rating fees	43.90	-
Computer software	7.33	-
Total	51.23	-

34. PREVIOUS YEAR COMPARATIVES

Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with current year's presentation.

As per our report of even date
 For **S.R.BATLIBOI & Co. LLP**
 ICAI Firm Registration No. 301003E
Chartered Accountants
 per Viren H. Mehta
Partner
 Membership No. 048749
 Mumbai
 April 29, 2014

For **G. D. Apte & Co.**
 ICAI Firm Registration No. 100515W
Chartered Accountants
 Ameya D. Tambekar
Partner
 Membership No. 128355

For and on behalf of the Board of Directors of
Shriram Transport Finance Company Limited
 Arun Duggal
Chairman
 Parag Sharma
Chief Financial Officer
 Umesh Revankar
Managing Director
 Vivek M. Achwal
Company Secretary

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

	(Rs. in lacs)	
	Amount outstanding	Amount overdue
Liabilities side :		
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debenture : Secured	1,441,499.65	6,324.62 #
: Unsecured	88,021.31	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	1,433,739.84	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	15,376.59	NIL
(f) Public Deposits*	246,113.21	4,496.26 #
(g) Other Loans - Subordinate Debts	498,461.01	6,295.16 #
- Cash Credit	35,305.08	NIL
- Corporate Loan	NIL	NIL
*Please see Note 1 below		
2. Break-up of (1)(f) above		
(Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	NIL	NIL
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	NIL	NIL
(c) Other public deposits	246,113.21	4,496.26
*Please see Note 1 below		
# Represent amounts unclaimed		
Assets side :		
3. Break-up of Loans and Advances including bills receivables		
(other than those included in (4) below):		
(a) Secured	390.88	
(b) Unsecured	120,514.32	
4. Break up of Leased Assets and stock on hire counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	NIL	
(b) Operating lease	NIL	
(ii) Stock on Hire including hire charges under sundry debtors :		
(a) Assets on hire	NIL	
(b) Repossessed Assets	NIL	
(iii) Other loans counting towards AFC Activities :		
(a) Loans where assets have been repossessed	31,778.14	
(b) Loans other than (a) above	3,494,541.51	

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

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

6. Borrower group-wise classification of assets, financed as in (3) and (4) above :

Please see Note 2 below

(Rs. in lacs)

Category	Amount (Net of provisions)		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	3,417,440.07	115,078.94	3,532,519.00

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see note 3 below

Category	Market Value / Break up or fair value or NAV*	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	52,695.99	29,000.00
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	243,364.42	243,328.85

* Disclosure is made in respect of available information.

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

8. Other information

Particulars	Amount
(I) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	145,050.34
(ii) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	30,291.23
(iii) Assets acquired in satisfaction of debt	NIL

Notes :

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

Particulars	(Rs. in lacs)	
	Shriram Equipment Finance Company Limited	Shriram Automall India Limited
Capital	26,000.00	3,000.00
Reserves	22,890.42	802.64
Total assets	346,800.33	6,908.50
Total liabilities	297,909.91	3,105.86
Investment included in total assets	-	-
Turnover	54,394.74	7,644.64
Profit before taxation	13,135.28	1,243.63
Provision for taxation	4,451.83	417.28
Profit after taxation	8,683.45	826.35
Dividend including dividend distribution tax	2.91	-



FINANCIAL SECTIONS

CONSOLIDATED

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To,

The Board of Directors of

SHIRIRAM TRANSPORT FINANCE COMPANY LIMITED

We have audited the accompanying consolidated financial statements of Shriram Transport Finance Company Limited ("the Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give true and fair view of the consolidated financial position, consolidated financial performance and consolidate cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 consolidated 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 consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

We did not jointly audit the financial statements of Subsidiaries, whose financial statements reflect total assets of Rs. 353,076 lacs after elimination of inter group balance as at March 31, 2014, the total revenue of Rs. 61,601 lacs after elimination of inter group transaction and total cash outflows amounting to Rs. 14,545 lacs after elimination of inter group transaction for the year then ended. The financial statements of the subsidiaries, Shriram Equipment Finance Company Limited and Shriram Automall India Limited have been audited by S.V. Ghatalia & Associates LLP, Chartered Accountants and G. D. Apte & Co. Chartered Accountants, respectively, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on reports of respective auditors. Our opinion is not qualified in respect of this matter.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

per **Viren H. Mehta**

Partner

Membership Number: 048749

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

Chartered Accountants

ICAI Firm Registration Number: 100515W

Ameya D. Tambekar

Partner

Membership Number: 128355

Place: Mumbai

Date: April 29, 2014

Place: Mumbai

Date: April 29, 2014

(Rs. in lacs)

Particulars	Note No	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	22,690.67	22,688.79
(b) Reserves and surplus	4	828,327.04	711,098.38
		851,017.71	733,787.17
(2) Non-current liabilities			
(a) Long-term borrowings	5	2,396,208.30	2,004,337.45
(b) Other Long term liabilities	6	98,809.37	130,379.66
(c) Long term provisions	7	130,300.64	115,912.07
		2,625,318.31	2,250,629.18
(3) Current liabilities			
(a) Short-term borrowings	8	339,377.91	459,581.10
(b) Trade payables		52,479.34	76,122.52
(c) Other current liabilities	6	1,333,885.31	1,178,076.22
(d) Short-term provisions	7	30,160.07	29,223.71
		1,755,902.63	1,743,003.55
Total		5,232,238.65	4,727,419.90
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		15,266.57	6,921.85
(ii) Intangible assets		216.52	300.42
(iii) Intangible assets under development		-	4.10
(b) Non-current investments	10	39,779.99	30,365.84
(c) Deferred tax assets (net)	11	25,555.80	28,712.53
(d) Long-term loans and advances	12	2,376,963.99	2,124,857.28
(e) Other non-current assets	13	9,442.50	17,016.52
		2,467,225.37	2,208,178.54
(2) Current assets			
(a) Current investments	14	203,746.33	297,659.63
(b) Trade receivables	15	190.67	0.49
(c) Cash and bank balances	16	711,843.68	635,172.69
(d) Short-term loans and advances	12	1,841,231.53	1,578,692.34
(e) Other current assets	13	8,001.07	7,716.21
		2,765,013.28	2,519,241.36
Total		5,232,238.65	4,727,419.90
Significant Accounting Policies	2.1		

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

As per our report of even date

For S.R.BATLIBOI & Co. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

per Viren H. Mehta
Partner
Membership No. 048749

Mumbai
April 29, 2014

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

Ameya D. Tambekar
Partner
Membership No. 128355

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

Arun Duggal Chairman	Umesh Revankar Managing Director
Parag Sharma Chief Financial Officer	Vivek M. Achwal Company Secretary

(Rs. in lacs)

Particulars	Note No	Year Ended March 31, 2013	Year Ended March 31, 2012
INCOME			
Revenue from operations	17	847,601.92	701,442.87
Other income	18	416.77	152.93
Total		848,018.69	701,595.80
EXPENDITURE			
Adjustment due to decrease/(increase) in inventory of vehicles	35	-	96.11
Refurbishment expenses		-	2.41
Employee benefit expenses	19	47,159.80	44,316.72
Finance cost	20	420,220.91	305,894.51
Depreciation and amortisation	9	3,278.41	2,271.24
Other expenses	21	58,992.39	45,524.82
Provisions & write offs	22	121,320.86	87,223.96
Total		650,972.37	485,329.77
Profit before taxation		197,046.32	216,266.03
Provision for taxation			
Current tax		58,095.87	76,944.13
Less: MAT credit entitlement		-	(188.29)
Deferred tax		3,156.72	(6,878.58)
Total tax expense / (income)		61,252.59	69,877.26
Profit after tax from operations		135,793.73	146,388.77
Share of Profit / (Loss) of Associate		-	(45.98)
Net profit after taxes and Share of Profit of Associate		135,793.73	146,342.79
Earnings per share	23		
Basic (Rs.)		59.85	64.52
Diluted (Rs.)		59.85	64.51
Nominal value of equity share (Rs.)		10.00	10.00
Significant Accounting Policies	2.1		

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

As per our report of even date

For **S.R.BATLIBOI & Co. LLP**
ICAI Firm Registration No. 301003E
Chartered Accountants

per Viren H. Mehta
Partner
Membership No. 048749

Mumbai
April 29, 2014

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

Ameya D. Tambekar
Partner
Membership No. 128355

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

Arun Duggal Chairman	Umesh Revankar Managing Director
Parag Sharma Chief Financial Officer	Vivek M. Achwal Company Secretary

Particulars	(Rs. in lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	197,046.32	216,266.03
Depreciation and amortisation	3,278.41	2,271.24
Loss / (profit) on sale of fixed assets (net)	(306.92)	55.24
Provision for diminution in value of investments	16.81	(178.66)
Employees Stock option compensation cost	11.14	(86.69)
Premium on Government Securities	10.49	0.80
Amortisation of Discount on Government Securities	(91.77)	(74.82)
Amortisation of Issue expenses for equity shares	152.78	152.78
Amortisation of Public issue expenses for non convertible debentures	1,467.06	1,578.01
Provision for credit loss on securitisation	-	17,617.43
Provisions for non performing assets and bad debt written off	119,944.56	67,238.28
Provisions for standard assets	1,359.49	2,546.91
Provision for gratuity	(1,873.03)	466.95
Provision for non moving inventory	-	(3.23)
Provision for leave encashment	211.10	263.01
Operating profit before working capital changes	321,226.44	308,113.28
Movements in working capital:		
Increase / (decrease) in trade payables	(23,643.18)	16,422.46
Increase / (decrease) in provisions	(19,302.54)	(35,178.94)
Increase / (decrease) in provision for service tax- contested	15.81	26.36
Increase / (decrease) in other liabilities	(126,093.13)	(29,026.73)
Decrease / (increase) in trade receivables	(190.17)	25.30
Decrease / (increase) in inventories	-	96.11
(Increase) / decrease in investments	84,561.29	41,448.98
Decrease / (increase) in loans and advances	(596,012.43)	(1,015,699.28)
Decrease/(increase) in bank deposits (having original maturity of more than three months)(net)	15,450.82	(43,782.83)
Decrease / (increase) in other assets	273.41	139.89
Cash generated from operations	(343,713.68)	(757,415.40)
Direct taxes paid (net of refunds)	(61,760.78)	(78,447.16)
Net cash flow used in operating activities (A)	(405,474.46)	(835,862.56)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(11,743.34)	(4,321.22)
Proceeds from sale of fixed assets	516.39	136.92
Net cash used in investing activities (B)	(11,226.95)	(4,184.30)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	1.88	6.25
Securities premium on issue of equity capital	4.70	15.62
Amount received from institutional borrowing	1,953,898.05	2,457,610.34
Amount received from Public issue of non convertible debentures	123,589.04	60,000.00
Increase / (decrease) in Retail borrowings	127,215.42	84,042.75

CONSOLIDATED **CASH FLOW** STATEMENT
 FOR THE YEAR ENDED MARCH 31, 2014 (Contd.)

(Rs. in lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
C. CASH FLOWS FROM FINANCING ACTIVITIES (Contd.)		
Amount redeemed for Public issue of non convertible debentures	(27,120.05)	(46,923.16)
Repayment of institutional borrowing	(1,655,581.83)	(1,628,933.99)
Public issue expenses for non convertible debentures paid	(2,448.01)	(1,316.96)
Dividend paid	(15,881.04)	(15,877.71)
Tax on dividend	(2,698.99)	(2,575.76)
Net cash from financing activities (C)	500,979.17	906,047.38
Net increase / (decrease) in cash and cash equivalents (A + B + C)	84,277.76	66,000.52
Cash and Cash Equivalents at the beginning of the year	450,233.40	384,118.28
Cash and bank balances taken over on merger	-	114.60
Cash and Cash Equivalents at the end of the year	534,511.16	450,233.40

(Rs. in lacs)

Components of Cash and Cash Equivalents	As at March 31, 2014	As at March 31, 2013
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
i) Cash on hand	13,608.57	9,488.22
ii) Cheques on hand	4,197.25	5,419.28
iii) Call Money (CBLO)	69,882.53	-
iv) Balances with scheduled banks in:		
Current accounts	185,452.85	377,159.68
Unpaid dividend accounts *	773.96	629.22
Deposits with original maturity of less than three months	260,596.00	57,537.00
TOTAL CASH AND CASH EQUIVALENTS (NOTE 16)	534,511.16	450,233.40

Significant Accounting Policies (Note 2.1)

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

Notes

- The above cash flow statement have been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement' notified under the provisions of the Companies Act, 1956 (the 'Act') read with General circular 8/2014, dated April 04, 2014, issued by the Ministry of Corporate Affairs.
- All figures in brackets indicate outflow.
- Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
- During the year ended March 31, 2013, Shriram Holdings (Madras) Private Limited (SHMPL) amalgamated with the Company using "Purchase method" as defined under AS-14 Accounting for Amalgamations notified under Companies (AS) Rules, 2006 (as amended). Assets and liabilities taken over of SHMPL were settled for a net consideration of Rs. 279,487,425. The said net consideration was settled in the form of 500,868 equity shares of Rs. 10/- each. The Company has allotted the said shares on November 05, 2012. Details of Net Assets taken over has been disclosed under Note 34 to the financial statements. The said net assets include cash and bank balances amounting to Rs. 200/- and Rs. 11,460,048/- respectively. The said balances was taken over on November 05, 2012.

*5) These balances are not available for use by the Company as they represent corresponding unpaid dividend liability.

As per our report of even date

For S.R.BATLIBOI & Co. LLP
 ICAI Firm Registration No. 301003E
 Chartered Accountants

per Viren H. Mehta
 Partner
 Membership No. 048749

Mumbai
 April 29, 2014

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

Ameya D. Tambekar
 Partner
 Membership No. 128355

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

Arun Duggal
 Chairman
 Umesh Revankar
 Managing Director

Parag Sharma
 Chief Financial Officer
 Vivek M. Achwal
 Company Secretary

1. BASIS OF PREPARATION

The Consolidated financial statements relates to M/s. Shriram Transport Finance Company Limited (the company), its subsidiary companies and associate. The company, its subsidiary companies and associate constitute the group. The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards ('AS') under provisions of the Companies Act, 1956 ('the Act') read with General Circular 8/2014 dated April 04, 2014 , issued by the Ministry of Corporate Affairs and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC').The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the group and are consistent with those used in the previous year.The complete financial statements have been prepared along with all disclosures.

2. BASIS OF CONSOLIDATION

- i. The financial statements of the subsidiary companies and the associate used in the consolidation are drawn up to the same reporting date as of the company i.e. year ended March 31, 2014 and are prepared based on the accounting policies consistent with those used by the company.
- ii. The financial statements of the group have been prepared in accordance with the AS 21- 'Consolidated Financial Statements' and AS 23 – 'Accounting for Investments in Associates' in consolidated financial statements, notified under the provisions of the Companies Act, 1956 (the 'Act') read with General circular 8/2014, dated April 04, 2014, issued by the Ministry of Corporate Affairs and other generally accepted accounting principles in India.
- iii. The consolidated financial statements have been prepared on the following basis :
 1. The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.
 2. The consolidated financial statements include the share of profit / loss of the associate company which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
 3. The excess of cost to the company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
 4. Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

iv. The following subsidiary companies are considered in the consolidated financial statements:

Sr. No.	Name of the Subsidiary Company	Country of incorporation	Share of ownership interest as at March 31, 2014	Share of ownership interest as at March 31, 2013
1	Shriram Equipment Finance Company Limited (w.e.f. December 15, 2009)	India	100%	100%
2	Shriram Automall India Limited (w.e.f. February 11, 2010)	India	100%	100%

As the amount involved in transactions with Shriram Insurance Broking Company Limited are not material, the financial effects have not been considered in the financial statements.

v. The details of Associate Company are as follows :

Name of the Associate Company	Country of incorporation	Share of ownership interest as at	
		March 31, 2014	March 31, 2013
Shriram Asset Management Company Limited	India	-	40.00%

2.1. Significant Accounting Policies

a. Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classifies as non-current.

b. Use of estimates

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

c. Fixed assets, depreciation/amortisation and impairment

Tangible fixed assets

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

Depreciation on tangible fixed assets

Depreciation is provided on Straight Line Method ('SLM'), which reflect the management's estimate of the useful lives of the respective fixed assets and are higher than or equal to the corresponding rates prescribed in Schedule XIV of the Act.

Particulars	Rates (SLM)	Schedule XIV rates (SLM)
Plant and equipment	10%	4.75%
Furniture and fixtures	10%	6.33%
Office equipments	10%	4.75%
Buildings	1.63%	1.63%
Computers	20%	16.21%
Vehicles	20%	9.50%

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

All fixed assets individually costing Rs. 5,000/- or less are fully depreciated in the year of installation. Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

Intangible assets

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

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

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

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

Impairment of assets

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

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

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. The reversal of impairment is recognised in statement of profit and loss account, unless the same is carried at revalued amount and treated as revaluation reserve.

d. Investments

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

e. Provisioning / Write-off of assets

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

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

f. Loans

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

g. Leases

Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the statement

of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

Where the Company is the lessee

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

h. Foreign currency translation

Initial recognition

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

Conversion

Monetary assets and liabilities denominated in foreign currency are translated in to rupees at exchange rate prevailing on the date of the balance sheet.

Exchange differences

All exchange differences are dealt with including differences arising on translation settlement of monetary items in the statement of profit and loss.

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

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

i. Revenue recognition

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

- i. Income from financing activities is recognised on the basis of internal rate of return on time proportion basis. Income from other charges are booked at the commencement of the contract. Service tax on charges/fees is collected by the Company as an intermediary and accordingly revenue is presented on net basis.
- ii. Income recognised and remaining unrealised after installments become overdue for six months or more in case of secured/unsecured loans are reversed and are accounted as income when these are actually realised.
- iii. Additional finance charges / additional interest are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.
- iv. Income apportioned on securitisation/direct assignment of loan receivables arising under premium structure is recognised over the tenure of securities issued by SPV/agreements. Interest spread under par structure of securitisation/direct assignment of loan receivables is recognised on realisation over the tenure of the 'securities issued by SPV' / agreements. Loss/Expenditure, if any, in respect of securitisation /direct assignment is recognised upfront.

Unrealised gain on securitisation comprises of future interest receivable under par structure of securitisation/ assignment.

Securitisation deferred consideration receivable comprises of Company's share of future interest strip receivables in case of a par structure securitised / assigned deals.

- v. Interest income on fixed deposits/margin money, call money, collateralised borrowing and lending obligation, certificate of deposits, pass through certificates, subordinate debts, government securities, inter corporate deposits and treasury bills is recognised on a time proportion basis taking into account the amount outstanding

and the rate applicable. Discount, if any, on government and other securities acquired as long term investments is recognised on a time proportion basis over the tenure of the securities.

- vi. Dividend is recognised as income when right to receive payment is established by the date of balance sheet.
- vii. Profit/loss on the sale of investments is computed on the basis of weighted average cost of investments and recognized at the time of actual sale/redemption.
- viii. Income from operating lease is recognized as rentals, as accrued on straight line basis over the period of the lease.
- ix. The revenue from sale of the used commercial vehicles is recognized after execution of the contract to sale and delivery of the vehicle to the buyer. Value added tax on sale of used commercial vehicle is collected by the company as an intermediary and accordingly revenue is presented on net basis.
- x. Income from services (for eg. facilitation fees) is recognized as per the terms of contracts on accrual basis.
- xi. Pre-mature Dealer payment discount is recognized as per the terms of the agreement.

j. Retirement and other employee benefits

Provident Fund

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

Gratuity

The group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet Date using the Projected Unit Credit Method. The group fully contributes all ascertained liabilities to The Trustees- Shriram Transport Finance Company Limited Employees Group Gratuity Assurance Scheme. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies. The group recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with AS-15 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise.

Leave encashment

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

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

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

k. Income tax

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws

enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

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

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the specified period i.e the period for which MAT credit is allowed to be carried forward. In the year in which the group recognises MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of MAT under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement". The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the group does not have convincing evidence that it will pay normal tax during the specified period.

I. Segment reporting policies

Identification of segments:

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

Unallocated items:

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

Segment policies :

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

m. Earnings per share

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

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

n. Provisions

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

o. Cash and cash equivalents

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

p. Equity shares and debentures issue expenses

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

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

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

q. Borrowing costs

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

r. Employee stock compensation costs

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

s. Contingent liabilities

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

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013
3. SHARE CAPITAL		
Authorised		
397,000,000 (March 31, 2013: 397,000,000)		
Equity Shares of Rs.10/- each	39,700.00	39,700.00
20,000,000 (March 31, 2013: 20,000,000)		
Preference Shares of Rs.100/- each	20,000.00	20,000.00
	59,700.00	53,500.00
Issued and Subscribed share capital		
226,936,877(March 31, 2013: 226,918,077)		
equity shares of Rs. 10/- each	22,693.69	22,691.81
Paid up (Fully paid up)		
Equity Shares		
226,882,736 (March 31, 2013: 226,863,936)		
equity shares of Rs. 10/- each	22,688.27	22,686.39
	22,688.27	22,686.39
48,000 equity shares of Rs.10/- each (Rs 5/- each paid up forfeited)	2.40	2.40
Total	22,690.67	22,688.79

	As at March 31, 2014		As at March 31, 2013	
	Numbers of shares	Rs. in lacs	Numbers of shares	Rs. in lacs
Reconciliation of the equity shares outstanding at the beginning and at end of reporting period.				
a. Shares outstanding at the beginning of the year	226,863,936	22,686.39	226,300,568	22,630.06
Issued during the year - Employee stock option scheme [Refer Note 26]	18,800	1.88	62,500	6.25
Issued on account of merger of Shriram Holdings (Madras) Private Limited [Refer Note 34]	-	-	500,868	50.08
Shares outstanding at the end of the year	226,882,736	22,688.27	226,863,936	22,686.39

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2014, the amount of per equity share dividend recognized as distributions to equity shareholders was Rs. 7.00 (March 31, 2013 : Rs. 7.00). Out of the total dividend declared during the year ended March 31, 2014, amount of interim dividend paid was Rs. 3.00 per equity share (March 31, 2013: Rs. 3.00) and amount of final dividend proposed was Rs. 4.00 per equity share (March 31, 2013: Rs. 4.00).

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

c. Shares reserved for issue under options

The Company has reserved Nil (March 31, 2013: 18,800) equity shares for issue under employee stock option scheme 2005. During the year ended March 31, 2014, 18,800 equity shares were vested and exercised.

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

The company has issued total 3,712,568 equity shares (March 31, 2013 : 4,069,968) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee service, and includes 500,868 equity shares issued on account of merger of Shriram Holdings (Madras) Private Limited as per note (f) given below.

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

Details of shareholding	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Name of the Shareholder				
Equity shares of Rs. 10/- each				
Shriram Capital Limited	59,103,162	26.05%	58,502,778	25.79%
Newbridge India Investment II Limited	-	-	22,847,468	10.07%
PHL Capital Private Limited	22,600,000	9.96%	-	-
Genesis Indian Investment Company Limited	13,648,064	6.02%	13,926,256	6.14%

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

- f.** The Hon'ble Madras High Court sanctioned the Scheme of Arrangement for merger of Shriram Holdings (Madras) Private Limited (SHMPL) with the Company('the Scheme') and the Scheme came into effect from November 05,2012 when the Company filed the Scheme with the Registrar of Companies, Tamil Nadu, Chennai. Pursuant to the Scheme, the investment of SHMPL in the share capital of the Company viz. 93,371,512 fully paid-up Equity shares of Rs.10/- each stood cancelled and the Company issued and allotted 93,872,380 new Equity shares of Rs. 10/- each fully paid-up to the shareholders of SHMPL. This resulted into increase of Rs. 50.09 lacs in the paid-up capital of the Company with effect from November 05, 2012. The merger is effective from April 01, 2012 and the effect of the same is considered in the financial statements for the year ended March 31, 2013.

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013
4. RESERVES AND SURPLUS		
Capital reserve		
Balance as per last account	2,761.83	17.03
Add: On account of merger of Shriram Holdings (Madras) Private Limited [Refer Note 34]	-	2,744.80
Closing balance	2,761.83	2,761.83
Capital redemption reserve		
	5,388.35	5,388.35
Securities Premium Account		
Balance as per last account	175,442.36	175,322.02
Add: Addition on ESOPs exercised	4.70	15.62
Add: Transferred from stock options outstanding	34.00	104.72
Closing balance	175,481.06	175,442.36
Debenture redemption reserve		
Balance as per last account	30,180.03	52,136.12
Add: Transfer from surplus balance in the statement of profit and loss	19,370.76	15,815.26
Less: Transfer to statement of Profit and Loss on account of redemption	(8,215.35)	(23,461.58)
Less: Transfer to statement of Profit and Loss on account of revised guidelines *	-	(14,309.77)
Closing balance	41,335.44	30,180.03
Stock option outstanding		
Employee stock option outstanding	114.75	34.00
Less : Deferred employee compensation outstanding	(104.51)	(0.90)
Closing balance	10.24	33.10
Other Reserves		
Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934		
Balance as per last account	132,055.44	102,255.44
Add: Transfer from surplus balance in the statement of profit and loss	27,800.00	29,800.00
Closing balance	159,855.44	132,055.44
General reserve		
Balance as per last account	65,153.63	51,153.63
Add: Transfer from surplus balance in the statement of profit and loss	13,000.00	14,000.00
Closing balance	78,153.63	65,153.63
Surplus in statement of Profit and Loss		
Balance as per last account	300,083.21	194,088.13
Add: Profit for the current year	135,793.73	146,388.77
Add: Excess provision written back - tax on dividend	-	0.41
Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(27,800.00)	(29,800.00)
Transfer to general reserve	(13,000.00)	(14,000.00)
Transfer to/from debenture redemption reserve	(11,155.41)	21,956.09
Interim dividend [amount per share Rs.3.00 (March 31, 2013: Rs. 3.00)]	(6,806.48)	(6,825.68)
Tax on interim dividend	(1,156.34)	(1,107.30)
Proposed final dividend [amount per share Rs. 4.00 (March 31, 2013: Rs. 4.00)]	(9,075.31)	(9,074.56)
Tax on proposed dividend	(1,542.35)	(1,542.22)
Total appropriations	(70,535.89)	(40,393.67)
Net surplus statement of Profit and Loss	365,341.05	300,083.64
Total reserves and surplus	828,327.04	711,098.38

* As per General circular no 04/2013 dated February 11, 2013 issued by Ministry of Corporate Affairs, Debenture Redemption Reserve required to maintained is revised to 25% from 50% , hence, the excess amount has been transferred back to the statement of Profit and Loss for the year ended March 31, 2013.

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current maturities*	Non-current portion	Current maturities*
5. LONG TERM BORROWINGS				
Subordinated debts (Unsecured)	411,673.31	50,441.72	327,509.63	54,267.15
Redeemable non-convertible debentures				
Secured	894,320.18	458,217.08	886,877.87	357,691.41
Less: Unamortised discount	(145.65)	(1,194.02)	(2,120.34)	(2,284.03)
	894,174.53	457,023.06	884,757.53	355,407.38
Unsecured	2,150.00	79,580.00	81,730.00	47,380.00
Less: Unamortised discount	-	(110.08)	(110.08)	(784.49)
	2,150.00	79,469.92	81,619.92	46,595.51
Term loans from banks				
Unsecured	10,000.00	-	10,000.00	10,000.00
Secured	820,077.97	463,713.06	577,721.57	314,599.24
Fixed deposits (Unsecured)	192,410.45	38,011.76	68,220.02	66,418.28
Term loans from financial institutions / corporates				
Secured	65,700.00	38,800.00	54,500.00	27,000.00
Loans and advances from related parties				
Subordinated debts (Unsecured)				
from Associate	-	-	-	413.40
from Relative of Managing Director	1.10	-	0.30	-
Redeemable non-convertible debentures (Secured)				
from Associate	-	-	3.60	2.40
from Managing Director	4.38	-	-	-
from Relative of Managing Director	14.47	1.39	4.88	2.21
Fixed deposits (Unsecured)				
from Relative of Managing Director	2.09	-	-	1.02
Total	2,396,208.30	1,127,460.91	2,004,337.45	874,706.59

*Amount disclosed under the Note 6 Other current liabilities

5. LONG TERM BORROWINGS (Contd.)

A) Subordinated Debt - Unsecured

- i) Privately placed subordinated debts of Rs. 100,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total
	<10%	>=10% <12%	>=12% <14%	>= 14%	
	Amount	Amount	Amount	Amount	
Over 60 months	-	13,769.00	-	-	13,769.00
48-60 months	-	-	4,541.00	-	4,541.00
24-36 months	-	5,000.00	-	-	5,000.00
12-24 months	-	25,577.00	-	-	25,577.00
Total	-	44,346.00	4,541.00	-	48,887.00

Current maturity

Upto 12 months	-	15,000.00	5,500.00	-	20,500.00
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Terms of repayment as on March 31, 2013

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total
	<10%	>=10% <12%	>=12% <14%	>= 14%	
	Amount	Amount	Amount	Amount	
Over 60 months	-	13,769.00	4,541.00	-	18,310.00
36-48 months	-	5,000.00	-	-	5,000.00
24-36 months	-	25,577.00	-	-	25,577.00
12-24 months	-	15,000.00	5,500.00	-	20,500.00
Total	-	59,346.00	10,041.00	-	69,387.00

Current maturity

Upto 12 months	-	-	10,510.00	-	10,510.00
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- ii) Privately placed subordinated debts of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				Total
	<10%	>=10% <12%	>=12% <14%	>= 14%	
	Amount	Amount	Amount	Amount	
Over 60 months	-	116,710.00	5,000.00	-	121,710.00
48-60 months	2,500.00	25,630.00	6,670.00	-	34,800.00
36-48 months	-	25,500.00	-	-	25,500.00
24-36 months	-	5,000.00	2,500.00	-	7,500.00
12-24 months	-	35,000.00	-	-	35,000.00
Total	2,500.00	207,840.00	14,170.00	-	224,510.00

5. LONG TERM BORROWINGS (Contd.)

Current maturity

Current maturity is Rs. Nil as on March 31, 2014.

Terms of repayment as on March 31, 2013

Long term borrowing

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				(Rs. in lacs)
	<10%	>=10% <12%	>=12% <14%	>= 14%	
	Amount	Amount	Amount	Amount	
Over 60 months	-	100,890.00	11,670.00	-	112,560.00
48-60 months	-	25,500.00	-	-	25,500.00
36-48 months	-	5,000.00	2,500.00	-	7,500.00
24-36 months	-	35,000.00	-	-	35,000.00
Total	-	166,390.00	14,170.00	-	180,560.00

Current maturity

Upto 12 months	-	15,000.00	-	-	15,000.00
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iii) Privately placed subordinated debts of Rs. 1,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				(Rs. in lacs)
	<10%	>=10% <12%	>=12% <14%	>= 14%	
	Amount	Amount	Amount	Amount	
Over 60 months	-	65,695.12	-	-	65,695.12
48-60 months	5.40	47,109.29	-	-	47,114.69
36-48 months	1,481.88	6,589.06	-	-	8,070.94
24-36 months	46.99	3,487.45	-	-	3,534.44
12-24 months	-	5,551.41	0.50	-	5,551.91
Total	1,534.27	128,432.33	0.50	-	129,967.10

Current maturity

Upto 12 months	-	8,038.37	21,903.35	-	29,941.72
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Terms of repayment as on March 31, 2013

Long term borrowing

Redeemable at par (from the date of the Balance Sheet)	Rate of interest				(Rs. in lacs)
	<10%	>=10% <12%	>=12% <14%	>= 14%	
	Amount	Amount	Amount	Amount	
Over 60 months	5.40	22,148.21	-	-	22,153.61
48-60 months	1,481.88	6,589.06	-	-	8,070.94
36-48 months	46.99	3,487.45	-	-	3,534.44
24-36 months	-	5,551.41	0.50	-	5,551.91
12-24 months	-	8,038.37	21,903.35	-	29,941.72
Total	1,534.27	45,814.50	21,903.85	-	69,252.62

Current maturity

Upto 12 months	-	22,400.37	6,770.18	-	29,170.55
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5. LONG TERM BORROWINGS (Contd.)

- iv) Public issue of subordinated debt of Rs. 1,000/- each (2010)-quoted
Long term borrowing

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	(Rs. in lacs)
Option -IV	10.41%	91.00	91.00	1-Jun-17	
	10.81%	1,687.00	1,687.00	1-Mar-17	
	11.25%	3,746.08	3,746.08	1-Dec-16	
Option -V	10.25%	110.30	110.30	1-Jun-17	
	10.75%	204.32	204.32	1-Jun-17	
	11.00%	2,471.61	2,471.61	1-Jun-17	
Total		8,310.31	8,310.31		

Current maturity

Current maturity is Rs. Nil as on March 31, 2014 and March 31, 2013

Total Subordinated Debts	As at March 31, 2014		As at March 31, 2013		(Rs. in lacs)
	Non-current portion	Current maturities	Non-current portion	Current maturities	
Privately placed (i+ii+iii)	403,364.10	50,441.72	319,199.62	54,680.55	
Public issue (iv)	8,310.31	-	8,310.31	-	
Total Subordinated debts	411,674.41	50,441.72	327,509.93	54,680.55	
Less: issued to related parties	1.10	-	0.30	413.40	
Total	411,673.31	50,441.72	327,509.63	54,267.15	

B) Non-convertible debenture (NCD)-Secured

- i) Privately placed redeemable non-convertible debentures of Rs. 1,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing

Redeemable at par (from the date of the Balance Sheet)	Rate of interest						(Rs. in lacs)
	< 10%	=> 10% < 12%	=> 12% < 14%	=> 14% < 16%	=> 16%	Total *	
	Amount	Amount	Amount	Amount	Amount	Amount	
48-60 months	-	1,978.33	-	-	-	1,978.33	
36-48 months	-	9,385.75	939.52	-	-	10,325.27	
24-36 months	1.84	47,445.47	719.40	0.88	-	48,167.59	
12-24 months	2,584.05	137,415.90	-	792.92	-	140,792.87	
Total	2,585.89	196,225.45	1,658.92	793.80	-	201,264.06	

Current maturity

upto 12 months	8,736.18	100,014.14	6.40	311.80	-	109,068.52
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5. LONG TERM BORROWINGS (Contd.)

Terms of repayment as on March 31, 2013

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest					Total
	< 10%	= 10% < 12%	= 12% < 14%	= 14% < 16%	= 16%	
Amount	Amount	Amount	Amount	Amount	Amount	Amount
48-60 months	-	8,613.59	939.52	-	-	9,553.11
36-48 months	1.84	6,534.46	719.88	0.88	-	7,257.06
24-36 months	1,669.55	136,832.48	-	792.92	-	139,294.95
12-24 months	3,637.90	100,192.44	6.40	311.80	-	104,148.54
Total	5,309.29	252,172.97	1,665.80	1,105.60	-	260,253.66

Current maturity

upto 12 months	46,737.79	29,109.31	1,582.89	282.32	0.48	77,712.79
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Nature of security

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

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

* Amount pertains to debentures issued prior to notification of the RBI Circular DNBD(PD) CC No. 330/03.10.001/2012-13 dated June 27, 2013.

(ii) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing (gross of unamortised discount on debenture of Rs. 145.65 lacs)

(Rs. in lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest					Total
	< 10%^	= 10% < 12% *^¥	= 12% < 14%	= 14% < 16%	= 16%	
Amount	Amount	Amount	Amount	Amount	Amount	Amount
Over 60 months	5,960.00	120,920.00	-	-	-	126,880.00
48-60 months	1,500.00	17,500.00	-	-	-	19,000.00
36-48 months^	3,800.00	76,000.00	-	-	-	79,800.00
24-36 months*^¥	7,750.00	123,805.00	-	-	-	131,555.00
12-24 months^	6,600.00	43,800.00	-	-	-	50,400.00
Total	25,610.00	382,025.00	-	-	-	407,635.00

* Includes 2 NCDs of Rs. 625.00 lacs each partly paid to the extent of Rs. 50,000/-

^NCDs amounting to Rs. 4,700.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

5. LONG TERM BORROWINGS (Contd.)

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	Put/Call option date
1	10.60%	625.00	12-Aug-16
Total		625.00	

Current maturity (gross of unamortised discount on debenture of Rs. 1,194.02 lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest					(Rs. in lacs)
	< 10%^¥	>= 10% < 12%*^¥	>= 12% < 14%	>= 14% < 16%	>= 16%	
	Amount	Amount	Amount	Amount	Amount	
upto 12 months*^¥	67,110.00	246,365.00	-	-	-	313,475.00

* Includes 1 NCD of Rs. 625.00 lacs partly paid to the extent of Rs. 50,000/-.

^NCDs amounting to Rs. 22,350.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	Put/Call option date
1	10.50%	625.00	13-Aug-14
2	10.00%	15,000.00	6-Aug-14
3	10.30%	20,000.00	20-Jul-14
4	9.35%	15,000.00	23-Jun-14
5	9.35%	5,000.00	23-Jun-14
6	9.75%	2,500.00	25-Apr-14
Total		58,125.00	

Terms of repayment as on March 31, 2013

Long term borrowing (gross of unamortised discount on debenture of Rs. 2,120.34 lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest					(Rs. in lacs)
	< 10%^	>= 10% < 12% *^¥	>= 12% < 14%	>= 14% < 16%	>= 16%	
	Amount	Amount	Amount	Amount	Amount	
48-60 months *^	3,800.00	76,000.00	-	-	-	79,800.00
36-48 months*^¥	750.00	38,125.00	-	-	-	38,875.00
24-36 months*	47,100.00	72,580.00	-	-	-	119,680.00
12-24 months*^¥	39,010.00	168,585.00	-	-	-	207,595.00
Total	90,660.00	355,290.00	-	-	-	445,950.00

* Includes 2 NCDs of Rs. 625.00 lacs each partly paid to the extent of Rs. 50,000/-.

^NCDs amounting to Rs. 25,550.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

5. LONG TERM BORROWINGS (Contd.)

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	Put/Call option date	(Rs. in lacs)
1	10.60%	625.00	12-Aug-16	
2	10.50%	625.00	13-Aug-14	
3	10.30%	20,000.00	20-Jul-14	
Total		21,250.00		

Current maturity (gross of unamortised discount on debenture of Rs. 2,284.03 lacs)

Redeemable at par (from the date of the Balance Sheet) upto 12 months^¥	Rate of interest					(Rs. in lacs)
	< 10%^¥	= 10% < 12%^	= 12% < 14%	= 14% < 16%	= 16%	
	Amount	Amount	Amount	Amount	Amount	
upto 12 months^¥	19,510.00	187,110.00	31,000.00	-	-	237,620.00

^NCDs amounting to Rs. 19,410.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	Put/Call option date	(Rs. in lacs)
1	10.30%	31,000.00	6-Jan-14	
2	9.20%	30,000.00	24-Jun-13	
3	9.00%	20,000.00	2-May-13	
4	10.00%	15,000.00	25-Apr-13	
5	9.75%	18,000.00	6-Aug-13	
6	10.53%	20,000.00	27-Mar-14	
Total		134,000.00		

Nature of Security

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

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

- iii) Privately placed redeemable non-convertible debenture of Rs. 3,000,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing(gross of unamortised discount on debenture of Rs. Nil)

Long term borrowing is Rs. Nil as on March 31, 2014

Current maturity

Redeemable at par/premium (from the date of the Balance Sheet) upto 12 months*	Rate of interest					(Rs. in lacs)
	< 10%	= 10% < 12%*	= 12% < 14%	= 14% < 16%	= 16%	
	Amount	Amount	Amount	Amount	Amount	
upto 12 months*	-	1,600.00	-	-	-	1,600.00

*Partly paid to the extent of Rs. 100,000/-

5. LONG TERM BORROWINGS (Contd.)

Terms of repayment as on March 31, 2013

Long term borrowing(gross of unamortised discount on debenture of Rs. Nil)

Long term borrowing is Rs. Nil as on March 31, 2013

Current maturity

Current maturity is Rs. Nil as on March 31, 2013

Nature of security

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

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

iv) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each (2009)

Terms of repayment

Long term borrowing

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.00%	-	1,464.79	26-Aug-14	-
	11.25%	-	280.18	26-Aug-14	-
Option -II	11.25%	-	1,096.49	26-Aug-14	-
	11.50%	-	378.43	26-Aug-14	-
Total		-	3,219.89		

Terms of repayment

Current maturity

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.00%	1,484.62	-	26-Aug-14	-
	11.25%	260.36	-	26-Aug-14	-
	11.00%	-	2,929.58	26-Aug-13	-
	11.25%	-	560.36	26-Aug-13	-
Option -II	11.25%	1,123.20	-	26-Aug-14	-
	11.50%	351.72	-	26-Aug-14	-
	11.25%	-	2,192.99	26-Aug-13	-
	11.50%	-	756.85	26-Aug-13	-
Option -III	11.03%	-	10,422.51	1-Oct-13	-
	11.03%	7,508.65	-	26-Aug-14	-
Option -IV	11.00%	-	2,274.12	1-Oct-13	-
	11.00%	999.10	-	26-Aug-14	-
Total		11,727.64	19,136.42		

5. LONG TERM BORROWINGS (Contd.)

Nature of security

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

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

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

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

The Company has bought back NCDs of Rs. 4,215.23 lacs on 12-March-2010 and Rs. 3,000.00 lacs on 27-March-2012, Rs. 23,505.26 lacs on 28-March-2012 and as per the terms of the issue Rs. 46,923.16 lacs and Rs. 6,439.79 lacs were redeemed on 26-August-2012 and 26-August-2013 respectively.

Put options were exercised for option III and IV on 26-August-2013 and Rs. 2,913.86 lacs and Rs. 1,275.02 lacs respectively were paid on 1-October-2013 in compliance with the terms of issue.

v) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2010)

Terms of repayment

Long term borrowing

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	9.00%	1,424.68	-	1-Jun-15	-
	9.50%	3,918.55	-	1-Jun-15	-
	9.75%	1,160.60	-	1-Jun-15	-
	10.00%	231.60	-	1-Jun-15	-
Option –II	9.50%	897.03	897.03	1-Jun-17	1-Jun-15
	10.00%	832.20	832.20	1-Jun-17	1-Jun-15
	10.25%	3,802.59	3,741.65	1-Jun-17	1-Jun-15
	10.50%	722.54	783.48	1-Jun-17	1-Jun-15
Option –III	9.75%	808.45	808.45	1-Jun-15	-
	10.25%	785.68	785.68	1-Jun-15	-
	10.50%	1,756.76	1,717.73	1-Jun-15	-
	10.75%	385.28	424.31	1-Jun-15	-
	9.75%	-	1,616.90	1-Jun-14	-
	10.25%	-	1,571.36	1-Jun-14	-
	10.50%	-	3,435.46	1-Jun-14	-
	10.75%	-	848.62	1-Jun-14	-
Total		16,725.96	17,462.87		

5. LONG TERM BORROWINGS (Contd.)

Terms of repayment

Current maturity

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	9.00%	-	3,398.67	1-Jun-15	1-Jun-13
	9.50%	-	10,495.95	1-Jun-15	1-Jun-13
	9.75%	-	1,496.49	1-Jun-15	1-Jun-13
	10.00%	-	363.36	1-Jun-15	1-Jun-13
Option -III	9.75%	-	1,616.90	1-Jun-13	-
	10.25%	-	1,571.36	1-Jun-13	-
	10.50%	-	3,435.46	1-Jun-13	-
	10.75%	-	848.62	1-Jun-13	-
	9.75%	1,616.90	-	1-Jun-14	-
	10.25%	1,571.36	-	1-Jun-14	-
	10.50%	3,513.52	-	1-Jun-14	-
	10.75%	770.56	-	1-Jun-14	-
Total		7,472.34	23,226.81		

Nature of security

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

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

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

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

The Company has bought back NCDs of Rs. 1,000.00 lacs on 14-July-2011 and as per the terms of the issue Rs. 7,472.34 lacs were redeemed on 1-June-2013.

Put options were exercised for option I on 1-June-2013 and Rs. 9,019.04 lacs were paid on 5-July-2013 in compliance with the terms of issue.

vi) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2011)

Terms of repayment

Long term borrowing

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.60%	53,470.83	53,470.83	11-Jul-16	12-Jul-15
	11.35%	24,313.78	24,313.78	11-Jul-16	12-Jul-15
	11.10%	7,340.36	7,340.36	11-Jul-16	12-Jul-15
Option -II	11.35%	-	3,462.05	11-Jul-14	-
	11.10%	-	3,173.19	11-Jul-14	-
	11.00%	-	8,239.72	11-Jul-14	-
Total		85,124.97	99,999.93		

5. LONG TERM BORROWINGS (Contd.)

Terms of repayment

Current maturity

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -II	11.35%	3,462.05	-	11-Jul-14	-
	11.10%	3,173.19	-	11-Jul-14	-
	11.00%	8,239.72	-	11-Jul-14	-
Total		14,874.96	-		

Nature of security

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

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

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

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

vii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2012)

Terms of repayment

Long term borrowing

Option Detail	Rate of interest	(Rs. in lacs)			
		As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.15%	8,569.28	8,518.92	9-Aug-15	-
	10.25%	14,894.88	14,945.24	9-Aug-15	-
Option -II	11.40%	13,423.10	14,236.98	9-Aug-17	-
	10.50%	12,788.11	11,974.23	9-Aug-17	-
Option -III	11.15%	3,725.06	3,738.41	9-Aug-15	-
	10.25%	161.04	147.69	9-Aug-15	-
Option -IV	11.40%	6,315.11	6,356.94	9-Aug-17	-
	10.50%	123.42	81.59	9-Aug-17	-
Total		60,000.00	60,000.00		

Current maturity

Current maturity is Rs. Nil as on March 31, 2014 and March 31, 2013.

Nature of security

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

The Company has utilised the entire sum of Rs. 60,000/- lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

5. LONG TERM BORROWINGS (Contd.)

viii) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-1

Terms of repayment

Long term borrowing

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	10.90%	12,829.17	-	1-Aug-16	-
	9.65%	13,568.20	-	1-Aug-16	-
Option -II	11.15%	11,586.22	-	31-Jul-17	-
	9.80%	3,356.06	-	31-Jul-17	-
	11.15%	11,586.22	-	31-Jul-18	-
	9.80%	3,356.07	-	31-Jul-18	-
Option -III	10.63%	5,797.30	-	31-Jul-18	-
	9.40%	104.42	-	31-Jul-18	-
Option -IV	10.90%	6,075.57	-	1-Aug-16	-
	9.65%	43.60	-	1-Aug-16	-
Option -V	11.15%	2,637.50	-	31-Jul-17	-
	9.80%	5.61	-	31-Jul-17	-
	11.15%	2,637.50	-	31-Jul-18	-
	9.80%	5.60	-	31-Jul-18	-
Total		73,589.04	-	-	-

Current maturity

Current maturity is Rs. Nil as on March 31, 2014 and March 31, 2013.

Nature of security

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

The Company has utilised the entire sum of Rs. 73,589.04 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

ix) Public issue of redeemable non-convertible debentures of Rs. 1,000/- each-(2013)-2

Terms of repayment

Long term borrowing

(Rs. in lacs)

Option Detail	Rate of interest	As at March 31, 2014	As at March 31, 2013	Redeemable at par on	Put and Call option
Option -I	11.25%	7,762.63	-	24-Oct-16	-
	10.75%	19,373.21	-	24-Oct-16	-
Option -II	11.50%	3,164.51	-	24-Oct-18	-
	10.75%	7,489.01	-	24-Oct-18	-
Option -III	11.75%	4,734.26	-	24-Oct-20	-
	10.75%	3,023.29	-	24-Oct-20	-
Option -IV	11.25%	2,253.65	-	24-Oct-16	-
	10.75%	11.95	-	24-Oct-16	-
Option -V	11.50%	809.97	-	24-Oct-18	-
	10.75%	5.00	-	24-Oct-18	-
Option -VI	11.75%	1,370.42	-	24-Oct-20	-
	10.75%	2.10	-	24-Oct-20	-
Total		50,000.00	-	-	-

5. LONG TERM BORROWINGS (Contd.)

Current maturity

Current maturity is Rs. Nil as on March 31, 2014 and March 31, 2013.

Nature of security

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

The Company has utilised the entire sum of Rs. 50,000.00 lacs raised from public issue (net off expenses) towards asset financing activities as per the objects stated in the prospectus for the issue.

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

	As at March 31, 2014		(Rs. in lacs)	
	Non-current portion	Current maturities	Non-current portion	Current maturities
Total non-convertible debentures - secured	894,339.03	458,218.47	886,886.35	357,696.02
Privately placed (i+ii+iii)	608,899.06	424,143.52	706,203.65	315,332.79
Public issue (iv+v+vi+vii+viii+ix)	285,439.97	34,074.95	180,682.70	42,363.23
Total non-convertible debentures-secured	894,339.03	458,218.47	886,886.35	357,696.02
Less: issued to related parties	18.85	1.39	8.48	4.61
Total	894,320.18	458,217.08	886,877.87	357,691.41

C. Redeemable non-convertible debentures (NCD) - Unsecured

Privately placed unsecured redeemable non-convertible debentures of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2014

Long term borrowing (gross of unamortised discount on debenture of Rs. Nil)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	<10%^	=>10% <12%^	Total
	Amount	Amount	Amount
12-24 months^	-	2,150.00	2,150.00
Total	-	2,150.00	2,150.00

^NCDs amounting to Rs. 2,150.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

Terms of repayment as on March 31, 2014

Current maturity (gross of unamortised discount on debenture of Rs. 110.08 lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	<10%^¥	=>10% <12%^¥	Total
	Amount	Amount	Amount
upto 12 months^¥	22,750.00	56,830.00	79,580.00
Total	22,750.00	56,830.00	79,580.00

^NCDs amounting to Rs. 23,170.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

5. LONG TERM BORROWINGS (Contd.)

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	Put/Call option date
1	10.07%	25,000.00	30-Apr-14
Total		25,000.00	

Terms of repayment as on March 31, 2013

Long term borrowing (gross of unamortised discount on debenture of Rs. 110.08 lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest		
	<10%^	=10% <12%¥	Total
	Amount	Amount	Amount
24-36 months^	-	2,150.00	2,150.00
12-24 months^¥	22,750.00	56,830.00	79,580.00
Total	22,750.00	58,980.00	81,730.00

^NCDs amounting to Rs. 25,320.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	Put/Call option date
1	10.07%	25,000.00	1-May-13
Total		25,000.00	

Terms of repayment as on March 31, 2013

Current maturity (gross of unamortised discount on debenture of Rs. 784.49 lacs)

Redeemable at par/premium (from the date of the Balance Sheet)	Rate of interest		
	<10%^¥	=10% <12%^	Total
	Amount	Amount	Amount
upto 12 months^¥	22,280.00	25,100.00	47,380.00
Total	22,280.00	25,100.00	47,380.00

^NCDs amounting to Rs. 27,900.00 lacs issued at zero coupon rates and redeemable at premium are included in above on the basis of IRR.

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	Amount	Put/Call option date
1	9.59%	20,000.00	24-Mar-14
Total		20,000.00	

5. LONG TERM BORROWINGS (Contd.)

D. Term loan from bank- Unsecured

As at March 31, 2014

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Non-current portion	Current maturities	(Rs. in lacs)
48-60 months	14.00%	Bullet	10,000.00	-	-
Total			10,000.00		-

As at March 31, 2013

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Non-current portion	Current maturities	(Rs. in lacs)
48-60 months	14.00%	Bullet	10,000.00	-	-
Upto 12 months	10.00%	Bullet	-	10,000.00	
Total			10,000.00	10,000.00	

E. Term loans from Banks -Secured

As at March 31, 2014

Terms of repayment

Long term borrowing

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Non-current portion	Current maturities	(Rs. in lacs)
48-60 months	10.50% to 11.20%	10 to 48 installments of monthly, quarterly and half yearly frequency	133,988.69	34,500.00	
36-48 months	10.35% to 11.25%	5 to 48 installments of monthly, quarterly, half yearly and yearly frequency	322,582.86	121,668.67	
24-36 months	10.00% to 11.75%	1 to 60 installments of bullet, monthly, quarterly, half yearly and yearly frequency	280,099.49	150,130.96	
12-24 months (* refer security details)	9.00% to 12.25%	1 to 60 installments of bullet, monthly, quarterly and half yearly frequency	83,406.93	74,369.34	
Upto 12 months	9.75% to 12.75%	1 to 48 installments of bullet, monthly and quarterly frequency	-	83,044.09	
Total			820,077.97	463,713.06	

Nature of Security	As at March 31, 2014	(Rs. in lacs)
a) *includes secured by hypothecation of vehicles for own use		2.91
b) Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans		1,283,788.12
Total		1,283,791.03

5. LONG TERM BORROWINGS (Contd.)

As at March 31, 2013

Terms of repayment

Long term borrowing

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Non-current portion	Current maturities	(Rs. in lacs)
48-60 months	10.35% to 10.75%	5 to 20 installments of quarterly and yearly frequency	138,999.95	36,000.00	
36-48 months	10.35% to 11.75%	1 to 60 installments of bullet, monthly, quarterly and half yearly frequency	235,122.58	81,607.14	
24-36 months (* refer security details)	9.00% to 12.50%	1 to 60 installments of bullet, monthly, quarterly and half yearly frequency	124,187.29	45,435.99	
12-24 months	9.50% to 13.00%	1 to 48 installments of bullet, monthly, quarterly, half yearly and yearly frequency	79,411.75	35,701.00	
Upto 12 months	9.00% to 13.75%	1 to 48 installments of bullet, monthly, quarterly, half yearly and yearly frequency	-	115,855.11	
Total			577,721.57	314,599.24	

Nature of Security	As at March 31, 2013	(Rs. in lacs)
a) *includes secured by hypothecation of vehicles for own use		5.18
b) Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed / current assets relating to hypothecation loans		892,315.63
Total		892,320.81

F. Fixed deposits- Unsecured -Refer Note 28

Terms of repayment as on March 31, 2014

Long term borrowing

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			(Rs. in lacs)
	< 10%	>= 10% < 12%	Total	
	Amount	Amount	Amount	
48-60 months	-	9,075.19	9,075.19	
36-48 months	-	5,968.13	5,968.13	
24-36 months	0.02	134,125.09	134,125.11	
12-24 months	14,325.65	28,918.46	43,244.11	
Total	14,325.67	178,086.87	192,412.54	

Current maturity

Redeemable at par (from the date of the Balance Sheet)	Rate of interest			(Rs. in lacs)
	< 10%	>= 10% < 12%	Total	
	Amount	Amount	Amount	
Upto 12 months	19,502.62	18,509.14	38,011.76	

5. LONG TERM BORROWINGS (Contd.)

Terms of repayment as on March 31, 2013

Long term borrowing

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	< 10%	= 10% < 12%	Total
	Amount	Amount	Amount
48-60 months	-	4,424.72	4,424.72
36-48 months	-	5,711.40	5,711.40
24-36 months	7,678.53	28,948.08	36,626.61
12-24 months	2,684.84	18,772.45	21,457.29
Total	10,363.37	57,856.65	68,220.02

Current maturity

(Rs. in lacs)

Redeemable at par (from the date of the Balance Sheet)	Rate of interest		
	< 10%	= 10% < 12%	Total
	Amount	Amount	Amount
Upto 12 months	55,005.29	11,414.01	66,419.30

(Rs. in lacs)

Total Fixed deposits	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current maturities	Non-current portion	Current maturities
Total Fixed deposits	192,412.54	38,011.76	68,220.02	66,419.30
Less: issued to related parties	2.09	-	-	1.02
Total	192,410.45	38,011.76	68,220.02	66,418.28

G. Term Loan from financial institution/corporates - Secured

As at March 31, 2014

Long term borrowing

Terms of repayment

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment Details	Non-current portion	Current maturities
36-48 months	11.10%	20 installments of quarterly frequency	27,500.00	10,000.00
24-36 months	10.50%	11 installments of quarterly frequency	33,200.00	16,800.00
12-24 months	11.00%	10 installments of quarterly frequency	5,000.00	12,000.00
Total			65,700.00	38,800.00

Nature of Security

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

5. LONG TERM BORROWINGS (Contd.)
As at March 31, 2013
Long term borrowing
Terms of repayment

(Rs. in lacs)

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment Details	Non-current portion	Current maturities
48-60 months	11.10%	20 installments of quarterly frequency	37,500.00	10,000.00
24-36 months	11.00%	11 installments of quarterly frequency	17,000.00	12,000.00
upto 12 months	9.25%	Bullet	-	5,000.00
Total			54,500.00	27,000.00

Nature of Security

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

(Rs. in lacs)

Total Long-term borrowings	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current maturities	Non-current portion	Current maturities
Secured borrowings	1,779,971.35	959,537.51	1,516,987.58	697,011.23
Unsecured borrowings	616,236.95	168,033.48	487,349.87	177,695.36
Total Long-term borrowings	2,396,208.30	1,127,570.99	2,004,337.45	874,706.59

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Long term	Short term	Long term	Short term
6. OTHER LIABILITIES				
Creditors other than Micro, Small and Medium Enterprises				
- for fixed assets	-	1.55	-	14.18
Current maturities of long term debts [Refer Note 5]	-	1,127,460.91	-	874,706.59
Interest accrued but not due on loans	48,907.46	103,501.11	57,765.97	83,952.03
Application money on redeemable non convertible debentures	-	-	2,109.76	-
Application money on subordinated debts	-	-	311.59	-
Investor Education and Protection Fund shall be credited by the following amounts (as and when due)				
- Unclaimed dividend	-	773.97	-	629.22
- Unclaimed matured deposits and interest accrued thereon	-	4,496.26	-	1,246.86
- Unclaimed matured debentures and interest accrued thereon	-	6,324.62	-	5,402.65
- Unclaimed matured subordinate debts and interest accrued thereon	-	6,295.16	-	3,752.38
Temporary credit balance in bank accounts	-	4,103.99	-	75,467.00
Tax deducted at source	-	1,783.12	-	1,544.59
Service tax payable	-	71.64	-	31.43
Statutory dues pertaining to employees	-	389.07	-	322.04
Value Added Tax	-	412.34	-	412.34
Works contract tax payable	-	1.41	-	-
Unrealised gain on securitisation*	35,842.13	78,270.16	57,403.45	130,594.91
Retention and others	14,059.78	-	12,788.89	-
Total	98,809.37	1,333,885.31	130,379.66	1,178,076.22

* Includes realised gain on premium structure securitization / assignment deals amounting to Rs. 155.31 lacs (March 31, 2013: Rs. 3,455.73 lacs) - Also refer note 2.1 (i) (iv).

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Long term	Short term	Long term	Short term
7. PROVISIONS				
For employee benefits				
For gratuity	-	54.91	1,782.83	145.10
For leave encashment and availment	-	1,736.79	-	1,525.69
For Others				
For non-performing assets	117,444.39	-	81,629.86	-
For standard assets [Refer note (e) of note 2.1]	5,485.89	4,390.41	4,902.01	3,614.80
For service tax- contested	-	8,793.99	-	8,778.18
For credit loss on securitisation	7,370.36	-	27,597.37	-
For income tax	-	4,566.31	-	4,543.16
[net of advance tax Rs. 167,466.56 lacs (March 31, 2013: Rs. 167,208.27 lacs)]				
Proposed dividend	-	9,075.31	-	9,074.56
Corporate dividend tax	-	1,542.35	-	1,542.22
Total	130,300.64	30,160.07	115,912.07	29,223.71

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013
8. SHORT TERM BORROWINGS		
Secured		
Redeemable non convertible debentures	43,400.00	74,750.00
Term loans		
i) From banks	194,799.86	183,800.00
ii) From financial institutions / corporates	10,000.00	-
Unsecured Redeemable debenture	-	25,000.00
Loans repayable on demand (Secured)		
Cash credit	51,101.46	124,525.36
Working capital demand loan from banks	22,500.00	14,452.00
Unsecured		
Term loan from banks	2,200.00	-
Commercial papers from other than banks	16,000.00	37,500.00
Less: unamortized discount	(623.41)	(446.26)
	15,376.59	37,053.74
Total	339,377.91	459,581.10

a. Non-convertible debenture (NCD)-Secured

- i) Privately placed redeemable non-convertible debenture of Rs. 1,000,000/- each

Terms of repayment as on March 31, 2014

(Rs. in lacs)

	Rate of interest	
	>=10% <12%₹	Total
	Amount	Amount
Redeemable at par (from the date of the Balance Sheet)		
upto 12 months	42,400.00	42,400.00

¥ Out of the above NCDs having put/call option are as under

(Rs. in lacs)

Sr No	Rate of Interest	Amount	Put/Call option date
1	10.95%	30,000.00	26-Sep-14
2	10.72%	7,500.00	24-Sep-14
3	10.72%	2,500.00	24-Sep-14
Total		40,000.00	

Terms of repayment as on March 31, 2013

(Rs. in lacs)

	Rate of interest	
	< 10%	Total
	Amount	Amount
Redeemable at par (from the date of the Balance Sheet)		
upto 12 months	74,750.00	74,750.00

Nature of Security

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

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

8. SHORT TERM BORROWINGS (Contd.)

(ii) Privately placed redeemable non-convertible debenture of Rs. 3,000,000/- each

Terms of repayment as on March 31, 2014

Redeemable at par (from the date of the Balance Sheet) upto 12 months	Rate of interest		(Rs. in lacs)
	>=10% <12%*¥	Total	
	Amount	Amount	
		1,000.00	1,000.00

*Partly paid to the extent of Rs. 1,00,000/-

¥ Out of the above NCDs having put/call option are as under

Sr No	Rate of Interest	(Rs. in lacs)	
		Amount	Put/Call option date
1	10.50%	1,000.00	19-Aug-14
Total		1,000.00	

Terms of repayment as on March 31, 2013

NCD outstanding is Rs. Nil

Nature of Security

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

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

b. Term loans from bank -Secured

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	(Rs. in lacs)	
		Repayment details	As at March 31, 2014
Upto 12 months	9.75 % to 11.25%	Bullet	194,799.86
Total			194,799.86

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

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	(Rs. in lacs)	
		Repayment details	As at March 31, 2013
upto 12 months	9.90 % to 10.35%	Bullet	183,800.00
Total			183,800.00

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

8. SHORT TERM BORROWINGS (Contd.)

c. Term loans from financial institution -Secured

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2014	(Rs. in lacs)
Upto 12 months	10.25%	Bullet	10,000.00	
Total			10,000.00	

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

Terms of repayment

Term loans from financial institution outstanding is Rs. Nil as on March 31, 2013.

d. Redeemable non-convertible debentures (NCD)- Unsecured

Privately placed unsecured redeemable non-convertible debentures of Rs. 1,000,000/- each

Terms of repayment

Redeemable non-convertible debentures (NCD)- Unsecured outstanding is Rs. Nil as on March 31, 2014.

Terms of repayment as on March 31, 2013

Redeemable at par within (from the date of the Balance Sheet)	Rate of interest			(Rs. in lacs)
	< 10%	=>10% <12%	Total	
	Amount	Amount	Amount	
Upto 12 months	25,000.00	-	25,000.00	
Total	25,000.00	-	25,000.00	

e. Cash credit from bank

As at March 31, 2014 As at March 31, 2013

Secured by hypothecation of specific assets covered under hypothecation loan agreements	51,101.46	124,525.36
Total	51,101.46	124,525.36

f. Working capital demand loan -Secured

Terms of repayment

(Rs. in lacs)

	Rate of interest	Repayment details	As at March 31, 2014
Upto 12 months	9.75 % to 11.50%	Bullet	22,500.00
Total			22,500.00

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

8. SHORT TERM BORROWINGS (Contd.)

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of Interest	Repayment details	As on March 31, 2013	(Rs. in lacs)
upto 12 months	9.75 % to 11.50%	Bullet	14,452.00	
Total			14,452.00	

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

g. Term loans from bank -Unsecured

Terms of repayment

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	As at March 31, 2014	(Rs. in lacs)
Upto 12 months	9.75%	Bullet	2,200.00	
Total			2,200.00	

Terms of repayment

Term loans from financial institution outstanding is Rs. Nil as on March 31, 2013.

h. Commercial paper

Tenure (from the date of the Balance Sheet)	Rate of Interest	Repayment Details	As on March 31, 2014	(Rs. in lacs)
upto 12 months	10.20 % to 10.35 %	Bullet	16,000.00	
Total			16,000.00	

Note

- The amount of commercial paper is disclosed at gross value. The amount of unamortised discount on commercial paper is Rs. 623.41 lacs.

Tenure (from the date of the Balance Sheet)	Rate of Interest	Repayment details	As on March 31, 2013	(Rs. in lacs)
upto 12 months	8.96 % to 9.90 %	Bullet	37,500.00	
Total			37,500.00	

Note

- The amount of commercial paper is disclosed at gross value. The amount of unamortised discount on commercial paper is Rs. 446.26 lacs.
- The Company has bought back commercial paper of Rs. 25,000.00 lacs on February 11, 2013.

Total Short-term borrowings	As at March 31, 2014	As at March 31, 2013	(Rs. in lacs)
Secured borrowings	321,801.32	397,527.36	
Unsecured borrowings	17,576.59	62,053.74	
Total Short-term borrowings	339,377.91	459,581.10	

Particulars	9. FIXED ASSETS	Tangible fixed assets						Intangible assets		(Rs. in lacs)	
		Land - feehold	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Leasehold improve- ment	Total tangible fixed assets	Trade- marks	Computer software
Gross block											
As at April 1, 2012	10.69	526.03	4,297.69	192.22	1,346.89	146.43	5,041.36	11,561.31	4.64	1,079.91	1,084.55
Additions	0.58	-	2,308.57	49.61	424.41	-	1,328.96	4,112.13	-	204.99	204.99
Deletions	-	-	368.53	17.55	86.00	60.52	385.10	912.70	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2013	11.27	526.03	6,242.73	224.28	1,685.30	85.91	5,985.22	14,760.74	4.64	1,284.90	1,289.54
Additions	4,449.52	-	2,923.06	92.82	753.08	0.10	3,433.08	11,651.66	-	95.77	95.77
Deletions	-	138.48	276.77	12.77	116.28	4.22	481.83	1,030.35	-	-	-
Adjustment	-	254.20	54.19	-	58.33	-	(734.89)	(368.17)	-	-	-
As at March 31, 2014	4,460.79	641.75	8,943.21	304.33	2,380.43	81.79	8,201.58	25,013.88	4.64	1,380.67	1,385.31
Depreciation											
As at April 1, 2012	-	119.26	2,293.10	100.86	694.90	93.33	3,252.10	6,553.55	0.74	725.38	726.12
Charge for the year	-	8.58	832.45	27.14	308.79	6.42	822.52	2,005.91	0.46	262.56	263.02
Deletions	-	-	270.17	8.45	63.22	30.62	348.10	720.56	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2013	-	127.84	2,855.38	119.55	940.47	69.13	3,726.52	7,838.89	1.20	987.93	989.13
Charge for the year	-	8.82	1,226.86	44.02	522.84	5.28	1,288.80	3,096.42	0.46	179.20	179.66
Deletions	-	41.48	219.09	8.29	85.41	4.01	461.55	819.83	-	-	-
Adjustment	-	-	-	-	-	-	(368.17)	(368.17)	-	-	-
As at March 31, 2014	-	95.18	3,862.95	155.28	1,377.90	70.40	4,185.60	9,747.31	1.66	1,167.13	1,168.79
Net block											
As at March 31, 2013	11.27	398.19	3,387.35	104.73	744.83	16.78	2,258.70	6,921.85	3.44	296.98	300.42
As at March 31, 2014	4,460.79	546.57	5,080.26	149.05	1,002.53	11.39	4,015.98	15,266.57	2.98	213.54	216.52

DEPRECIATION AND AMORTISATION

	Year ended		(Rs. in lacs)
	March 31, 2014	March 31, 2013	
on tangible assets	3,096.42	2,005.90	
on intangible assets	179.66	263.02	
on investment property	2.33	2.32	
Total	3,278.41	2,271.24	

10. NON-CURRENT INVESTMENTS

(Rs. in lacs)

Non-current Investments		As at March 31, 2014	As at March 31, 2013
1 Investment property (net of depreciation)		197.47	199.78
2 Non trade :		-	374.34
A. a) Investment in Equity shares-quoted		65.00	207.50
A. b) Investment in Equity shares-unquoted		-	100.00
A. c) Investment in Preference shares		33,089.48	23,778.57
B. Investment in Government securities		5,000.00	5,000.00
C. Investment in Subordinated debts		1,453.04	873.15
D. Investment in Venture capital fund		(25.00)	(167.50)
Less : Aggregate provision for diminution in value of investments			
Total		39,779.99	30,365.84

(Rs. in lacs)

Particulars	Face value (Rs.)	Quantity	Amount	Quantity	Amount
		As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
1. Investment property					
(at cost less accumulated depreciation)					
Cost of land and building given on operating lease			211.66		211.66
Less: accumulated depreciation			14.19		11.88
Net Block			197.47		199.78
2. Non trade					
(valued at cost unless stated otherwise)					
A. Shares : Fully paid up					
a) Quoted - Equity shares					
Investment in associates					
Shriram Asset Management Company Limited (40% Share) #	10	-	-	2,400,000	240.00
Add: Share of post acquisition profit (including Rs. Nil of Goodwill net of Capital Reserve arising on consolidation) (Sold during the year)			-		134.34
					374.34
b) Unquoted - Equity shares					
Investment in other companies					
State Industrial Investment Corporation of Maharashtra Limited	10	50,000	40.00	50,000	40.00
Credential Finance Limited	10	25,000	-	25,000	-
[At cost less provision for other than temporary diminution in value of Rs. 25.00 lacs (March 31, 2013: Rs. 25.00 lacs)]					

						(Rs. in lacs)
		Face value (Rs.)	Quantity	Amount	Quantity	Amount
			As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
10.	NON-CURRENT INVESTMENTS (Contd.)					
	Ashley Transport Services Limited (Company dissolved during the year) [At cost less provision for other than temporary diminution in value of Rs. Nil (March 31, 2013: Rs. 142.50 lacs)]	100	-	-	225,000	-
c)	Unquoted - Preference shares					
	Investment in associates					
	Shriram Asset Management Company Limited (sold 100,000 shares of Rs. 100/- each during the year)	100	-	-	100,000	100.00
B.	Quoted-Government Securities					
	Quoted					
	6.13% GOI Loan 2028	100	176,000	177.47	176,000	177.57
	6.35% GOI Loan 2020	100	2,500,000	2,385.64	2,500,000	2,365.79
	6.49% GOI Loan 2015	100	500,000	495.73	500,000	492.13
	6.90% GOI Loan 2019	100	5,000,000	4,793.75	5,000,000	4,754.74
	7.02% GOI Loan 2016	100	400,000	397.02	400,000	395.77
	7.80% GOI Loan 2020	100	2,500,000	2,495.30	2,500,000	2,494.53
	8.13% GOI Loan 2022	100	2,500,000	2,502.31	2,500,000	2,502.58
	8.24% GOI Loan 2027	100	500,000	497.28	500,000	497.06
	8.26% GOI Loan 2027	100	2,500,000	2,454.90	2,500,000	2,484.32
	8.26% GOI Loan 2027	100	5,000,000	4,909.80	5,000,000	4,870.24
	8.97% GOI Loan 2030	100	2,500,000	2,668.33	2,500,000	2,743.83
	8.33% GOI Loan 2026 (Purchased during the year)	100	2,500,000	2,331.34	-	-
	8.28% GOI loan 2027 (Purchased during the year)	100	5,000,000	6,980.61	-	-
C.	Unquoted - Investment in Subordinate Debts					
	Yes Bank Limited	1,000,000	500	5,000.00	500	5,000.00
D.	Unquoted- Venture Capital Fund					
	ICICI Investment Management Company Limited	10,000	14,530	1,453.04	8,731	873.15
	Total			39,779.99		30,365.84
	Aggregate Value of Quoted Investments					
	Cost of acquisition			33,089.48		24,018.58
	Market Value			29,430.21		24,681.26
	Aggregate Value of Unquoted Investments					
	Cost of acquisition			6,518.04		6,180.65
	Aggregate Provision for diminution in value of investments			25.00		167.50

These shares are subject to restrictive covenants of regulatory authority.

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013
11. DEFERRED TAX ASSETS (NET)		
Deferred tax asset		
Fixed asset: Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting period	586.52	431.95
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	4,552.89	4,215.85
Provision for securitization	18,240.09	22,110.15
Provision for standard assets	3,356.95	2,763.28
Gross deferred tax assets (A)	26,736.45	29,521.23
Deferred tax liability		
Debenture Issue Expenses	1,180.65	808.70
Gross deferred tax liability (B)	1,180.65	808.70
Net deferred tax assets (A-B)	25,555.80	28,712.53

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013		
	Non-current portion	Current portion #	Non-current portion	Current portion #
12. LOANS AND ADVANCES				
Unsecured, considered good				
Capital advances	151.66	-	673.94	-
Security deposits	3,258.46	852.07	2,474.92	1,169.21
Secured, considered good				
Hypothecation loans	2,118,667.78	1,604,774.07	1,914,534.01	1,335,626.04
Retained interest on securitisation	41,178.54	40,768.00	31,172.67	21,172.94
Other loans	10.19	30.05	82.80	39.97
Unsecured, considered good				
Unsecured loans^	12,928.42	102,133.39	9,682.50	84,415.21
Advance - hypothecation loans	1,007.45	-	1,873.60	-
Debtors on securitisation [net of delinquency provision Rs. 46,292.75 lacs (March 31, 2013: Rs. 37,541.27 lacs)]	-	34.09	-	1,189.05
Securitisation deferred consideration receivable	37,139.46	79,937.37	54,636.13	130,077.34
Doubtful				
Secured Hypothecation loans	143,709.36	-	98,576.42	-
Other loans	350.64	-	615.32	-
Unsecured loan	5,452.50	-	3,175.33	-
Advances recoverable in cash or in kind or for value to be received	36.14	-	36.14	-

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current portion #	Non-current portion	Current portion #
12. LOANS AND ADVANCES (Contd.)				
Other loans and advances - Unsecured, considered good				
Advances recoverable in cash or in kind or for value to be received	3,369.51	9,528.73	1,100.82	3,303.75
Service tax credit (input) receivable	-	2,319.19	-	770.06
MAT credit entitlement	-	-	188.29	-
Prepaid expenses	155.26	854.57	362.13	928.77
Advance income tax (net of provision for taxation) [Refer Note 34]	9,548.62	-	5,672.26	-
[net of provision for income tax Rs. 247,798.82 lacs (March 31, 2013: Rs. 189,890.77 lacs)]				
Total	2,376,963.99	1,841,231.53	2,124,857.28	1,578,692.34

Includes current maturities of long term loans and advances

^ Advance given to the company in which a director is interested Rs. Nil (March 31, 2013: Rs. 136.29 lacs)

(Rs. in lacs)

	As at March 31, 2014		As at March 31, 2013	
	Non-current portion	Current portion	Non-current portion	Current portion
13. OTHER ASSETS				
Unsecured, considered good				
Fixed deposits with banks (Note 16)	0.50	-	1.00	-
Margin money deposit with banks (Note 16)	6,374.05	-	14,217.60	-
Interest accrued on investments	-	1,029.29	-	1,148.20
Interest accrued on fixed deposits with banks	372.08	5,302.78	505.59	5,323.77
Plan Asset - gratuity	-	0.13	-	-
Public issue expenses for non convertible debentures	1,957.42	1,516.10	1,401.11	1,091.46
Issue expenses for equity shares	738.45	152.77	891.22	152.78
Total	9,442.50	8,001.07	17,016.52	7,716.21

(Rs. in lacs)

	As at March 31, 2014	As at March 31, 2013
14. CURRENT INVESTMENTS		
1 Investment in Government securities	-	85.03
2 a) Investment in Certificate of deposit with banks	203,561.74	297,574.60
2 b) Investment in Mutual fund	201.40	-
Less : Aggregate provision for diminution in value of investments	(16.81)	-
Total	203,746.33	297,659.63

(Rs. in lacs)

Particulars	Face value (Rs.)	Quantity	Amount	Quantity	Amount
		As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
1. Current portion of long term investments (valued at cost unless otherwise mentioned)					
a) Quoted: Government Securities [Refer note 28]					
12.40% GOI Loan 2013	100	-	-	85,000	85.03
This security is redeemable on August 20, 2013 at par					
2. Current Investments (At lower of cost and fair value)					
a) Unquoted: Investment in Certificate of Deposit with Banks					
Allahabad Bank	20,000	19,587.42	-	-	-
Andhra Bank	30,000	29,458.76	20,000	18,436.20	
[At cost less provision for diminution in value of Rs. 9.39 lacs (March 31, 2013: Rs. Nil)]					
Axis Bank	-	-	30,000	29,229.36	
Bank of Baroda	2,500	2,452.54	2,500	2,309.57	
[At cost less provision for diminution in value of Rs. 0.01 lacs (March 31, 2013: Rs. Nil)]					
Bank of India	-	-	2,500	2,442.49	
Canara Bank	-	-	20,000	19,584.48	
Central Bank of India	10,000	9,896.90	20,000	19,564.42	
Federal Bank Limited	-	-	10,000	9,837.48	
HDFC Bank Limited	-	-	5,000	4,900.71	
ICICI Bank Limited	-	-	20,000	19,708.42	
Industrial Development Bank of India Limited	25,000	24,556.87	20,000	19,583.62	
[At cost less provision for diminution in value of Rs. 7.41 lacs (March 31, 2013: Rs. Nil)]					
Indian Bank	-	-	20,000	19,205.82	
Indusind Bank Limited	10,000	9,797.95	20,000	19,563.69	
Karur Vysya Bank	-	-	20,000	19,590.16	
Punjab National Bank	-	-	11,000	10,818.19	
South Indian Bank	30,000	29,330.27	-	-	
State Bank of Bikaner & Jaipur	-	-	5,000	4,913.45	
Syndicate Bank	20,000	19,670.98	20,000	19,130.18	
UCO Bank	30,000	29,301.33	-	-	
Union Bank of India	20,000	19,670.98	-	-	
United Bank of India	-	-	40,000	39,135.10	
Vijaya Bank	10,000	9,820.93	20,000	19,621.26	
b) Quoted: Investment in Mutual Fund					
Shriram Equity & Debt Opportunities Fund Direct	10	2,000,000	200.00	-	-
DWS Insta Cash Plus Fund - Direct Plan - Growth	10	840.33	1.40	-	-
Total			203,746.33		297,659.63

Particulars	Face value (Rs.)	Quantity		Amount		(Rs. in lacs)	
		As at March 31, 2014	As at March 31, 2014	As at March 31, 2013			
Aggregate Value of Quoted Investments							
Cost of acquisition			201.40				85.03
Market Value			213.32				87.31
Aggregate Value of Unquoted Investments							
Cost of acquisition			203,544.93				297,574.60
Aggregate Provision for diminution in value of investments							
			16.81				-

15. TRADE RECEIVABLES		(Rs. in lacs)	
		As at March 31, 2014	As at March 31, 2013
Unsecured, considered good			
Outstanding for a period exceeding six months from the date they are due for payment		-	-
Other receivables		190.67	0.49
Total		190.67	0.49

16. CASH AND BANK BALANCES		As at March 31, 2014		As at March 31, 2013	
		Non-current portion	Current portion	Non-current portion	Current portion
Cash and cash equivalents					
i) Balances with scheduled banks in:					
Current accounts		-	185,452.85	-	377,159.68
Unpaid dividend accounts		-	773.96	-	629.22
Deposits with original maturity of less than three months		-	260,596.00	-	57,537.00
ii) Cheques on hand		-	4,197.25	-	5,419.28
iii) Cash on hand		-	13,608.57	-	9,488.22
iv) Call Money (CBLO)		-	69,882.53	-	-
		-	534,511.16	-	450,233.40
Other bank balances					
Deposits with original maturity for more than 12 months		0.50	290.80	-	291.30
Deposits with original maturity for more than 3 months but less than 12 months		-	31,878.40	-	24,735.24
Margin money deposit#@		6,374.05	145,163.32	14,218.60	159,912.75
		6,374.55	177,332.52	14,218.60	184,939.29
Amount disclosed under non-current assets					
[Refer Note 13]		(6,374.55)		(14,218.60)	
Total		-	711,843.68	-	635,172.69

@ Includes deposits of Rs. 1.64 lacs (March 31, 2013: Rs. 1.00 lacs) pledged with VAT authorities.

Includes deposits of Rs. 139,935.51 lacs (March 31, 2013 : Rs. 151,893.09 lacs) pledged with Banks as margin for credit enhancement, Rs. 11,194.65 lacs (March 31, 2013: Rs. 21,995.05 lacs) as margin for guarantees and Rs. 405.57 lacs (March 31, 2013: Rs. 242.22 lacs) pledged as lien against loans taken.

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
17. REVENUE FROM OPERATIONS		
Interest income on		
- loan portfolio and related charges	636,330.98	470,994.67
- securitisation and direct assignment	85,372.36	175,165.21
- margin money on securitisation/ assignments	13,354.78	12,819.22
- pass through certificates	48,304.69	12,066.44
- deposits with banks	6,421.88	1,576.53
- long- term investments	2,725.87	2,201.92
- current investments	2,864.01	3,008.35
Other financial services		
Reversal of provision for credit loss on securitisation	11,475.54	-
Income from portfolio management services	85.67	269.82
Income from commission services	3,617.42	1,511.05
Bad debt recovery	490.57	576.94
Dividend on long- term investments	0.50	0.50
Dividend on current investments	-	120.12
Profit on sale of current investments (net)	29,363.67	13,773.52
Profit on sale of investment in associate	0.06	-
Sales of used commercial vehicles	-	84.17
Facilitation fees	7,193.92	7,274.41
Total	847,601.92	701,442.87

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
18. OTHER INCOME		
Income from operating lease	10.14	9.94
Profit on sale of assets (net)	308.23	0.14
Miscellaneous income	98.40	142.85
Total	416.77	152.93

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
19. EMPLOYEE BENEFIT EXPENSES		
Salaries, other allowances and bonus	43,442.05	41,096.68
Gratuity expenses	232.72	600.93
Contribution to provident and other funds	2,268.13	1,845.57
Expense on Employee Stock Option Scheme**	11.14	(86.69)
Staff welfare expenses	1,205.76	860.23
Total	47,159.80	44,316.72

** Negative amount in the year ended March 31, 2013 owing to forfeiture of options granted to employees in the past along with option lapse on account of employee resignation against which ESOP expense were duly booked in the past over the vesting period of such options.

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
20. FINANCE COST		
Interest expense		
Debentures	164,929.90	122,412.43
Subordinated debts	52,049.20	43,798.91
Fixed deposits	18,404.23	13,520.29
Loans from banks	142,940.52	89,140.89
Loans from institutions and others	9,784.34	5,636.78
Commercial paper	2,434.30	8,455.85
Other borrowing costs		
Professional charges - resource mobilisation	9,661.93	5,632.00
Processing charges on loans	1,262.40	1,391.29
Brokerage	12,270.88	9,997.32
Sourcing fees	716.59	620.39
Service charges	4,299.56	3,710.35
Amortisation of NCD Public issue expenses	1,467.06	1,578.01
Total	420,220.91	305,894.51

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
21. OTHER EXPENSES		
Rent	7,414.97	6,565.64
Lease Rent for Parking Yards	128.35	428.19
Electricity expenses	996.96	768.99
DSA Commission	200.44	318.85
Repairs & maintenance		
- Buildings	11.41	15.36
- Others	1,077.82	1,036.52
Rates & taxes	190.80	434.95
Printing & stationery	1,551.89	1,927.87
Travelling & conveyance	11,780.87	3,869.04
Advertisement	175.92	593.77
Registration and Filing Fees	2.71	1.28
Brokerage	1.92	-
Business Promotion	2,713.03	1,006.51
Buyer and seller Facilitation Expense	884.07	502.31
Royalty	2,561.58	2,253.37
Directors' sitting fees	12.37	8.71
Insurance	54.72	23.33
Communication expenses	4,315.33	2,734.07
Payment to auditor [Refer Note 33]		
As Auditor:		
- Audit fees	145.57	145.42
- Tax audit fees	9.90	10.21
- Out of pocket	5.78	7.50
In any other manner:		
- Certification	4.59	1.79

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
21. OTHER EXPENSES (Contd.)		
Bank charges	3,091.07	3,311.52
Processing charges on securitization	5.31	5.31
Professional charges on securitization	5,709.05	6,656.22
Legal & professional charges	3,022.27	2,286.65
Provision for non moving inventory	-	(3.23)
Donations	477.25	499.62
Loss on sale of fixed assets (net)	-	47.11
Issue expenses for equity shares	152.78	152.78
Data center management service	146.53	111.81
Security charges	305.15	184.86
Service charges paid	3,937.95	3,517.01
Miscellaneous expenses	7,904.03	6,101.48
Total	58,992.39	45,524.82

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
22. PROVISIONS & WRITE OFFS		
Provision for non performing assets	34,890.07	19,509.69
Provision for standard assets [Refer note (e) of note 2.1]	1,359.49	2,546.91
Provision for credit loss on securitisation	-	17,617.43
Provision for diminution in value of investments*	16.81	(178.66)
Bad debts written off	85,054.49	47,728.59
Total	121,320.86	87,223.96

* Negative amount in the year ended March 31, 2013 owing to provision for diminution in value of investments booked on current investments during previous year ended March 31, 2012 written back on sale in the year ended March 31, 2013.

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
23. EARNINGS PER SHARE		
Net Profit after tax as per statement of profit and loss (Rs. in lacs) (A)	135,793.73	146,342.79
Weighted average number of equity shares for calculating Basic EPS (in lacs) (B)	2,268.76	2,268.32
Weighted average number of equity shares for calculating Diluted EPS (in lacs) (C)	2,268.76	2,268.50
Basic earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (B)	59.85	64.52
Diluted earnings per equity share (in Rupees) (Face value of Rs. 10/- per share) (A) / (C)	59.85	64.51

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Weighted average number of equity shares for calculating Basic EPS (in lacs)	2,268.76	2,268.32
Add : Equity shares for no consideration arising on grant of stock options under ESOP (in lacs)	-	0.18
Weighted average number of equity shares in calculating Diluted EPS (in lacs)	2,268.76	2,268.50

24. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group has defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

During the year the Group has funded Rs. 2,022.67 lacs for gratuity being defined benefit obligation outstanding as on September 30, 2013.

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

Statement of Profit and Loss

Net employee benefit expense (recognized in the Statement of profit and loss)

(Rs. in lacs)

Particulars	Gratuity	
	Year ended March 31, 2014	Year ended March 31, 2013
Current service cost	348.84	288.90
Interest cost on benefit obligation	154.23	124.19
Expected return on plan assets	Nil	Not applicable
Net actuarial (gain) / loss recognised in the year	(270.36)	187.84
Past service cost	Nil	Nil
Net benefit expense	232.71	600.93
Actual return on plan assets	51.10	Not applicable

Balance sheet

Benefit asset/(liability)

(Rs. in lacs)

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	2,128.54	1,927.94
Fair value of plan assets	2,073.77	Not applicable
Surplus/(deficit)	(54.77)	(1,927.94)
Less: Unrecognised past service cost	Nil	Nil
Plan asset / (liability)*	(54.77)	(1,927.94)

* Disclosed under Note 7- Provisions and Note 13 - Other Assets

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

(Rs. in lacs)

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Opening defined benefit obligation	1,927.94	1,460.99
Interest cost	154.23	124.18
Current service cost	348.84	288.90
Benefits paid	(83.22)	(133.97)
Actuarial (gains) / losses on obligation	(219.25)	187.84
Closing defined benefit obligation	2,128.54	1,927.94

Changes in the fair value of the plan assets are as follows:

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Opening fair value of plan assets	Nil	Not applicable
Expected return	Nil	Not applicable
Contributions by employer	2,022.67	Not applicable
Benefits paid	Nil	Not applicable
Actuarial gains / (losses)	51.10	Not applicable
Closing fair value of plan assets	2,073.77	Not applicable

The Group did not contribute any amount to gratuity in 2012-13 as the scheme was unfunded.

The Group expects to contribute Rs. 407.63 lacs to gratuity in the next year.

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

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Investments with insurer	%	%
	100	Not applicable

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

Particulars	Gratuity	
	March 31, 2014	March 31, 2013
Discount rate	9.36%	8.00%
Expected rate of return on assets	8.70%	Not applicable
Increase in compensation cost	5.00%	5.00%
Employee Turnover*	5% and 10%	5% and 10%

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

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

Particulars	(Rs. in lacs)				
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligation	2,128.54	1,927.94	1,460.99	913.73	612.63
Plan assets	2,073.77	NA	NA	NA	NA
Surplus / (deficit)	(54.77)	(1,927.94)	(1,460.99)	(913.73)	(612.63)
Experience adjustments on plan liabilities (gains)/losses	58.31	94.64	343.18	74.98	55.56
Experience adjustments on plan assets (losses)/gains	51.10	NA	NA	NA	NA

- 25.** The Group has three reportable segment viz. Providing finance to commercial vehicles, other loans(Financing activities), Trading of Used Commercial vehicles(Trading Division) and Facilitating the buyers / sellers to sell their vehicles (Service Division) which have been identified in line with the Accounting Standard 17 on Segment Reporting, taking into the account organizational Structure as well as differential risk and return of these segments. Each of the above activity is restricted to a common single geographical segment. Hence, no disclosure on geographic segment is warranted.

For the year ended March 31, 2014

(Rs. in lacs)

Particulars	Financing activities	Trading Division	Service Division	Unallocated reconciling items	Total
Segment revenue	840,374.05	-	7,644.64	-	848,018.69
Segment results (Profit before tax and after interest on financing segment)	195,802.69	-	1,247.75	-	197,050.43
Less: Unallocated reconciling items	-	-	4.11	-	4.11
Net profit before tax					197,046.32
Less: Income Taxes					61,252.59
Net profit after tax					135,793.73
Add: Share of Profit of Associate					-
Net profit after taxes and share of loss of associate					135,793.73
Other information:					
Segment assets	5,190,350.20	-	6,784.03	-	5,197,134.23
Unallocated corporate assets	34,979.95	-	124.47	-	35,104.42
Total assets	5,225,330.15	-	6,908.50	-	5,232,238.65
Segment liabilities	4,373,571.93	-	3,082.70	-	4,376,654.63
Unallocated corporate liabilities	4,543.15	-	23.16	-	4,566.31
Total Liabilities	4,378,115.08	-	3,105.86	-	4,381,220.94
Capital expenditure	7,228.25	-	4,519.18	-	11,747.43
Depreciation	2,955.83	-	322.58	-	3,278.41
Other non cash expenditure	126,071.06	-	396.01	-	126,467.07

For the year ended March 31, 2013

(Rs. in lacs)

Particulars	Financing activities	Trading Division	Service Division	Unallocated reconciling items	Total
Segment revenue	694,060.34	84.17	7,451.29	-	701,595.80
Segment results (Profit before tax and after interest on financing segment)	214,840.32	(11.12)	1,441.08	-	216,270.27
Less: Unallocated reconciling items					4.24
Net profit before tax					216,266.03
Less: Income taxes					69,877.26
Net profit after tax					146,388.77
Add: Share of profit of associate					(45.98)
Net profit after taxes and Share of Loss of Associate					146,342.79
Other information:					
Segment assets	4,688,306.60	-	4,728.51	-	4,693,035.11
Unallocated corporate assets	34,124.49	-	260.30	-	34,384.79
Total assets	4,722,431.09	-	4,988.81	-	4,727,419.90
Segment Liabilities	3,987,074.27	-	2,015.30	-	3,989,089.57
Unallocated corporate liabilities	4,543.16	-	-	-	4,543.16
Total Liabilities	3,991,617.43	-	2,015.30	-	3,993,632.73
Capital expenditure	4,247.45	-	69.67	-	4,317.12
Depreciation	1,894.56	-	376.68	-	2,271.24
Other non cash expenditure	95,110.75	-	458.30	-	95,569.05

26. EMPLOYEE STOCK OPTION PLAN

	Series I	Series II	Series III	Series IV	Series V	Series VI
Date of grant	31-Oct-05	1-Apr-06	9-Oct-06	17-Aug-07	15-Jul-08	13-May-09
Date of Board/committee Approval	19-Oct-05	22-Feb-06	6-Sep-06	17-Aug-07	15-Jul-08	13-May-09
Date of Shareholder's approval	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05	13-Oct-05
Number of options granted	2,962,500	832,500	910,000	109,000	77,000	50,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity
Graded Vesting Period						
After 1 year of grant date	10% of options granted	10% of options granted	10% of options granted	10% of options granted	10% of options granted	10% of options granted
After 2 years of grant date	20% of options granted	20% of options granted	20% of options granted	20% of options granted	20% of options granted	20% of options granted
After 3 years of grant date	30% of options granted	30% of options granted	30% of options granted	30% of options granted	30% of options granted	30% of options granted
After 4 years of grant date	40% of options granted	40% of options granted	40% of options granted	40% of options granted	40% of options granted	40% of options granted
Exercisable period	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date	10 years from vesting date
Vesting Conditions	On achievement of predetermined targets.					

The serieswise details have been summarized below:

March 31, 2014

	Series I	Series II	Series III	Series IV	Series V	Series VI
	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Outstanding at the beginning of the period (Number of Shares)	-	-	4,000	-	-	14,800
Add: Granted during the period (Number of Shares)	-	-	-	-	-	-
Less: Forfeited during the period (Number of Shares)	-	-	-	-	-	-
Less: Exercised during the period (Number of Shares)	-	-	4,000	-	-	14,800
Less: Expired during the period (Number of Shares)	-	-	-	-	-	-

26. EMPLOYEE STOCK OPTION PLAN (Contd.)
March 31, 2014

	Series I	Series II	Series III	Series IV	Series V	Series VI
	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Outstanding at the end of the period (Number of Shares)	-	-	-	-	-	-
Exercisable at the end of the period (Number of Shares)	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-	-	-
Weighted average fair value of options granted	59.04	91.75	74.85	136.40	253.90	201.45
Weighted Average Exercise Price(Rs.)	35.00	35.00	35.00	35.00	35.00	35.00

March 31, 2013

	Series I	Series II	Series III	Series IV	Series V	Series VI
	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Outstanding at the beginning of the period (Number of Shares)	81,900	13,500	39,050	-	28,400	32,900
Add: Granted during the period (Number of Shares)	-	-	-	-	-	-
Less: Forfeited during the period (Number of Shares)	-	-	-	-	-	-
Less: Exercised during the period (Number of Shares)	10,400	6,000	11,400	-	23,600	11,100
Less: Expired during the period (Number of Shares)	71,500	7,500	23,650	-	4800	7,000
Outstanding at the end of the period (Number of Shares)	-	-	4,000	-	-	14,800
Exercisable at the end of the period (Number of Shares)	-	-	4,000	-	-	-
Weighted average remaining contractual life (in years)	5.09	5.49	6.01	6.88	7.78	8.60
Weighted average fair value of options granted	59.04	91.75	74.85	136.40	253.90	201.45
Weighted Average Exercise Price(Rs.)	35.00	35.00	35.00	35.00	35.00	35.00

26. EMPLOYEE STOCK OPTION PLAN (Contd.)

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

March 31, 2014

There are no stock options outstanding as at March 31, 2014.

March 31, 2013

Series	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
Series I	Rs. 35/-	-	5.09	Rs. 35/-
Series II	Rs. 35/-	-	5.49	Rs. 35/-
Series III	Rs. 35/-	4,000	6.01	Rs. 35/-
Series IV	Rs. 35/-	-	6.88	Rs. 35/-
Series V	Rs. 35/-	-	7.78	Rs. 35/-
Series VI	Rs. 35/-	14,800	8.60	Rs. 35/-

Stock Options granted

Series I:

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

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

Series II:

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

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

The weighted average share price for the period over which stock options were exercised was Rs.650.99 (March 31, 2013: Rs. 660.98)

26. EMPLOYEE STOCK OPTION PLAN (Contd.)

Series III:

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

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

Series IV:

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

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

Series V:

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

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

26. EMPLOYEE STOCK OPTION PLAN (Contd.)

Series VI:

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

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

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

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

Particulars	As at March 31, 2014	As at March 31, 2013
Total compensation cost pertaining to employee share-based payment plan (entirely equity settled)	8.36	(86.69)
Liability for employee stock options outstanding as at year end	83.61	34.00
Deferred compensation cost	76.15	0.90

26. EMPLOYEE STOCK OPTION PLAN (Contd.)

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

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

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit as reported (Rs. in lacs)	135,793.73	146,342.79
Add: Employee stock compensation under intrinsic value method (Rs. in lacs)	8.36	(86.69)
Less: Employee stock compensation under fair value method (Rs. in lacs)	9.83	(80.20)
Proforma profit (Rs. in lacs)	135,792.26	146,336.30
Earnings per share		
Basic (Rs.)		
- As reported	59.85	64.52
- Proforma	59.85	64.51
Diluted (Rs.)		
- As reported	59.85	64.51
- Proforma	59.85	64.51
Nominal Value (Rs.)	Rs. 10.00	Rs. 10.00

27. LEASES

In case of assets taken on lease

The Group has taken various office premises, furniture and fixtures, computers and plant and machinery under operating lease. The lease payments recognized in the statement of profit & loss are Rs. 7,414.97 lacs (March 31, 2013 : Rs. 6,565.64 lacs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 6 to 144 months. There are no restrictions imposed by lease arrangements. There are no sub leases.

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

	(Rs. in lacs)	As at March 31, 2014	As at March 31, 2013
Minimum Lease Payments:			
Not later than one year	1,015.27	950.11	
Later than one year but not later than five years	1,623.74	781.92	
Later than five years	453.84	58.81	

28. In accordance with the Reserve Bank of India circular no.RBI/2006-07/ 225 DNBS (PD) C.C No. 87/03.02.004/2006-07 dated January 4, 2007, the Company has created a floating charge on the statutory liquid assets comprising of investment in Government Securities to the extent of Rs. 34,076.00 lacs (March 31, 2013: Rs. 24,161.00 lacs) in favour of trustees representing the public deposit holders of the Company.

29. RELATED PARTIES DISCLOSURE

Related party where control exists

Other related parties

Enterprises having significant influence over the Company	:	Shriram Holdings (Madras) Private Limited (upto November 05, 2012) Shriram Capital Limited Newbridge India Investments II Limited (upto May 10, 2013) Shriram Ownership Trust Shriram Financial Ventures (Chennai) Private Limited (w.e.f. August 31, 2012)
Associates	:	Shriram Asset Management Company Limited (upto June 18, 2013)
Key Management Personnel	:	Mr. Umesh Revankar, Managing Director Mr. Pratap Paode, Chief Executive Officer, Shriram Equipment Finance Company Limited Mr. Sameer Malhotra, Chief Executive Officer, Shriram Automall India Limited
Relatives of Key Management Personnel	:	Mrs. Suchita U. Revankar (spouse of Mr. Umesh Revankar) Master Shirish U. Revankar (son) Master Shreyas U. Revankar (son) Mrs. Geeta G. Revankar (mother) Mrs. Bidisha Paode(spouse of Mr. Pratap Paode) Mrs. Kamini Malhotra (spouse of Mr. Sameer Malhotra)

28. RELATED PARTIES DISCLOSURE (Contd.)

Particulars	Enterprises having significant influence over the company		Key Management personnel(Managing Director, Whole time director, manager and other management personnel)		Relative of Key Management Personnel		Total
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	
Payments/Expenses							
Employee benefits for key management personnel	-	-	-	205.83	182.19	-	205.83
Car rental charges	-	-	-	-	5.88	5.28	5.88
Royalty paid to Shriram Ownership Trust	2,561.58	2,253.37	-	-	-	-	2,561.58
Data sourcing fees paid to Shriram Ownership Trust	716.59	620.39	-	-	-	-	716.59
Service charges paid to Shriram Ownership Trust	4,299.56	3,722.35	-	-	-	-	4,299.56
Service charges paid to Shriram Capital Limited	3,937.95	3,517.01	-	-	-	-	3,937.95
Equity dividend paid ^Ω	-	-	3.13	1.52	-	-	3.13
-Shriram Capital Limited	4,104.08	1,755.08	-	-	-	-	4,104.08
Non-convertible debenture matured ^Ω	-	-	-	-	2.01	1.09	2.01
Fixed deposit matured	-	-	-	-	1.02	-	1.02
Interest on fixed deposit	-	-	-	-	0.15	0.12	0.15
Interest on subordinated debt	-	-	17.50	76.30	-	0.07	0.04
Interest on non-convertible debenture	-	-	0.12	0.62	0.38	1.78	1.18
Investment in preference shares in Shriram Asset Management Company Limited ^Ω	-	-	100.00	-	-	-	100.00
Employee benefits paid ^Ω	-	-	-	-	-	-	-
-Shriram Capital Limited	-	17.24	-	-	-	-	17.24
Rent paid	-	-	0.39	2.26	-	-	0.39
-Shriram Capital Limited	20.55	-	-	-	-	-	20.55
Other administrative expenses paid to	-	-	-	-	-	-	-
-Shriram Capital Limited	5.11	-	-	-	-	-	5.11
Unsecured loan given ^Ω	-	-	-	-	-	-	-
-Shriram Capital Limited	34,500.00	-	-	-	-	-	34,500.00

28. RELATED PARTIES DISCLOSURE (Contd.)

Particulars	Enterprises having significant influence over the company	Associates		Key Management personnel(Managing Director, Whole time director, manager and other management personnel)		Relative of Key Management Personnel		Total	(Rs. in lacs)
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013		
Receipts/income									
Expenses									
Unsecured loan repaid μ									
- Shriram Capital Limited	-	37,000.00	-	-	-	-	-	37,000.00	
Interest received on unsecured loan									
- Shriram Capital Limited	-	1,167.43	-	-	-	-	-	1,167.43	
Rent and electricity									
- Shriram Capital Limited	11.32	15.17	-	-	-	-	-	11.32	15.17
Shriram Asset Management Company Limited	-	-	1.16	5.40	-	-	-	1.16	5.40
Non-convertible debenture μ	-	-	-	-	-	3.29	2.38	3.29	2.38
Fixed deposit μ	-	-	-	-	-	2.09	-	2.09	-
Subordinated debts μ	-	-	-	-	-	0.80	-	0.80	-
Application money of NCD μ	-	-	-	-	-	0.50	-	0.50	-

28. RELATED PARTIES DISCLOSURE (Contd.)

Particulars	Enterprises having significant influence over the company		Associates		Key Management personnel(Managing Director, Whole time director, manager and other management personnel)		Relative of Key Management Personnel		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Balance Outstanding at the year end										
Share Capital	-	-	-	-	5.52	5.08	-	-	5.52	5.08
- Shriram Capital Limited	5,910.32	5,850.28	-	-	-	-	-	-	5,910.32	5,850.28
Investment in Equity shares	-	-	-	-	-	-	-	-	-	-
- Shriram Asset Management Company Limited	-	-	-	240.00	-	-	-	-	-	240.00
Investment in Preference shares	-	-	-	-	-	-	-	-	-	-
- Shriram Asset Management Company Limited	-	-	-	100.00	-	-	-	-	-	100.00
Non-convertible debenture	-	-	-	6.00	4.38	-	15.86	7.09	20.24	13.09
Interest payable on Non-convertible debenture	-	-	-	-	0.22	-	1.19	1.03	1.41	1.03
Rent receivable from Shriram Capital Limited	0.94	0.94	-	-	-	-	-	-	0.94	0.94
Administrative expenses payable to Shriram Capital Limited	3.65	-	-	-	-	-	-	-	3.65	-
Outstanding expenses	-	-	-	-	-	-	-	-	-	-
- Shriram Ownership Trust	230.94	1,998.44	-	-	-	-	-	-	230.94	1,998.44
Fixed deposit	-	-	-	-	-	-	2.09	1.02	2.09	1.02
Interest payable on fixed deposit	-	-	-	-	-	-	0.12	0.30	0.12	0.30
Subordinated debt	-	-	-	-	-	413.40	-	1.10	0.30	1.10
Interest payable on subordinated debt	-	-	-	-	270.57	-	0.18	0.11	0.18	270.68

Ω Denotes payments
 μ Denotes receipts

30. CONTINGENT LIABILITIES NOT PROVIDED FOR

	(Rs. in lacs)	As at March 31, 2014	As at March 31, 2013
a. In respect of Income tax demands where the company has filed appeal before CIT(Appeals)	52,679.22	46,689.12	
b. VAT demand where the company has filed appeal before Tribunal	2,621.14	1,843.09	
c. Service tax liability pertaining to HP/Lease	12,824.07	-	
d. Guarantees and counter guarantees	237,803.49	227,250.85	

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals.

The Company has received Show Cause Notice demanding service tax on services rendered towards provision of collection of receivables and liquidity facilities in respect of Securitisation / Direct Assignments for the period 2008-09 to 2011-12 and the same is contested by the Company.

Disputed income tax demand are on account of	As at March 31, 2014	As at March 31, 2013
a. Transfer to statutory reserve, provision for NPA, securitisation, etc	32,866.77	27,288.44
b. Securitisation and royalty for AY 2008-09 and 2007-08	19,773.64	19,400.68
c. Disallowance of ESOP expenses	38.81	-
	52,679.22	46,689.12

Commitments not provided for	As at March 31, 2014	As at March 31, 2013
a. Estimated amount of contracts remaining to be executed on capital account	194.11	394.81
b. Uncalled amount in investment in ICICI Investment Management Company Limited	1,046.96	1,626.85

31. SECURITISATION/ DIRECT ASSIGNMENT

The Company sells loans through securitisation and direct assignment.

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below:

Particulars	(Rs. in lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Total number of loan assets under par structure	210,869	216,084
Total book value of loan assets	805,635.46	780,379.62
Sale consideration received	805,635.46	780,379.62

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

Particulars	(Rs. in lacs)	
	As at March 31, 2014	As at March 31, 2013
No. of SPVs sponsored by the Company for securitisation transactions	48	34
Total amount of securitised assets as per the books of SPVs sponsored by the Company	1,226,692.65	943,519.90
Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet		
a) Off - Balance Sheet Exposures		
First Loss	751.25	751.25
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	80,349.45	38,354.45
Investment in PTC	56,347.80	37,112.85
Amount of exposures to securitisation transaction other than MRR		
a) Off - Balance Sheet Exposures		
i) Exposures to own securitisations		
First Loss	-	1,207.00
Others	96,464.92	43,955.46
ii) Exposures to third party securitisations		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own securitisations		
First Loss	11,664.54	11,462.58
Others	27,307.99	36,045.91
ii) Exposures to third party securitisations		
First Loss	-	-
Others	-	-

31. SECURITISATION/ DIRECT ASSIGNMENT (Contd.)

The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given below:

Particulars	(Rs. in lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Total number of loan assets under par structure	87,153	51,920.00
Total book value of loan assets	262,319.32	98,050.69
Sale consideration received	262,319.32	98,050.69

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

Particulars	(Rs. in lacs)	
	As at March 31, 2014	As at March 31, 2013
No. of transactions assigned by the Company	55	70
Total amount outstanding	423,228.38	838,866.02
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet		
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	-	-
Investment in PTC	23,841.58	9,805.07
Amount of exposures to assigned transaction other than MRR		
a) Off - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	26,909.41	36,749.49
Others	97,287.54	134,145.21
ii) Exposures to third party assigned transactions		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	19,737.27	33,577.52
Others	575.61	12,268.12
ii) Exposures to third party assigned transactions		
First Loss	-	-
Others	-	-

31. SECURITISATION/ DIRECT ASSIGNMENT (Contd.)

The information on direct assignment of the Company as an originator in respect of premium transaction done during the year is given below:

(Rs. in lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Total number of loan assets under premium structure	-	-
Total book value of loan assets	-	-
Sale consideration received	-	-

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium structure is given below:

(Rs. in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
No. of transactions assigned by the Company	6	13
Total amount outstanding	4,358.10	32,801.82
Total amount of exposures retained by the company to comply with MRR as on the date of Balance Sheet		
a) Off - Balance Sheet Exposures		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
First Loss	-	-
Investment in PTC	-	-
Amount of exposures to assigned transaction other than MRR		
a) Off - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	4,222.20	6,168.20
Others	1,831.00	17,280.63
ii) Exposures to third party assigned transactions		
First Loss	-	-
Others	-	-
b) On - Balance Sheet Exposures		
i) Exposures to own assigned transactions		
First Loss	1,754.36	19,884.27
Others	303.45	5,727.93
ii) Exposures to third party assigned transactions		
First Loss	-	-
Others	-	-

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

Particulars	As at March 31, 2014	As at March 31, 2013
The principal amount remaining unpaid to supplier as at the end of the year	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

- 33.** In addition to the auditors remuneration shown in operating and other expenses, the Company has also incurred auditors remuneration in connection with audit and related statutory services to be performed by auditors in connection with public issue of non convertible debentures of Rs. 120.62 lacs (March 31, 2013: Rs. 53.38 lacs) [including out of pocket expenses of Rs. 1.52 lacs (March 31, 2013: Rs. 0.46 lacs)] have been amortised as per note 13 and shown under other assets.

34. MERGER OF SHIRIRAM HOLDINGS (MADRAS) PRIVATE LIMITED ['SHMPL'] WITH THE COMPANY DURING THE YEAR ENDED MARCH 31, 2013 :

- (a) On December 21, 2011, the Board of Directors of the Company have approved the merger SHMPL with the Company. In terms of the Scheme of Amalgamation & Arrangement (Scheme) approved by Hon'ble High Court of Madras vide order dated September 13, 2012 and subsequent filing thereof with the Registrar of Companies ('ROC'), Tamil Nadu dated November 05, 2012, Shriram Holdings (Madras) Private Limited ("SHMPL"), an Investment company has been amalgamated with the Company with effect from April 01, 2012. The scheme was effective only after the filing thereof with ROC, Tamil Nadu and had an appointed date of April 01, 2012.
- (b) Prior to the merger, SHMPL held 93,371,512 shares of the Company.
- (c) The amalgamation has been accounted for under the "Purchase method" as prescribed by "Accounting Standard 14 (AS-14) Accounting for Amalgamation" notified under Companies (Accounting Standards) Rules, 2006 (as amended).
- (d) In accordance with the said Scheme:
 - i) All the assets (other than shares of the Company held by "SHMPL" of the Company), debts, liabilities, duties and obligations of SHMPL have been vested in the Company with effect from April 01, 2012 and have been recorded at their respective Fair values under the purchase method of accounting for amalgamation. There were no difference in the accounting policies of "SHMPL" and the Company.
 - ii) Exchange ratio determined at 313:124 (i.e. 313 equity shares of Rs. 10/- each of the Company for every 124 equity shares of Rs. 10/- each of "SHMPL" and these equity shares ranking pari-passu with the existing equity shares of the Company.
 - iii) Additional issue of 500,868 equity shares to the shareholders of SHMPL, pursuant to Net Assets taken over by SHMPL over by the Company.
 - iv) In accordance with the said scheme, excess of the Net Assets Value taken over by the Company vis-a-vis additional equity shares issued has been transferred to capital reserves.
 - v) Details of Net Assets taken over and transfer to Capital reserve is as under:

		Amount in Rupees
Fair Value of the asset:		
-Investment		264,510,406.00
-Cash		200.00
-Bank		11,460,048.00
-Other Asset (Advance tax)		3,534,271.00
Less: Liabilities (creditors)		(17,500.00)
Fair Value of Net asset taken over		279,487,425.00
Less:		
Additional issue of equity share (500,868 equity shares of Rs. 10 each)		(5,008,680.00)
Amount taken to capital reserves on amalgamation		274,478,745.00

**35. ADJUSTMENT DUE TO DECREASE/(INCREASE) IN STOCK
OF USED COMMERCIAL VEHICLES**

Particulars	(Rs. in lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening stock (A)	-	96.11
Less: Closing stock (B)	-	-
Decrease/(increase) in stock of used commercial vehicles (A-B)	-	96.11

**36. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF
PARAGRAPH 3 OF PART II OF SCHEDULE VI OF THE ACT.**

Details of Stock and Sales of Vehicles: March 31, 2014							(Rs. in lacs)
Opening Stock		Purchases	Closing Stock		Gross Sales		
Quantity (Nos)	Value (Rs in lacs)	Quantity (Nos)	Quantity (Nos)	Value (Rs in lacs)	Quantity (Nos)	Value (Rs in lacs)	
-	-	-	-	-	-	-	-

Details of Stock and Sales of Vehicles: March 31, 2013							(Rs. in lacs)
Opening Stock		Purchases	Closing Stock		Gross Sales		
Quantity (Nos)	Value (Rs in lacs)	Quantity (Nos)	Quantity (Nos)	Value (Rs in lacs)	Quantity (Nos)	Value (Rs in lacs)	
25	96.11	-	-	-	25	84.17	

37. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	(Rs. in lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Rating fees	43.90	-
Computer software	7.33	-
Total	51.23	-

38. PREVIOUS YEAR COMPARATIVES

Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform with current year's presentation.

As per our report of even date

For S.R.BATLIBOI & Co. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

per Viren H. Mehta
Partner
Membership No. 048749

Mumbai
April 29, 2014

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

Ameya D. Tambekar
Partner
Membership No. 128355

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

Arun Duggal
Chairman
Parag Sharma
Chief Financial Officer

Umesh Revankar
Managing Director
Vivek M. Achwal
Company Secretary

NOTES

NOTES



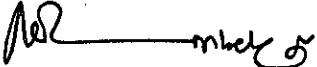
Shriram Transport Finance Company Limited
www.stfc.in

CIN: L65191TN1979PLC007874

Regd. Office: Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai - 600 004
 Tel No: +91 44 2499 0356 Fax: +91 44 2499 3272. Website: www.stfc.in Email id: secretarial@stfc.in.

FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company:	Shriram Transport Finance Company Limited
2	Annual financial statements for the year ended	31st March 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	None
5	To be signed by-	
	<ul style="list-style-type: none"> • Mr. Umesh Revankar CEO/Managing Director 	
	<ul style="list-style-type: none"> • Mr. Parag Sharma Chief Financial Officer 	
	<ul style="list-style-type: none"> • Auditors of the company : • Mr. Shrawan Jalan Partner Membership No: 102102 For S.R.Batliboi & Co. LLP, Chartered Accountants ICAI Firm Registration Number:301003E 	
	<ul style="list-style-type: none"> • Mr. Ameya Tambekar Partner Membership No.128355 For G. D. Apte & Co. Chartered Accountants ICAI Firm Registration Number:100515W 	





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|--|------------------------------------------------------------------------------------------------|--|
| | <ul style="list-style-type: none">• Mr. M. S. Verma
Audit Committee Chairman | |
|--|------------------------------------------------------------------------------------------------|--|

9 JUN 2014

For SHIRIRAM TRANSPORT FINANCE CO. LTD.

V. M. Achwal
Company Secretary