

**ANNUAL REPORT 2012**



**HINDUJA LEYLAND FINANCE LIMITED**



## HINDUJA LEYLAND FINANCE LIMITED

### BOARD OF DIRECTORS

R. Seshasayee, *Chairman*  
S. Nagarajan, *Managing Director*  
S. Solomon Raj  
R. Sundararaman  
Dheeraj G Hinduja  
Anil Harish  
Y. M. Kale  
T. Anantha Narayanan

### SECRETARY

K.R. Sampath Kumar

### REGISTERED OFFICE

No. 1, Sardar Patel Road,  
Guindy, Chennai - 600 032  
Phone: +91-44-2220 7011  
Fax : +91-44-2230 4391

### CORPORATE OFFICE

No. 167-169, Third Floor  
Anna Salai, Saidapet  
Chennai - 600 015  
Phone: +91-44-3006 1525  
Fax : +91-44-3006 1535

### BANKERS

Axis Bank Limited  
Canara Bank  
Central Bank of India  
DBS Limited  
HDFC Bank Limited  
HSBC Limited  
ICICI Bank Limited  
State Bank of India  
Union Bank of India  
Vijaya Bank  
Yes Bank Limited

### AUDITORS

M/s SNB Associates  
Chartered Accountants  
No. 12, 3rd Floor  
Gemini Parson Complex  
121, Anna Salai  
Chennai - 600 006

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## DIRECTORS' REPORT

Your directors have pleasure in presenting the 4th Annual Report with the Audited Accounts for the year ended 31st March 2012. The summarised financial results of the company are given hereunder:

### Financial Results

(₹ in Crores)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Income from Operations	324.22	101.91
Total Income	324.22	101.91
Less: Total Expenditure	200.31	61.01
Profit Before Tax	123.91	40.90
Profit After Tax	83.70	27.27
Surplus / Shortfall brought forward	20.43	(1.34)
Amount available for appropriation	104.13	25.94
Appropriations have been made as under:		
Transfers to:		
- Statutory Reserve	16.74	5.51

### Update on Economy and Industry

After two years of sustained growth rate of 8%, the growth rate of Indian economy during 2011 – 12 dropped to 6.9% mainly on account of slow down of industrial production. Agricultural production aided by another year of normal monsoon and service sectors continued their growth. Inflation continued to be high and interest rates were also kept high due to money market operations by the RBI to control inflation. Diesel prices were stable during the year ensuring freight rate stability during the year which was a positive factor in containing food inflation.

Cost of commercial vehicles, especially in the Heavy Commercial Vehicles increased by about 8%, due to increase in input costs and also increase in Excise Duty. Despite this, commercial vehicles, a segment in which your company has major exposure, grew at 18.20% over previous year (2010-11), which itself witnessed a 27% growth over 2009-10. Medium & Heavy Commercial Vehicles grew by 8.79% while Light Commercial Vehicles grew faster at almost 30% over the previous year, as per data from SIAM and E&Y.

### Performance Overview

The loan disbursement of your company during the year was at ₹ 2107 Crores, which is an increase of 72% over the previous year.

Your company earned a net profit of ₹ 83.70 Crores during the year 2011-2012.

### Outlook for the year

The outlook for the current year continues to be moderate since regulatory focus would continue to be on taming inflation. However, there has been positive signals that growth would not be compromised and RBI has set in motion reduction in interest rates during the fag end of the fiscal year 2011-12. Prediction of another year of normal monsoon is likely to improve the agricultural production.

Inflation continues to be a major concern though food inflation appears to be tamed. There is an imminent threat of decontrol of diesel prices which if implemented could have an adverse impact of inflation while the commercial vehicle operators would face temporary setback in getting the cost



impact passed on to its customers / principals. This could have a bearing on the demand for new commercial vehicles as well as impact on the collections of the financiers as the operational viability of the borrowers could be under stress.

Interest rates are seen to be stabilising at the current levels signalling sustainability of the company's operations and in managing interest rate risks.

### **Industry Outlook**

CARE Research foresees healthy growth of commercial vehicles in the next 5 years with sales of Light Commercial Vehicles and Small Commercial Vehicles likely to outpace the Medium and Heavy Commercial Vehicles (M&HCV) sales in terms of units. According to CARE, Goods Carrying segment is estimated to grow at a faster rate as against the Passenger Carriers segment

ICRA estimates the long-term growth outlook for Medium & Heavy Commercial Vehicles with a CAGR (%) of 9.5-11.5% and for Light Commercial Vehicles with CAGR of 11-13% over the next five years.

Your company continues to be engaged in financing the Light Commercial Vehicles range including Pickup Trucks, Small Commercial Vehicles and Three Wheelers. With its presence in the semi-urban and rural locations, the company would be able to capitalise on the growth in this segment.

Overall growth outlook for automobile industry expected to be from the Two Wheelers and your company is exploiting this opportunity by entering into financing Two Wheelers.

### **Resource Mobilisation**

#### **Additional Equity**

Your company raised a sum of ₹ 100 Crores towards equity during the year under review thereby taking the total paid up capital of the company to ₹ 325 Crores as at 31st March 2012.

### **Term Loans and Bank Credit**

During the year, your company availed term loans of ₹ 442 Crores and ₹ 329 Crores as cash credit from its Bankers. This has been the primary source of funds for the business concluded during the year.

#### **Sell down of receivables**

Your company sold its receivables through assignment totalling to ₹ 695 Crores to ICICI Bank and ₹ 135 Crores to YES Bank. The pools of receivables thus sold to ICICI Bank and YES Bank are rated AAA(so) by CARE, signifying best credit quality offering highest safety.

#### **Prudential Norms for NBFCs**

Your company's capital adequacy ratio is at 21.16 % (statutory requirement - 15%). Standard assets constituted 98.75% of the total assets and the net non-performing assets after provisioning stood at 1.09%. Your company also made a provision of ₹ 4.49 Crores towards provision for standard assets as mandated by RBI.

#### **Credit Ratings**

The term borrowings of the company have been rated and CARE has assigned a rating of 'A+' which indicates adequate safety.

#### **Board of Directors**

Mr. Dheeraj G Hinduja, Mr. Anil Harish and Mr. Y. M. Kale, joined our Board as Additional Directors on 30th August 2011, 2nd November 2011 and 1st February 2012 respectively and they will hold office upto the date of ensuing Annual General Meeting. The Company has received due notices from same members proposing their appointment as Directors of the Company. Necessary resolutions are submitted for your approval.

Mr. RJ Shahaney stepped down from the Board on 18th July 2011 and Mr. R Seshasayee was elected as Chairman of the Board on 18th July 2011. The Board wishes to record its appreciation of the services of Mr. RJ Shahaney.



As per Articles 42 of the Articles of Association of the Company Mr. S Solomon Raj and Mr. R Sundararaman retire by rotation and being eligible, offer themselves for re-appointment.

#### **Auditors**

M/s SNB Associates, Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and are eligible for re-appointment.

#### **Directors' responsibility statement**

- a) In the preparation of the annual accounts for the year ended March 31, 2012 the applicable accounting standards have been followed by the company.
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2012 and of the profit of the company for the year ended that date.
- c) The Directors have taken proper and sufficient care 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 accounts of the company have been prepared on a going concern basis.

Disclosure under Section 217 (2A) and 217 (1) (e) of Companies Act, 1956

Your company has no activity relating to conservation of energy, technology absorption or foreign exchange earnings and outgo. The annexure setting out the names and other particulars of employees covered under Section 217 (2A) of Companies Act, 1956, is available for inspection by the Members at the Registered Office of the Company during office hours till the date of the Annual General Meeting.

#### **Acknowledgement**

Your Directors wish to place on record their deep appreciation for the whole-hearted and sincere co-operation your Company has received from all its Bankers, Financial Institutions, Ashok Leyland Limited and all dealers.

Your Directors also wish to extend their sincere thanks to all the customers and shareholders for their continued support. Your Directors also wish to place on record their appreciation for the unstinted co-operation and support extended by all the employees in achieving the performance of your Company.

On behalf of the Board of Directors

Chennai  
May 14, 2012

**R. Seshasayee**  
**Chairman**



## AUDITORS' REPORT

### TO THE MEMBERS OF HINDUJA LEYLAND FINANCE LIMITED

We have audited the attached Balance Sheet of M/s. HINDUJA LEYLAND FINANCE LIMITED, as at 31st March 2012 and Profit and Loss Statement and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
- iii) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and the Notes thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
  - b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date, and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For SNB Associates**  
Chartered Accountants  
Firm Reg. No: 015682N

**S. Lakshmanan**  
Partner  
Membership No: 20045

Date : 14-05-2012  
Place: Chennai.

## ANNEXURE TO THE AUDITORS' REPORT (Referred to in our report of even date)



The Annexure referred to in the auditors' report to the members of M/s. HINDUJA LEYLAND FINANCE LIMITED ("the Company") for the year ended 31st March 2012. We report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.  
b) None of the fixed assets have been revalued during the year.  
c) The fixed assets have not been disposed off by the Company during the financial year.
2. Since the Company is engaged in the business of financing, clause 4(ii) of Companies (Auditor's Report) Order, 2003 relating to inventories is not applicable to the Company.
3. a) In our opinion and according to the information and explanations provided to us, during the year, the Company has not granted any loans to parties covered under section 301 of the Companies Act, 1956.  
b) During the year, the Company has not taken any unsecured loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us the company is having an adequate internal control system commensurate with the size and the nature of its business, for the purchase of fixed assets and sale of services. The management has initiated a programme to improve and rectify the internal control weaknesses noticed during the course of our audit.
5. On the basis of our examination of books of accounts and according to the information and explanations given to us, we are of the opinion that there are no transactions or contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under, in respect of deposits accepted from public.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system, which is commensurate with its size and nature of its business.
8. In respect of the activities of the company, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. On the basis of our examination of books of accounts and according to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Income-tax, and service tax, cess and other applicable statutory dues with the appropriate authorities.
10. The Company does not have accumulated losses as at the end of the current year. The Company has not incurred cash losses in such financial year and in the immediately preceding financial year.
11. On the basis of our examination of books of accounts and documents and according to the information and explanations given to us the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.



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12. From the examination of books of accounts and according to the information and explanations provided to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a Chit Fund, Nidhi or Mutual Benefit Fund or a Society.
14. Based on our examination of records and the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures or any other investments. Investments in Shares are held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by the others from banks or financial institutions.
16. Based on the records examined by us and according to the information and explanations given to us, during the year, term loans were applied for the purpose for which the loans were taken.
17. On the basis of overall examination of the financial statements and other financial information furnished, we report that the company has not used short term funds for long term investments.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act 1956.
19. The Company has not issued any debentures during the year, so creation of security or charges in respect of issue of debentures does not arise.
20. Since the Company has not raised money by way of public issue during the year, clause 4 (xx) of the order is not applicable.
21. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For SNB Associates**  
Chartered Accountants  
Firm Reg. No: 015682N

**S. Lakshmanan**  
Partner  
Membership No: 20045

Date : 14-05-2012  
Place: Chennai.

**BALANCE SHEET**  
As at March 31, 2012



		₹ In Lakhs	
		As at March 31,	
Note	2012	2011	
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	32,500.00	22,500.00
Reserves and Surplus	3	10,963.52	2,593.80
		<u>43,463.52</u>	<u>25,093.80</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	77,098.28	78,244.57
Long Term Provisions	5	448.57	220.00
		<u>77,546.85</u>	<u>78,464.57</u>
<b>Current Liabilities</b>			
Short Term Borrowings	6	35,631.86	2,768.98
Trade Payables	7	66.66	55.90
Other Current Liabilities	8	50,562.81	7,444.90
Short Term Provisions	9	299.75	82.05
		<u>86,561.08</u>	<u>10,351.83</u>
<b>TOTAL</b>		<u>207,571.45</u>	<u>113,910.20</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	10		
(i) Tangible Assets		361.64	225.00
(ii) Intangible Assets		16.41	11.11
		<u>378.05</u>	<u>236.11</u>
Non-Current Investments	11	2.30	2.30
Deferred Tax Assets (net)	12	423.63	138.24
Receivables under Financing Activities	13	107,486.14	58,685.00
Long-Term Loans and Advances	14	184.87	94.52
Other Non-Current Assets	15	19,428.66	4,025.66
		<u>127,903.65</u>	<u>63,181.83</u>
<b>Current Assets</b>			
Cash and Bank Balances	16	3,575.59	23,126.93
Receivables under Financing Activities	17	75,883.40	27,521.70
Short Term Loans and Advances	18	208.81	79.74
		<u>79,667.80</u>	<u>50,728.37</u>
<b>TOTAL</b>		<u>207,571.45</u>	<u>113,910.20</u>

The notes referred to above form part of the financial statements as per our report of even date attached

**For SNB Associates**  
Chartered Accountants  
Firm No.: 015682N

**S Lakshmanan**  
Partner  
Membership No:20045

Place : Chennai  
Date : May 14, 2012

For and on behalf of the board

**R Seshasayee**  
Chairman

**S Nagarajan**  
Managing Director

**T R Bhooshan**  
EVP Finance

**K R Sampath Kumar**  
Company Secretary

**PROFIT & LOSS STATEMENT**  
For the year ended March 31, 2012



₹ In Lakhs

	Note	Year ended March 31,	
		2012	2011
Income from Operations	19	32,421.78	10,190.85
<b>Total Revenue</b>		<b>32,421.78</b>	<b>10,190.85</b>
<b>Expenses</b>			
Finance Cost	20	14,557.83	3,667.81
Employee Cost	21	1,385.71	854.25
Other Operating Expenses	22	2,642.39	1,128.44
Depreciation and Amortisation expenses	10	76.92	30.28
Provisions and Write offs	23	1,368.03	420.05
<b>Total Expenses</b>		<b>20,030.88</b>	<b>6,100.83</b>
<b>Profit Before Tax</b>		<b>12,390.90</b>	<b>4,090.02</b>
Tax Expense:			
Current Tax		4,306.57	1,434.85
Deferred Tax	12	(285.39)	(72.82)
<b>Profit for the year</b>		<b>8,369.72</b>	<b>2,727.99</b>
Earnings per equity share of ₹ 10 each	24		
-Basic		3.04	2.80
-Diluted		3.04	2.80

The notes referred to above form part of the financial statements as per our report of even date attached

**For SNB Associates**  
Chartered Accountants  
Firm No.: 015682N

**S Lakshmanan**  
Partner  
Membership No:20045

Place : Chennai  
Date : May 14, 2012

For and on behalf of the board

**R Seshasayee**  
Chairman

**T R Bhooshan**  
EVP Finance

**S Nagarajan**  
Managing Director

**K R Sampath Kumar**  
Company Secretary

**CASH FLOW STATEMENT**  
For the year end 31st March, 2012



Particulars	₹ In lakhs	
	2011-12	2010-11
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>12,390.90</b>	<b>4,090.02</b>
Add : Depreciation	76.92	30.28
Add: Provisions	446.27	302.05
Less: Interest Accrued but not due	(651.96)	(46.77)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>12,262.13</b>	<b>4,375.58</b>
(Increase) / Decrease in net Receivables under Financing Activities	(96,461.72)	(84,927.51)
(Increase) / Decrease in Loans and Advances	(117.56)	(668.09)
Increase / (Decrease) in Current Liabilities	5,046.68	210.46
<b>Cash (Used in) / From Operations</b>	<b>(79,270.47)</b>	<b>(81,009.56)</b>
		—
Direct Taxes Paid	(4,447.77)	(1,469.76)
<b>NET CASH FROM / (Used in) OPERATING ACTIVITIES (A)</b>	<b>(83,718.24)</b>	<b>(82,479.32)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Bank Deposits	(5,403.00)	(13,743.10)
Purchase of Fixed Assets	(228.69)	(242.46)
Investments in Associate Companies	—	(2.30)
<b>NET CASH FROM / (Used in) INVESTING ACTIVITIES (B)</b>	<b>(5,631.69)</b>	<b>(13,987.86)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<u>Long Term &amp; Medium Term</u>		
Increase in Equity Share Capital	10,000.00	21,000.00
Increase / (Decrease) in Long Term Borrowings	36,935.71	85,494.59
<u>Short Term</u>		
Increase / (Decrease) in Bank Borrowings	32,862.88	2,768.98
<b>NET CASH FROM / (Used in) FINANCING ACTIVITIES (C)</b>	<b>79,798.59</b>	<b>109,263.57</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	(9,551.34)	12,796.39
Cash and Cash Equivalents at the beginning of the Year	13,126.93	330.54
Cash and Cash Equivalents at the end of the Year	3,575.59	13,126.93

**For SNB Associates**  
Chartered Accountants  
Firm No.: 015682N

**S Lakshmanan**  
Partner  
Membership No:20045

Place : Chennai  
Date : May 14, 2012

For and on behalf of the board

**R Seshasayee**  
Chairman

**S Nagarajan**  
Managing Director

**T R Bhooshan**  
EVP Finance

**K R Sampath Kumar**  
Company Secretary



Accounts are prepared in accordance with the Revised Schedule VI applicable from April 1, 2011. Accordingly, previous year's figures have been realigned to make them comparable with the current year's figures.

#### 1. Significant Accounting Policies:

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in compliance with the provisions of Companies Act 1956. Besides, the company follows the directions prescribed by Reserve Bank of India (RBI) for systemically important non-deposit taking Non-Banking Finance Companies (NBFC-ND-SI).

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the Balance Sheet date and reported amounts of revenues and expenses during the year ended as at that date. The estimates and assumptions used in these financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements.

##### 1.1 Income Recognition

Income from hypothecation loans is accounted on the basis of internal rate of return method. Income from services is recognized on accrual basis. Additional / Penal Interest are accrued to the extent of certainty of realization.

In respect of bilateral assignment of receivables at par, Excess Interest Spread (EIS) is subordinated and therefore forms a part of credit cum liquidity enhancement. The EIS of a month shall be available for meeting the shortfalls in corresponding monthly payout and also replenishment of Credit Collateral, to the extent utilized. The remaining EIS, if any, in that month will flow back to the originator and is recognized as income in the month of availability of excess.

In respect of bilateral assignment on premium transaction, the profit has been recognized upfront.

The Company continues to follow the current income recognition policy in respect of bilateral assignment transactions entered upto March 31, 2012, as the Circular No. DBOD.No.BP.BC-103/21.04.177/2011-12 dated May 07, 2012 issued by Reserve Bank of India on Guidelines on Securitization Transactions is applicable for transactions entered into after the date of the circular.

##### 1.2 Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets. Depreciation on fixed assets is provided pro-rata on the basis of the Straight Line Method at rates arrived at considering the estimated useful life or at the rates specified in Schedule XIV of the Companies Act, 1956, whichever is higher.

<b>Assets Description</b>	<b>Rate (%)</b>
Furniture & Fittings / Air Conditioners	12.50
Computers	20.00
Vehicles	20.00
Improvement on leased premises	Primary lease period or three years whichever is earlier.



Assets individually costing less than or equal to ₹ 5000/- are fully depreciated in the year of acquisition.

In accordance with Accounting Standard AS 26 - Intangible assets, software purchased / developed amounting to ₹ 9.24 lakhs during the year (31.3.2011- ₹ 15.05 Lakhs) is amortized over the period of 5 years.

The carrying amount of assets is reviewed at each balance sheet date to ascertain impairment based on internal and external factors. An impairment loss, if any, is recognized when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and their value in use.

### **1.3 Valuation of Investment**

Investments which are long term in nature are stated at cost and provision for diminution in value other than temporary, is considered wherever necessary.

### **1.4 Receivables under Financing Activity**

All loan exposures to borrowers with installment structure are stated at the full agreement value after netting off

- a) Unearned income
- b) Collections appropriated up to the year end and
- c) Loans assigned

Provision for Standard Assets is made as per internal estimates, based on past experience, realization of security, and other relevant factors, on the outstanding amount of Standard Assets subject to minimum provisioning requirements specified by RBI.

Provision for Non-Performing Assets is made subject to minimum provisioning requirements as specified by RBI.

In respect of credit enhancement exposure pertaining to bilateral assignments, provision has been made as stipulated under para 1.4.2 of Section B of Circular No. DBOD.No.BP.BC-103/21.04.177/2011-12 dated May 07, 2012 issued by Reserve Bank of India.

### **1.5 Repossessed Assets**

Repossessed Assets are valued at lower of cost and estimated net realizable value.

### **1.6 Service Tax Input Credit**

Service Tax input credit is accounted for in the books in the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the same.

### **1.7 Taxation**

**Income Tax:** Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961.

**Deferred Tax:** Deferred tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realize such assets.



### 1.8 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when the Company has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements.

### 1.9 Employee Benefits

#### a) Post - employment benefits:

##### i) Defined Contribution Plan:

**Provident Fund:** All employees of the company are entitled to receive benefits under 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 recognizes such contribution as an expense in the year it is incurred.

##### ii) Defined Benefit Plan:

**Gratuity:** Retirement benefits in respect of gratuity at retirement/cessation are provided for based on valuations, as at the Balance Sheet date, made by independent actuaries. The Company provides for the Gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees at retirement, death while in employment or on termination of employment. The company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method for assessing liability as at reporting date.

#### b) Short term employee benefits:

Short term employee benefits for services rendered by employees are recognized during the period services are rendered.



₹ In Lakhs

	As At March 31	
	2012	2011
<b>2 SHARE CAPITAL</b>		
<b>Authorized</b>		
<b>Equity Shares:</b>		
32,50,00,000 (22,50,00,000) equity shares of ₹ 10 each	<b>32,500.00</b>	22,500.00
<b>Issued, Subscribed and Fully Paid up</b>		
<b>Equity Shares:</b>		
32,50,00,000 (22,50,00,000) equity shares of ₹ 10 each	<b>32,500.00</b>	22,500.00
	<b>32,500.00</b>	22,500.00

**a) Reconciliation of number shares and amount outstanding at the beginning and at the end of the year:**

	As at March 31, 2012		As at March 31, 2011	
	No	Amount	No	Amount
Equity Shares				
At the beginning of the year	<b>225,000,000</b>	<b>22,500</b>	15,000,000	1,500
Issued during the year	<b>100,000,000</b>	<b>10,000</b>	210,000,000	21,000
Outstanding at the end of the year	<b>325,000,000</b>	<b>32,500</b>	225,000,000	22,500

**b) Terms / rights attached to Equity shares**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

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 of the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares in the company**

	As at March 31, 2012		As at March 31, 2011	
	No	% holding	No	% holding
Ashley Investments Limited	69,000,000	21.23%	12,900,000	5.73%
Ashley Holdings Limited	68,999,800	21.23%	12,899,800	5.73%
IndusInd International Holdings	62,500,000	19.23%	50,000,000	22.22%
Ashok Leyland Limited	57,000,000	17.54%	109,200,000	48.53%
Hinduja Ventures Limited	28,888,890	8.89%	20,000,000	8.89%



₹ In Lakhs

	As at March 31	
	2012	2011
<b>3 RESERVES AND SURPLUS</b>		
<b>Statutory Reserve (Refer Note 3.1)</b>		
Balance at the beginning of the year	550.94	-
Add: Amount transferred from surplus in Profit and Loss statement	1,673.94	550.94
Closing balance	2,224.88	550.94
<b>Surplus in Profit and Loss statement</b>		
Balance at the beginning of the year	2,042.86	(134.19)
Profit for the year	8,369.72	2,727.99
Less: Transfer to Statutory Reserve	(1,673.94)	(550.94)
Net surplus in the Profit and Loss statement	8,738.64	2,042.86
<b>Total Reserves and Surplus</b>	<b>10,963.52</b>	<b>2,593.80</b>

3.1 Represents the Reserve Fund created under Section 45-IC of Reserve Bank of India Act, 1934

<b>4 LONG TERM BORROWINGS</b>		
Term Loans from Banks	122,430.28	85,494.57
Less: Current maturities of Long Term Loans transferred to other Current Liabilities (Refer Note 8)	45,332.00	7,250.00
	<b>77,098.28</b>	<b>78,244.57</b>

a) Term Loans from banks are secured by way of specific charge on receivables created out of the proceeds of the loan

b) Details of Term Loans

Rate of Interest	Maturity	Installment	Amount outstanding	
			Long Term	Current Maturity
Base Rate + Spread (0.5% to 2.25%)	<1 year	17	-	45,332.00
	1-2 years	20	46,098.00	
	2-3 years	9	18,500.00	
	3-4 years	6	12,500.28	

<b>5 LONG TERM PROVISIONS</b>		
Contingency provision against Standard Assets	448.57	220.00
	<b>448.57</b>	<b>220.00</b>



₹ In Lakhs

As at March 31

	2012	2011
<b>6 SHORT TERM BORROWINGS</b>		
Cash Credit and Working Capital Demand Loans from banks	35,631.86	2,768.98
	<b>35,631.86</b>	<b>2,768.98</b>
<p>Cash Credit and Working Capital Demand Loans from banks are secured by pari passu charge on receivables excluding receivables that are specifically charged to other lenders.</p> <p>Balances in Cash Credit Account include amounts collected in respect of contracts assigned pending remittance to assignees. (Refer Note 8)</p>		
<b>7 TRADE PAYABLES</b>		
Provision for expenses	66.66	55.90
	<b>66.66</b>	<b>55.90</b>
<p>Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no dues to the suppliers registered under the said Act.</p>		
<b>8 OTHER CURRENT LIABILITIES</b>		
Current maturities of Term Loans from Banks ( Refer Note 4)	<b>45,332.00</b>	7,250.00
Interest accrued but not due on Borrowings	<b>20.25</b>	-
Security Deposits	<b>19.10</b>	-
Dues to		
Assignees towards collections in Assigned Assets (Refer Note 6)	<b>4,897.85</b>	-
Employees	<b>219.57</b>	136.80
Statutory Authorities	<b>59.13</b>	50.86
Others	<b>14.91</b>	7.24
	<b>50,562.81</b>	<b>7,444.90</b>
<b>9 SHORT TERM PROVISIONS</b>		
Provision for Non Performing Assets	<b>269.87</b>	74.54
Provision for Employee Benefits - Gratuity	<b>29.88</b>	7.51
	<b>299.75</b>	<b>82.05</b>



₹ In Lakhs

10 Fixed Assets	Description	Gross Block			Depreciation			Net Block		
		As at 31.03.2011	Additions	Deletions	As at 31.03.2012	Upto 31.03.2011	For the period	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	<b>Tangible Assets</b>									
	Improvement on Leased Building	43.56	22.39	-	65.95	9.14	19.24	28.38	37.57	34.42
	Furniture & Fittings	76.46	67.07	-	143.53	4.72	14.20	18.92	124.61	71.74
	Vehicles	-	33.22	-	33.22	0.00	4.61	4.61	28.61	-
	Office Equipment	133.20	86.94	-	220.14	14.36	34.93	49.29	170.85	118.84
	Previous Year	<b>253.22</b>	<b>209.62</b>	-	<b>462.84</b>	<b>28.22</b>	<b>72.98</b>	<b>101.20</b>	<b>361.64</b>	<b>225.00</b>
		10.30	242.91	-	253.21	0.88	27.34	28.22	225.00	9.42
	<b>Intangible Assets</b>									
	Computer Software	15.04	9.24	-	24.28	3.93	3.94	7.87	16.41	11.11
	Previous Year	<b>15.04</b>	<b>9.24</b>	-	<b>24.28</b>	<b>3.93</b>	<b>3.94</b>	<b>7.87</b>	<b>16.41</b>	<b>11.11</b>
		14.41	0.64	-	15.05	0.99	2.94	3.93	11.11	13.42
	<b>Total</b>	<b>268.26</b>	<b>218.86</b>	-	<b>487.12</b>	<b>32.15</b>	<b>76.92</b>	<b>109.07</b>	<b>378.05</b>	<b>236.11</b>
	Previous year	24.71	243.55	-	268.26	1.87	30.28	32.15	236.11	22.84



		₹ In Lakhs	
		As at March 31	
		2012	2011
<b>11</b>	<b>NON CURRENT INVESTMENTS</b>		
	<b>Long Term - Trade Unquoted</b>		
	Investments in equity shares		
	HLF Services Limited	2.30	2.30
	(22950 equity shares of ₹ 10/- each, fully paid up)		
		2.30	2.30
<b>12</b>	<b>DEFERRED TAX ASSET (net)</b>		
	<b>Deferred Tax Asset</b>		
	Contingency provision against Standard Assets	145.54	71.38
	Provision for Non Performing Assets	90.00	26.62
	Provision for Diminution in value of Repossessed Assets	194.81	37.59
	Others	34.80	29.02
	<b>( A )</b>	465.15	164.61
	<b>Deferred Tax Liability</b>		
	On Account of Fixed Assets	41.52	26.37
	<b>( B )</b>	41.52	26.37
	<b>Net Deferred Tax Asset ( A - B )</b>	423.63	138.24
	<b>Movement in Deferred Tax Asset during the year</b>	285.39	72.82
<b>13</b>	<b>RECEIVABLES UNDER FINANCING ACTIVITIES</b>		
	<b>Unsecured unless otherwise stated</b>		
	Secured - Vehicle Financing	107,486.14	58,685.00
	Transferred from Current Assets (Refer Note 17)		
	Out of the above considered good	106,384.00	58,685.00
	Non Performing Assets	1,102.14	-
		107,486.14	58,685.00
	Secured by exclusive first charge on assets financed including all accessories		
<b>14</b>	<b>LONG TERM LOANS AND ADVANCES</b>		
	<b>Unsecured, Considered good unless otherwise stated</b>		
	<b>Other Loans and Advances</b>		
	Capital Advances	17.83	8.00
	Rental Deposits	130.70	68.95
	Insurance Deposits	36.34	17.57
		184.87	94.52



		₹ In Lakhs	
		As at March 31	
		2012	2011
<b>15 OTHER NON CURRENT ASSETS</b>			
Earmarked Bank balances transferred from Current Assets (Refer Note 16)		19,428.66	4,025.66
(Cash Collateral towards assignment of receivables)		<u>19,428.66</u>	<u>4,025.66</u>
<b>16 CASH AND BANK BALANCES</b>			
<b>Cash and Cash Equivalents</b>			
Cash on hand		982.98	150.98
Cheques, Drafts on hand		2,409.74	277.67
Balances with Banks			
-In Current Accounts		182.87	198.28
-In Short Term Deposit		-	12,500.00
		<u>3,575.59</u>	<u>13,126.93</u>
<b>Other Deposit Balance (Earmarked)</b>			
-In Deposit Account		19,428.66	14,025.66
Transferred to other Non Current Assets (Refer Note 15)		<u>(19,428.66)</u>	<u>(4,025.66)</u>
		-	10,000.00
		<u>3,575.59</u>	<u>23,126.93</u>
<b>17 RECEIVABLES UNDER FINANCING ACTIVITIES</b>			
- Unsecured, unless otherwise stated			
Secured - Vehicle Financing		160,011.65	85,487.77
( exclusive of assets on assignment of ₹ 114283.37 Lakhs)			
-Out of the above considered good		157,970.65	85,324.61
-Non Performing Assets		2,041.00	163.16
Less: Receivables due for more than twelve months transferred to other non current assets (Refer Note 13)		<u>(107,486.14)</u>	<u>(58,685.00)</u>
Repossessed Assets		3,915.92	192.63
Less: Provision for diminution in value of Repossessed Assets		<u>(600.44)</u>	<u>(115.85)</u>
		55,840.99	26,879.55
Dealer Trade Advances		19,289.32	590.18
Interest Accrued on Deposits placed as Cash Collateral		699.75	47.79
Other Advances		53.34	4.18
		<u>75,883.40</u>	<u>27,521.70</u>
<b>18 SHORT TERM LOANS AND ADVANCES</b>			
- Unsecured, unless otherwise stated			
Service Tax Receivable		0.00	15.76
Advance Tax -Income Tax (net)		197.23	56.04
Loans and Advances to Employees		11.58	7.94
		<u>208.81</u>	<u>79.74</u>



	₹ In Lakhs	
	For the year ended March 31, 2012	2011
<b>19 INCOME FROM OPERATIONS</b>		
Interest Income from Financing Activities	29,053.61	9,120.78
Other Operating Income		
Service Charges	1,325.56	751.29
Documentation Charges	352.38	214.23
Other Charges	352.00	46.21
Interest on Deposits placed as Cash Collateral	1,338.23	58.34
	<b>32,421.78</b>	10,190.85
<b>20 FINANCE COST</b>		
Interest on		
-Term Loans	10,700.23	1,621.62
-Cash Credit/Working Capital Demand Loans	3,382.13	1,715.86
Other Finance Charges		
- Processing Fees	179.50	208.41
- Documentation Charges	123.48	34.30
- Bank Charges	172.49	87.62
	<b>14,557.83</b>	3,667.81
<b>21 EMPLOYEE COST</b>		
Salaries, allowances and incentives	1,274.61	803.59
Contribution to provident fund and other fund	66.36	43.00
Staff welfare expenses	44.74	7.66
	<b>1,385.71</b>	854.25



	₹ In Lakhs	
	For the year ended March 31	
	2012	2011
<b>22 OTHER OPERATING EXPENSES</b>		
Service Provider fees	984.30	120.88
Sourcing expenses	528.45	224.83
Travelling and Conveyance	237.11	204.70
Rent	202.62	105.54
Communication expenses	149.79	57.73
Consultancy and Professional fees	119.00	62.74
Office Maintenance	90.62	11.81
Printing and Stationery	89.78	56.76
Rates and Taxes	57.98	115.54
Shared Service expenses	44.63	131.98
Meeting and Conference expenses	32.61	2.63
Electricity charges	26.45	4.48
Insurance	5.88	-
Auditor's remuneration*		
- Statutory Audit	5.00	3.00
- Tax Audit	1.00	0.60
- Certification Fees	1.00	1.00
Sitting Fees to Directors	6.00	-
Other Expenses	60.17	24.22
	<b>2,642.39</b>	<b>1,128.44</b>
* excluding service tax		
<b>23 PROVISIONS AND WRITE OFFS</b>		
Loss on Sale of Repossessed Assets	459.54	9.66
Contingency provision for Standard Assets	228.57	220.00
Provision for Non Performing Assets	195.33	74.54
Diminution in value of Repossessed Assets (net)	484.59	115.85
	<b>1,368.03</b>	<b>420.05</b>
<b>24 EARNINGS PER SHARE</b>		
Profit after tax	8,369.72	2,727.99
Weighted average number of equity shares	275,273,224	97,301,370
Earnings per Share (₹)		
- Basic	3.04	2.80
- Diluted	3.04	2.80
- Face Value per share (₹)	10.00	10.00



₹ In Lakhs

	2011-12	2010-11
<b>25 GRATUITY</b>		
<b>Projected Benefit Obligation at the beginning of the year</b>	7.51	0.00
Current service cost	23.32	7.51
Interest Cost	0.60	0.00
Actuarial Losses / (Gains)	5.96	0.00
Benefits Paid	0.00	0.00
<b>Projected Benefit Obligation at the end of the year</b>	<b>37.39</b>	<b>7.51</b>
<b>Change in Plan Assets</b>		
Fair value of plan assets as at the beginning of the period	0.00	0.00
Expected return on plan assets	0.00	0.00
Contributions	7.51	0.00
Benefits paid	0.00	0.00
Actuarial gain/(loss) on plan assets [balancing figure]	0.00	0.00
<b>Fair value of plan assets as at the end of the period</b>	<b>7.51</b>	<b>0.00</b>
<b>Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	37.39	7.51
Fair value of the plan at the end of the year	7.51	0.00
<b>Amount Recognised in the Balance Sheet under Note 9 (Short term provisions)</b>	<b>29.88</b>	<b>7.51</b>
<b>Cost of the Defined Benefit plan for the year</b>		
Current service cost	23.32	7.51
Interest on obligation	0.60	0.00
Expected return on plan assets	0.00	0.00
Net Actuarial (gain) / loss recognized for the year	5.96	0.00
<b>Net Cost recognized in Profit and Loss Account</b>	<b>29.88</b>	<b>7.51</b>
<b>Assumptions</b>		
Discount Rate	8.00%	8.40%
Salary escalation rate	5.00%	5.00%
Attrition rate	5.00%	5.00%
Expected rate of return on Plan Assets	8.00%	0.00%

**Notes**

1. The expected return on plan assets is as furnished by SBI- Life
2. The entire plan assets are managed by SBI- Life.
3. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.



**26 Change in Provisions**

₹ In Lakhs

Particulars	As at 31.03.2011	Additional Provision	Utilization/ Reversal	As at 31.03.2012
Provision for Standard Assets	220.00	228.57	0	448.57
Provision for Non-Performing Assets	74.54	195.33	0	269.87
Provision for Diminution in value of Repossessed Assets	115.85	484.59	0	600.44

**27 Segment Reporting**

The company is primarily engaged in the business of vehicle financing. All the activities of the company revolve around the main business. Further, the company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting."

**28 Related Party Disclosures (As per AS-18 "Related Party Disclosures")**

Companies having significant influence

- Ashley Investments Limited
- Ashley Holdings Limited

Key Management Personnel

- Mr. S. Nagarajan, Managing Director

₹ In Lakhs

Nature of Transaction	Companies having significant influence	Key Management Personnel	
		2011-12	2010-11
Allotment of shares			
- Ashley Investments Limited	2,000.00		
- Ashley Holdings Limited	2,000.00		
Salaries and Allowances		160.00	100.00

Note: Related Party relationships are as identified by the Management and relied upon by the Auditors.

**29 A. Disclosure pursuant to Reserve Bank of India Notification DNBS 193DG(VL)-2007 dated February 22, 2007**

₹ In Lakhs

Sl. No	Particulars	As at 31 March 2012	
		Amount Outstanding	Amount Over Due
	<b>Liabilities :</b>		
(1)	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:		
(a)	Debentures		
	-Secured	Nil	Nil
	-Unsecured	Nil	Nil
	(Other than falling within the meaning of Public deposits)		
(b)	Deferred Credits	Nil	
(c)	Term Loans	122430.28	Nil
(d)	Inter-Corporate Loans and Borrowings	Nil	Nil
(e)	Commercial Paper	Nil	Nil
(f)	Other Loans	35631.86	Nil
	(Represents Cash Credits and Working Capital Demand Loans from banks)		



₹ In Lakhs

Sl. No.	Particulars	Amount Outstanding as at March 31, 2012
	<b>Assets</b>	
(2)	Break-up of Loans and Advances including bills receivables [Other than those included in (4) below ] :	
(a)	Secured (includes repossessed stock shown in clause 3 below)	163327.13
(b)	Unsecured	19289.32
(3)	Break up of Leased Assets and Stock on Hire and other Assets 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	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
(iii)	Other Loans counting towards AFC activities	
	(a) Loans where Assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil
(4)	Breakup of investments	
	Current Investments	
I	Quoted:	
(i)	Shares :	
	(a) Equity	Nil
	(b) Preference	Nil
(ii)	Debentures and Bonds	Nil
(iii)	Units of Mutual Fund	Nil
(iv)	Government Securities	Nil
(v)	Others (Please Specify)	Nil
II	Unquoted:	
(i)	Shares :	
	(a) Equity	Nil
	(b) Preference	Nil
(ii)	Debentures and Bonds	Nil
(iii)	Units of Mutual Fund	Nil
(iv)	Government Securities	Nil
(v)	Others (Please Specify)	Nil



₹ In Lakhs

Sl. No.	Particulars	Amount Outstanding as at March 31, 2012
	Long Term Investments	
I	Quoted:	
(i)	Shares : (a) Equity	Nil
	(b) Preference	Nil
(ii)	Debentures and Bonds	Nil
(iii)	Units of Mutual Funds	Nil
(iv)	Government Securities	Nil
(v)	Others (Please Specify)	Nil
II	Unquoted:	
(i)	Shares :	
	(a) Equity	2.30
	(b) Preference	Nil
(ii)	Debentures and Bonds	Nil
(iii)	Units of Mutual Funds	Nil
(iv)	Government Securities	Nil
(v)	Others (Please Specify)	Nil

₹ In Lakhs

Sl. No.	Borrower group-wise classification of assets financed as in (2) and (3) above			
(5)	Category	Amount net of provisions		
		Secured	Unsecured	Total
1	<b>Related Parties</b>			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
2	<b>Other than Related Parties</b>	163057.26	19289.32	182346.58
	<b>Total</b>	<b>163057.26</b>	<b>19289.32</b>	<b>182346.58</b>



₹ in lakhs

Sl. No.	Investor group-wise classification of all Investments (Current and Long-term) in Shares and Securities (both quoted and unquoted) :	Market value / Breakup Value or Fair Value or Net Asset Value	Book Value (Net of Provisioning)
(6)	<b>Category</b>		
1	<b>Related Parties</b>		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	2.30	2.30
	(c) Other Related Parties	Nil	Nil
2	<b>Other than Related Parties</b>	Nil	Nil
	<b>Total</b>	2.30	2.30

₹ in lakhs

(7)	<b>Other Information</b>	Amount Outstanding as at March 31, 2012
(i)	Gross Non-Performing Assets	
	a) With Related Parties	Nil
	b) With Others	2041.00
(ii)	Net Non-Performing Assets	
	a) With Related Parties	Nil
	b) With Others	1771.13
(iii)	Assets Acquired in satisfaction of Debt	
	a) With Related Parties	Nil
	b) With Others	Nil

**B. Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM(PK)- 125/03.05.00/2008 dated August 1, 2008**

**i. Capital Adequacy Ratio**

₹ in lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Tier I Capital	43,022.50	24940.27
Tier II Capital	448.57	220.00
Total Capital	43,471.07	25160.27
Total Risk Weighted Assets	205,488.87	90559.05
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	20.94	27.54
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	0.22	0.24
<b>Total(%)</b>	<b>21.16</b>	<b>27.78</b>

The Capital Adequacy Ratio has been worked out in accordance with Circular No DBOD.No.BP.BC-103/21.04.177/2011-12 dated May 07, 2012 and considering that Para 1.1 to 1.6 is applicable for future transactions.



ii. Exposure to Real Estate Sector, both Direct and Indirect

₹ In Lakhs

Category	As at March 31, 2012	As at March 31, 2011
<b>A. Direct Exposure( Net of Advance from Customers)</b>		
<b>(i) Residential Mortgages</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	Nil	Nil
<b>(ii) Commercial Real Estate</b>		
Lending secured by mortgages on commercial real estates (office buildings, retails space, multipurpose commercial premises, multi-family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction,etc.)	Nil	Nil
<b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures</b>		
a. Residential	Nil	Nil
b. Commercial Real Estate		
<b>B. Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

Note: The above summary is prepared based on the information available with the company and relied upon by the auditors.



iii. **Assets Liability Management**

**Maturity Pattern of Certain Items of Assets and Liabilities as at March 31, 2012**

₹ In lakhs

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowing from Banks	1000.00	4500.00	5000.00	13916.00	56548.14	64598.00	12500.00	0.00	158062.14
Market Borrowing	-	-	-	-	-	-	-	-	-
<b>Assets</b>									
Advances (Net of Provision for Non-Performing Assets)	3403.00	4652.00	4749.00	14492.00	29377.00	92264.00	14118.00	2.00	163057.00
Investment( Net of Provision for Diminution in Value of Investments)	-	-	-	-	-	-	-	2.30	2.30

**C. Disclosure pursuant to Reserve Bank of India Circular No DBOD.No.BP.BC-103/21.04.177/2011-12 dated May 07, 2012**

No disclosure has been made as the disclosure requirements applicable only to the new transactions entered into on or after the date of the circular.

**For SNB Associates**  
Chartered Accountants  
Firm No.: 015682N

**S Lakshmanan**  
Partner  
Membership No:20045

Place : Chennai  
Date : May 14, 2012

For and on behalf of the board

**R Seshasayee**  
Chairman

**S Nagarajan**  
Managing Director

**T R Bhooshan**  
EVP Finance

**K R Sampath Kumar**  
Company Secretary



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information as required under Part IV of the Schedule VI of the Companies Act, 1956

1	Registration Details	069837	State Code	18
	Balance Sheet Date	31032012 Date Month Year		
2	Capital Raised during the Year (Amount ₹ in Thousands)			
	Public Issue	N I L	Bonus Issue	N I L
	Rights Issue	1000000	Private Placement	N I L
3	Position of Mobilisation and Deployment of Funds (Amount ₹ in Thousands)			
	Total Liabilities	20757145	Total Assets	20757145
	Source of Funds			
	Paid up capital	3250000	Reserves & Surplus	1096352
	Secured Loans	15806214	Unsecured Loans	N I L
	Net Deferred Tax	-42363		
	Application of Funds	20757145		
	Net Fixed Assets	37805	Investments	230
	Net Current Assets	-689328	Accumulated Losses	N I L
4	Performance of Company (Amount ₹ in Thousands)			
	Turnover	3242178	Total Expenditure	2003088
	Profit / (Loss) Before Tax	1239090	Profit / (Loss) After Tax	836972
	Earnings Per Share in Rs	3.04	Dividend rate	N I L
5	Generic Names of Products/ Services of Company			
	Item Code No (ITC Code)	65993		
	Product/ Service Description	Non - Banking Finance Company		

For and on behalf of the board

**R Seshasayee**  
Chairman

**S Nagarajan**  
Managing Director

**T R Bhooshan**  
EVP Finance

**K R Sampath Kumar**  
Company Secretary

Place : Chennai  
Date : May 14, 2012

## National Network of Business Locations



### BUSINESS HUBS

**Andhra Pradesh** \* Vijayawada \* Visakhapatnam \* Kadappa \* Hyderabad **Assam** \* Guwahati **Bihar** \* Patna **Delhi** \* Delhi \* Ghaziabad **Gujarat** \* Ahmedabad \* Rajkot **Haryana** \* Faridabad \* Gurgaon \* Hissar \* Rohtak \* **Jharkhand** \* Jamshedpur **Karnataka** \* Bangalore \* Hubli \* **Kerala** \* Calicut \* Cochin **Madhya Pradesh** \* Jabalpur \* **Maharashtra** \* Mumbai \* Pune \* Nagpur (Vidarbha) \* **Orissa** \* Bhubaneswar **Punjab** \* Chandigarh \* **Rajasthan** \* Bhillwara \* Jaipur \* Jodhpur \* Bikaner \* **Tamilnadu** \* Chennai \* Coimbatore \* Pondicherry \* Madurai \* Salem \* Tirunelveli \* Trichy \* Vellore **Uthrakand** \* Dehradun \* **Uttar Pradesh** \* Lucknow \* Allahabad \* **West Bengal** \* Kolkata \* Durgapur \* Siliguri \* Kharagpur \* **Himachal Pradesh** \* Bilaspur\*.

## BUSINESS LOCATIONS

**ANDHRA PRADESH** : Adilabad \* Choutuppal \* Huzurabad \* Hyderabad \* Jagtial \* Kamareddy \* Karimnagar \* Mahabubabad \* Mallepally \* Mancherial \* Nalgonda \* Nirmal \* Nizamabad \* Parkal \* Peddapalli \* Vemulavada \* Warangal \* Attapur \* Bhongir \* Boyenpally \* Gajwel \* Hyderabad Rural \* Hyderabad Urban \* Jogipet \* Kalwakurthy \* Kondapur \* LB Nagar \* Mahabubnagar \* Medak \* Narasapur \* Narayanpet \* Narsampet \* Parigi \* Sadasivapet \* Sangareddy \* Shadnagar \* Siddipet \* Tandur \* Vikarabad \* Zahirabad \* Adoni \* Anantapur \* Chittoor \* Cuddapah \* Dhoni \* Gadwal \* Guntakal \* Hindupur \* Kadiri \* Kalyanadurg \* Kurnool \* Madanapalli \* Naidupet \* Nandyal \* Nellore \* Porumamilla \* Proddutur \* Rajampet \* Tirupathi \* V.Kota \* Bhadrachalam \* Chirala \* Gudivada \* Guntur \* Khammam \* Kodad \* Kothagudem \* Machilipatnam \* Markapuram \* Miryalaguda \* Nandigama \* Narasaraopet \* Nuzveedu \* Ongole \* Piduguralla \* Sarapaka \* Sathupally \* Suryapet \* Tenali \* Tiruvur \* Vijayawada \* Amalapuram \* Bhimavaram \* Eluru \* Jangareddygudem \* Kakinada \* Rajmundry \* Srikakulam \* Tadepalligudem \* Tuni \* Vijayanagaram \* Visakhapatnam \* Yalanchali \* **ASSAM** : \* Agartala \* Bongaigaon \* Dibrugarh \* Golaghat \* Guwhati \* Jorhat \* Mangaldoi \* Nagaon \* Nalbari \* Sibsagar \* Silchar \* Tezpur \* Tinsukia \* **BIHAR** : Begusarai \* Bhagalpur \* Gaya \* Patna \* **DELHI** : \* Janak Puri \* Karol Bagh \* Lajpat Nagar \* Model Town \* Okhla \* Preet Vihar \* Sanjay Gandhi \* Bulandshahr \* Ghaziabad \* Hapur \* Loni \* Mawana \* Meerut \* Noida \* Sahibabad \* Shamli \* **GUJARAT** : Ahmedabad \* Anand \* Baroda \* Bharuch \* Godhra \* Himmatnagar \* Mehsana \* Modasa \* Nadiad \* Navsari \* Palanpur \* Surat \* Valsad \* Vapi \* Amreli \* Bhavnagar \* Bhuj \* Gandhidham \* Jamnagar \* Junagadh \* Mithapur \* Morbi \* Rajkot \* Veraval \* **HARYANA** : Ballabgarh \* Faridabad \* Hathin \* Hodal \* NIT \* Old Faridabad \* Palwal \* Gurgaon \* Khandsa \* Manesar \* MG Road \* Sohna \* Bhiwani \* Hissar \* Jind \* Sirsa \* Bahadurgarh \* Jhajjar \* Karnal \* Panipat \* Rohtak \* Sonapat \* **HIMACHAL PRADESH** : Bilaspur \* Darlaghat \* Mandi \* Nalagarh \* **JHARKHAND** : Aurangabad \* Bokaro \* Dhanbad \* Jamshedpur \* Ranchi \* **KARNATAKA** : Bangalore \* Chikmagalore \* Davangere \* Madikeri \* Mandya \* Mangalore \* Mysore \* Ramanagaram \* Shimoga \* Tumkur \* Udupi \* Bagalkot \* Basava Kalyan \* Belgaum \* Bellary \* Bijapur \* Gulburga \* Haveri \* Hospet \* Hubli \* Raichur \* **KERALA** : Calicut \* Kannur \* Malappuram \* Palakkad \* Trichur \* Alleppey \* Cochin \* Kollam \* Kottayam \* Pathanamthitta \* Trivandrum \* **MADHYA PRADESH** : Bhopal \* Chindwara \* Jabalpur \* Katni \* Rewa \* Satna \* **MAHARASHTRA** : **GOA** : Panaji \* Mumbai \* Western \* Nashik \* Navi Mumbai \* Thane \* Ahmednagar \* Aurangabad \* Baramati \* Beed \* Chinchwad \* Hadapsar \* Jalna \* Kolhapur \* Latur \* Nanded \* Parbhani \* Pune \* Sangli \* Satara \* Shivaji Nagar \* Solapur \* Vidarbha \* Akola \* Amravati \* Chandrapur \* Gondia \* Nagpur \* Wardha \* Yavatmal \* **ORISSA** : Angul \* Balasore \* Barbil \* Baripada \* Berhampur \* Bhadrak \* Bhubaneswar \* Cuttack \* Dhenkanal \* Jagatsinghpur \* Jajpur \* Jeypore \* Kendrapara \* Keonjhar \* Khurda \* Puri \* Raygada \* Rourkela \* Sambalpur \* **PUNJAB** : Abohar \* Amritsar \* Bathinda \* Bilaspur \* Chandigarh \* Hamirpur \* Jalandhar \* Ludhiana \* Pathankot \* Patiala \* Ropar \* Una \* **RAJASTHAN** : Ajmer \* Beawar \* Bhilwara \* Bijoloiya \* Chittorgarh \* Kekri \* Nasirabad \* Bikaner \* Hanumangarh \* Nokha \* Sriganganagar \* Alwar \* Behror \* Bharatpur \* Churu \* Jaipur \* Jhalawar \* Jhunjunu \* Kota \* Rajasthan \* Sadulpur \* Shahpura \* Shastri Nagar \* Sikar \* Sawai Madhopur \* Banswara \* Barmer \* Jodhpur \* Nagaur \* Rajsamand \* Sumerpur \* Udaipur \* **TAMIL NADU** : Adyar \* Ambattur \* Anna Nagar \* Chrompet \* ECR \* Madhavaram \* Madhuranthakam \* Maraimalai Nagar \* Perambur \* Poonamalle \* Redhills \* Saidapet \* T. Nagar \* Thirukalkundram \* Thiruvottiyur \* Tiruvanmiyur \* Valasaravakkam \* Vanadalar \* Velacherry \* Arakonam \* Cuddalore \* Kallakurichi \* Kanchipuram \* Kolathur \* Pondicherry \* Tiruvallur \* Villupuram \* Chengalpattu \* Parrayaspet \* Tambaram \* Coimbatore \* Gudalur \* Mettupalayam \* Pollachi \* Sullur \* Tirupur \* Cumbam \* Dindigul \* Kamudi \* Karaikudi \* Madurai \* Palani \* Rameswaram \* Ramnad \* Sivagangai \* Sivakasi \* Theni \* Virudhunagar \* Attur \* Dharmapuri \* Erode \* Hosur \* Namakkal \* Salem \* Sankagiri \* Nagercoil \* Tenkasi \* Tirunelveli \* Tuticorin \* Ariyalur \* Karur \* Kumbakonam \* Mayiladudurai \* Perambalur \* Pudukkottai \* Thanjavur \* Tiruvarur \* Trichy \* Ranipet \* Tirupattur \* Thiruvannamalai \* Vellore \* **UTHRAKHAND** : \* Dehradun \* Haldwani \* Haridwar \* **UTTAR PRADESH** : \* Agra \* Allahabad \* Azamgarh \* Bareilly \* Kaushambi \* Mirzapur \* Pratapgarh \* Renukoot \* Sonbhadra \* Sultanpur \* Varanasi \* Banda \* Barabanki \* Etawah \* Faizabad \* Forukhabad \* Gonda \* Gorakhpur \* Hardoi \* Jhansi \* Kanpur \* Lakhimpur Kheri \* Lucknow \* Lucknow City \* Mathura \* Moradabad \* Muzaffernagar \* Saharanpur \* Unnao \* **WEST BENGAL** : Asansol \* Bankura \* Burdwan \* Durgapur \* Purulia \* C K Road \* Contai \* Kharagpur \* Tamruk \* Barasat \* Baruiapur \* Bashirhat \* Hooghly \* Howrah \* Kolkata \* Krishnagar \* Berhampore \* Birpara \* Cooch Behar \* Malda \* Siliguri \*











