



THE POWER OF CHOICE

SHRIRAM AUTOMALL INDIA LIMITED

3rd Annual Report 2011-12

FORWARD LOOKING STATEMENTS

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

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

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. S. Lakshminarayanan

Directors

Mr. Umesh Revankar

Mr. D. V. Ravi

Mr. Gaurav Trehan

COMPANY SECRETARY

Mr. Nitin Lokhande

AUDITORS

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

REGISTERED OFFICE

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

DIRECTORS' REPORT

To
The Members of,
Shriram Automall India Limited

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

FINANCIAL HIGHLIGHTS

	Year ended March 31, 2012	(Rs. in lacs) Year ended March 31, 2011
(Profit)/Loss before Depreciation and Taxation	(513)	1369
Depreciation	342	19
Financial Cost	209	-
Loss Before Tax	38	1388
Provision for Taxation	(8)	4
Loss After Tax	30	1392
Balance brought forward from previous year	1392	-
Deficit carried to Balance Sheet	1422	1392

DIVIDEND

The Directors do not recommend payment of dividend for the Financial Year 2011-12.

OPERATIONS:

During the year under review, the Company's income from operations was Rs.11,546 lacs as against Rs.6,216 lacs in the previous year 2010-11. The Company made operating profit of Rs. 513 lacs before depreciation. The Net loss was lower at Rs. 30 lacs as against the loss of Rs. 1392 lacs in the previous year.

The Company established additional Automalls near Delhi and Mumbai. The Company also established Mini Automalls at Aurangabad, Pathankot, Cuttack and Gulbarga. With this the Company has till date established eight Automalls at Chennai, Vadodara, Delhi, Khalapur (near Mumbai), Aurangabad, Pathankot, Cuttack and Gulbarga.

The Directors are pleased to announce the receipt of "The Fleet Enabler of the Year" award by your Company at prestigious Apollo CV Award function held in Mumbai on April 30, 2012

The Company's prime focus has been to get repossessed stock of vehicles from banks and finance companies, to trade in stock of manufacturers and OEM dealers, old fleet from fleet owners and individual truck owners. Besides this, the Company is also focussing on other fee based income generated from refurbishing, documentation, valuation and parking. During the year under review, your Company has launched online auctions through its website www.samil.in/bids. The full-fledged operationalization of the Company's Automalls all over India would attract participation of banks and other NBFCs in using your Company's trading platform for the sale of pre-owned vehicles. This would help to achieve profitable operations of the Company.

SHARE CAPITAL:

During the year under review, the Company issued 200 lacs Equity Shares of Face value Rs. 10/- each for cash at par aggregating to Rs. 2000 lacs to its Holding Company Shriram Transport Finance Company Limited.

DIRECTORS:

As per Section 256 of the Companies Act, 1956, Mr. S. Lakshminarayanan would retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

AUDIT COMMITTEE:

The Board of Directors have constituted Audit Committee as per Section 292A of the Companies Act, 1956 consisting of the following Directors:

1. Mr. D.V. Ravi
2. Mr. Umesh Revankar
3. Mr. Gaurav Trehan

AUDITORS:

M/s G.D. Apte & Co., Chartered Accountants, Pune, (Firm Registration Number- 100515 W) Statutory Auditor of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from the Auditor to the effect that their re-appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956. The Board recommends their reappointment.

PERSONNEL:

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

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, 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 : Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) In the preparation of 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 1 of the Accounts have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

as at March 31, 2012 and of the loss of the Company for the period 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.

ACKNOWLEDGEMENT:

The Board of Directors expresses their deep gratitude for the co-operation and support extended to your Company by its Bankers, Members and various Government agencies.

For and on behalf of Board,

For **Shriram Automall India Limited**

Mr. S. Lakshminarayanan

Chairman

Date: May 7, 2012

Place: Mumbai

AUDITORS' REPORT

To
The Members of,
Shriram Automall India Limited

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

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

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

C. M. Dixit
Partner
Membership No.: 17532
Mumbai, May 7, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

RE: SHRIRAM AUTOMALL INDIA LIMITED ('THE COMPANY')

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off any of its fixed assets.
- (ii) (a) As explained to us, the inventories of the Company have been physically verified by the management at regular intervals. In our opinion and according to the information and explanations given to us, the frequency of the verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. As per the information and explanations given to us, no discrepancies have been noticed in physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to or from the companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (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 sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanation provided by the management, we are of the opinion that there are no transactions with reference to 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 Act.
- (vi) According to the information and explanation provided by the management, the Company has not accepted any deposits from public and no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products /services of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no statutory dues pending to be deposited on account of disputes.
- (x) The Company has been registered for a period less than five years, and as such, the provisions of clause 4(x) of the Order, are not applicable to the Company.
- (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 bank. Further, the Company has not borrowed any funds from financial institutions or debenture holders.
- (xii) Based on our examination of and according to information and explanations given 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.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause 4(xiii) of the Order, are not applicable to the Company.
- (xiv) Based on our examination and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments. Accordingly, the provisions of clause 4(xiv) of the Order, are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (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, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- (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) During the year, the Company has not issued any debentures. As such, provisions of clause 4(xix) of the Order, are not applicable to the Company.
- (xx) According to the information and explanation given to us, the Company has not raised money by public issue. As such, provisions of clause 4(xx) of the Order, are not applicable to the Company.
- (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 except for one instance of cash embezzlement aggregating Rs. 18.37 lakhs by an employee of the company reported during the year. The company has initiated legal action against the employee and the contract of service has been terminated. The amount involved as aforesaid has been fully provided for.

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

Firm registration number: 100515W

Chartered Accountants

C. M. Dixit

Partner

Membership No.: 17532

Mumbai, May 7, 2012

BALANCE SHEET

AS AT MARCH 31, 2012

(Rs. in lacs)

Particulars	Note No	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	3,000.00	1,000.00
(b) Reserves and surplus	3	(1,422.51)	(1,392.07)
(2) Non-current liabilities			
(a) Deferred tax liabilities (net)	1.10	-	3.99
(b) Long term provisions	6	67.58	0.28
(3) Current liabilities			
(a) Short-term borrowings	7	493.17	2,755.86
(b) Trade payables	4	359.08	23.71
(c) Other current liabilities	5	191.53	653.36
(d) Short-term provisions	6	57.16	0.61
Total		2,746.01	3,045.74
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		1,319.53	306.17
(ii) Intangible assets		154.45	4.37
(iii) Capital work-in-progress		-	277.18
(b) Deferred tax assets (net)	1.10	3.85	-
(c) Long term loans and advances	9	492.32	429.50
(d) Other non-current assets	10	1.63	0.53
(2) Current assets			
(a) Inventories	11	92.88	1,293.61
(b) Trade receivables	12	25.80	1.64
(c) Cash and bank balance	13	522.41	538.45
(d) Short-term loans and advances	9	133.14	194.29
Total		2,746.01	3,045.74
Significant Accounting Policies and Notes to Accounts	1		
The notes referred to above form an integral part of the financial statements.			

As per our report of even date
For **G.D. Apte & Co.**
Firm Registration No.: 100515W
Chartered Accountants

C. M. Dixit
Partner
Membership No. 17532

Mumbai
May 07, 2012

For and on behalf of the Board of Directors of
Shriram Automall India Limited

D. V. Ravi
Director

Umesh Revankar
Director

Nitin Lokhande
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2012

(Rs. in lacs)

Particulars	Note No	Year Ended March 31, 2012	Year Ended March 31, 2011
INCOME			
Revenue from operations	14	11,545.92	6,216.26
Other income	15	0.77	0.03
Total		11,546.69	6,216.29
EXPENDITURE			
Purchase of used commercial vehicles		4,443.59	6,924.22
Vehicle Refurbishment expenses		202.17	271.54
Adjustment due to decrease/(increase) in stock of used commercial vehicles	16	1,197.50	(1,293.61)
Employees Benefit expense	17	2,065.24	691.26
Finance cost	18	209.08	0.04
Depreciation and amortisation	8	341.68	18.57
Other expenses	19	3,125.71	991.80
Total		11,584.97	7,603.82
Profit/(Loss) before taxation		(38.28)	(1,387.53)
Provision for taxation			
Current tax		-	-
Deferred tax liability / (Asset)		(7.84)	3.99
Total tax expense / (income)		(7.84)	3.99
Profit/(Loss) after taxation		(30.44)	(1,391.52)
Earnings/(Loss) per share			
Basic & Diluted (Rs.)		(0.17)	(35.99)
Nominal Value of Share (Rs.)		10.00	10.00
Significant Accounting Policies and Notes to Accounts	1		
The notes referred to above form an integral part of the financial statements			

As per our report of even date
For **G.D. Apte & Co.**
Firm Registration No.: 100515W
Chartered Accountants

C. M. Dixit
Partner
Membership No. 17532

Mumbai
May 07, 2012

For and on behalf of the Board of Directors of
Shriram Automall India Limited

D. V. Ravi
Director

Umesh Revankar
Director

Nitin Lokhande
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2012

(Rs. in lacs)

Particulars	March 31, 2012	March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxes	(38.28)	(1,387.53)
Depreciation and amortisation	341.68	18.57
Interest income	(0.11)	(0.03)
Provision for non moving Inventory	3.23	-
Provision for doubtful advance	16.17	-
Provision for gratuity	72.14	0.28
Provision for leave encashment	51.71	0.61
Operating profit before working capital changes	446.54	(1,368.10)
Movements in working capital:		
Increase / (decrease) in other current liabilities	(461.82)	653.09
Increase / (decrease) in trade payables	335.37	18.87
Decrease / (increase) in trade receivables	(24.16)	(1.64)
Decrease / (increase) in inventories	1,197.49	(1,293.61)
Decrease / (increase) in loans and advances	(17.84)	(623.75)
Cash generated from operations	1,475.58	(2,615.14)
Direct taxes paid (net of refunds)	-	-
Net cash from/(used in) operating activities (A)	1,475.58	(2,615.14)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in bank deposits (having original maturity of more than three months)	(1.00)	(0.50)
Purchase of fixed, including intangible assets	(1,227.94)	(601.74)
Net cash from/(used in) investing activities (B)	(1,228.94)	(602.24)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share to STFCL (Holding Company)	2,000.00	995.00
Increase / (decrease) in short-term borrowing (net)	(2,262.68)	2,755.86
Net cash from/(used in) financing activities (C)	(262.68)	3,750.86
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(16.04)	533.48
Cash and Cash Equivalents at the beginning of the year	538.45	4.97
Cash and Cash Equivalents at the end of the year	522.41	538.45
Components of Cash and Cash Equivalents	March 31, 2012	March 31, 2011
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
i) Cash on hand	36.84	3.91
ii) Cheques on hand	16.33	169.67
iii) Balances with scheduled banks in:		
Current accounts	469.24	364.87
	522.41	538.45

Significant Accounting Policies

1.3

As per our report of even date
For **G.D. Apte & Co.**
Firm Registration No.: 100515W
Chartered Accountants

C. M. Dixit
Partner
Membership No. 17532

Mumbai
May 07, 2012

For and on behalf of the Board of Directors of
Shriram Automall India Limited

D. V. Ravi
Director

Umesh Revankar
Director

Nitin Lokhande
Company Secretary

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

NOTE 1.1 CORPORATE INFORMATION

Shriram Automall India Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in trading and facilitating the buyers/sellers to sell their trucks and commercial vehicles. It provides refurbishment of pre-owned vehicles, automalls and electronic truck bazaars. The Company operates as a wholly owned subsidiary of Shriram Transport Finance Company Ltd.

1.2 BASIS OF PREPARATION

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

1.3 SIGNIFICANT ACCOUNTING POLICIES**(a) Change in accounting policy****Presentation and disclosure of financial statements**

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation and disclosures made in the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year. For further details, refer note 1.17.

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

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

(c) Use of estimates

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

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

NOTE 1.3 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets in the nature of 'qualifying assets,' which take substantial period of time to get ready for its intended use are capitalised as a part of the cost of such assets, upto the date when such assets are ready for their intended use.

Depreciation on tangible fixed assets

Depreciation is provided on Straight Line Method ('SLM'), which reflects 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. The assets for which higher rates are used are as follows:

Particulars	Rates (SLM)	Schedule XIV rates (SLM)
Plant and Equipment	10.00%	4.75%
Furniture and Fixtures	10.00%	6.33%
Office Equipments	10.00%	4.75%
Computers	20.00%	16.21%
Vehicles	20.00%	9.50%

Leasehold improvement is amortized 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.

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

Impairment of assets

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

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

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

(e) Inventories

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

(f) Leases

Where the Company is the lessee

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

(g) Revenue recognition

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

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.

Income from Buyer/Seller facilitation fees is recognized as per the terms of the contract on an accrual basis. Service tax on fees is collected by the Company as an intermediary and accordingly revenue is presented on net basis.

Interest income on fixed deposits with bank is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(h) Retirement and other employee benefits

Provident Fund

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

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

Gratuity

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

Leave Encashment

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

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

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

(i) Borrowing Cost

Borrowing costs relating to acquisition of fixed assets in the nature of 'qualifying assets,' which take substantial period of time to get ready for its intended use are capitalised as a part of the cost of such assets, upto the date when such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

(j) Income tax

The expense comprises of current, 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 recognized 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The un-recognized deferred tax assets are re-assessed by the Company at each balance sheet date and are recognized 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 realized.

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 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 realized. 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.

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

(k) 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 corporate items

Unallocated corporate items include income, expenses, assets and liabilities which are not allocated to any 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.

(l) 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.

(m) 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.

(n) 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.

(o) Contingent liabilities

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

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2012

NOTE 1.4 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS:

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

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

Statement of Profit and Loss

Net employee benefit expense (recognized in employee cost)

Rs in lacs

Particulars	GRATUITY	
	March 31,2012	March 31,2011
Current service cost	0.23	0.28
Interest cost on benefit obligation	0.02	N.A.
Expected return on plan assets	N.A.	N.A.
Net actuarial (gain) / loss recognized in the year	8.86	NIL
Past service cost	NIL	NIL
Net benefit expense	9.11	0.28

Balance Sheet

Details of Provision for gratuity

Rs in lacs

Particulars	GRATUITY	
	March 31,2012	March 31,2011
Defined benefit obligation	72.41	0.28
Fair Value of plan assets	N.A.	N.A.
Surplus / (defecit)	72.41	0.28
Less : Unrecognised past serviced cost	NIL	NIL
Plan asset / (liability)	(72.41)	(0.28)

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

Rs in lacs

Particulars	GRATUITY	
	March 31,2012	March 31,2011
Opening defined benefit obligation	0.28	NIL
Interest cost	0.02	NIL
Current service cost	0.23	0.28
Liability transferred in	63.46	NIL
Benefits paid	(0.44)	NIL
Actuarial (gains)/losses on obligation	8.86	NA
Closing defined benefit obligation	(72.41)	0.28

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2012 (Contd.)

During the year 2011-12 , services of 480 employees of the holding company, Shriram Transport Finance Company Limited (STFCL) were transferred to Shriram Automall India Limited (SAIL). The liability of Rs.63.46 lacs computed on an actuarial basis in respect of Gratuity for services rendered by these employees upto the date of separation has been funded by STFCL to SAIL and included under respective Provisions under Note 6.

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

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

GRATUITY		
Particulars	March 31,2012	March 31,2011
Investment with Insurer	N.A.	N.A.

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

GRATUITY		
Particulars	March 31,2012	March 31,2011
Discount Rate	8.50%	8.25%
Increase in compensation cost	5.00%	5.00%
Employee Turnover	5.00% and 10.00% *	1.00%

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

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

Amounts for the current and previous years(to the extent applicable) are as follows:

Rs in lacs

GRATUITY		
Particulars	March 31,2012	March 31,2011
Defined benefit obligation	(72.41)	0.28
Plan assets	N.A.	N.A.
Surplus / (deficit)	(72.41)	(0.28)
Experience adjustments on plan liabilities	NIL	NIL
Experience adjustments on plan assets	N.A.	N.A.

Since the company has commenced the operations and recruited the employees only during the year 2010-11, there are no disclosures for any years prior to the year 2010-11.

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2012 (Contd.)

NOTE 1.5 SEGMENT REPORTING

The company has two reportable segment viz. 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.

(Rs in lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2012			
	TRADING DIVISION	SERVICE DIVISION	UNALLOCATED CORPORATE ITEMS	TOTAL
Segment Revenue	5,947.16	5,598.88	0.65	11,546.69
Segment Results	(1,581.44)	1,921.75	(169.51)	170.80
(Profit / (Loss) before tax)				
Less : Interest				209.08
Net profit / (loss) before tax				(38.28)
Less : Tax (expense)/income				7.84
Net profit / (Net loss)				(30.44)
Other Information:				
Segment assets	996.56	1,630.67	-	2,627.23
Unallocated corporate assets	-	-	118.78	118.78
Total Assets	996.56	1,630.67	118.78	2,746.01
Segment Liabilities	478.85	668.12	-	1,146.97
Unallocated corporate liabilities	-	-	21.55	21.55
Total Liabilities	478.85	668.12	21.55	1,168.52
Capital expenditure	509.03	899.26	96.83	1,505.12
Depreciation	119.71	208.14	13.83	341.68

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2012 (Contd.)

NOTE 1.5 SEGMENT REPORTING (Contd.)

(Rs in lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2011			TOTAL
	TRADING DIVISION	SERVICE DIVISION	UNALLOCATED CORPORATE ITEMS	
Segment Revenue	6132.91	83.38	0.00	6216.29
Segment Results	(899.27)	(474.00)	(14.22)	(1387.49)
(Profit / (Loss) before tax)				
Less : Interest				0.04
Net profit / (loss) before tax				(1387.53)
Less : Tax (expense)/income				(3.99)
Net profit / (Net loss)				(1391.52)
Other Information :				
Segment assets	2153.46	866.11	26.17	3045.74
Unallocated corporate assets	-	-	-	-
Total Assets	2153.46	866.11	26.17	3045.74
Segment Liabilities	2357.82	1068.85	11.14	3437.81
Unallocated corporate liabilities	-	-	-	-
Total Liabilities	2357.82	1068.85	11.14	3437.81
Capital expenditure	39.23	568.69	-	607.92
Depreciation	10.65	7.92	-	18.57

NOTE 1.6 LEASES

In case of assets taken on lease

The Company has taken various office premises, furniture and fixtures, computers and plant and equipment under operating lease. The lease payments recognized in the Statement of Profit and Loss are Rs. 98.74 lacs (March 31, 2011: Nil). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 11 to 180 months. There are no restrictions imposed by lease arrangements. There are no sub leases.

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

Particulars	Rs in lacs As at March 31, 2012
Minimum Lease Payments:	
Not later than one year	111.09
Later than one year but not later than five years	314.64
Later than five years	244.46

NOTE 1.7 DEPRECIATION

During the year, the company has reassessed the useful life of tangible fixed assets and consequently the same are depreciated prospectively over the remaining useful life. Had the company continued to follow the rates of depreciation based on the previous useful life, the depreciation for the year would have been lower by Rs. 15.39 Lacs and the net block would have been higher by the same amount.

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2012 (Contd.)

NOTE 1.8 RELATED PARTY DISCLOSURE

Key Managerial Personnel	Sameer Malhotra, Chief Executive Officer (with effect from 1st April 2011)
Related party where control exists	
Holding company	Shriram Transport Finance Company Limited (STFCL) (From the inception i.e. February 11, 2010)
Other Related parties	
Enterprises having significant influence over the Company	Shriram Holdings (Madras) Pvt. Ltd.
	Shriram Capital Ltd.
	Newbridge India Investments II Limited
	Shriram Ownership Trust
Fellow Subsidiary	Shriram Equipment Finance Company Ltd. (SEFCL)

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Transactions during the period		
1. Transaction with Key Management Personnel		
Payments / Expenses		
Employee Benefits	48.62	-
2. Transaction with Holding Company, STFCL		
Receipts / Income		
Subscription to equity shares	2,000.00	995.00
Unsecured Loan from STFCL (including certain administrative expenses)	1,157.65	13,494.05
Payments / Expenses		
Repayment of Unsecured loan	3,420.34	10,740.50
Interest on Loan from Holding Company	190.48	-
Administrative Expenses by Holding Company for Shriram Automall India Ltd	257.01	314.43
Other transactions		
Guarantees given by Holding Company	-	1,400.00
Outstanding balances		
Equity Share Capital by STFCL	3,000.00	1,000.00
Unsecured Loan Payable to STFCL	493.17	2,755.86
Interest payable to STFCL	28.70	-
Amount payable to STFCL for administrative expenses incurred	139.93	-
Outstanding guarantees given by STFCL	400.00	1,400.00
3. Transaction with Fellow Subsidiary, SEFCL		
Receipts / Income		
Receipts from Fellow Subsidiary	7.17	0.12
Payments / Expenses		
Payment to Fellow Subsidiary	-	0.12
Outstanding balances		
Amount payable to SEFCL	7.17	-

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2012 (Contd.)

NOTE 1.9 EARNINGS PER SHARE

	(Rs. in lacs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Net Profit/(Loss) as per Statement of Profit and Loss (Rs.) (A)	(30.44)	(1,391.52)
Weighted average number of equity shares for calculating Basic EPS (B)	1,76,22,951	38,66,438
Weighted average number of equity shares for calculating Diluted EPS (C)	1,76,22,951	38,66,438
Basic earnings/(loss) per equity share (In Rupees) (Nominal value Rs. 10 per share) (A) / (B)	(0.17)	(35.99)
Diluted earnings/(loss) per equity share (In Rupees) (Nominal value Rs. 10 per share) (A) / (C)	(0.17)	(35.99)

NOTE 1.10 DEFERRED TAX LIABILITIES/ (ASSET)(NET)

	(Rs. in lacs)	
	As at March 31, 2012	As at March 31, 2011
The breakup of deferred tax asset / liabilities is as under:-		
Deferred Tax Liabilities		
Timing difference on account of :		
Differences in depreciation in block of fixed assets as per tax books and financial books	14.99	4.44
Gross Deferred Tax Liabilities (A)	14.99	4.44
Deferred Tax Asset		
Timing difference on account of :		
Expenses disallowed under Income Tax Act, 1961	18.74	0.32
Preliminary expenses	0.10	0.13
Gross Deferred Tax Assets (B)	18.84	0.45
Deferred Tax Liabilities /(Assets)(Net) (A-B)	(3.85)	3.99

NOTE 1.11

Estimated amount of contracts on capital account (net of advances) not provided for is Rs 5.38 lacs. (March 31, 2011: Rs 100 lacs)

NOTE 1.12

The Company has initiated the process of identification of 'suppliers' registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmations from suppliers. Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid / payable are required to be furnished.

NOTE 1.13

During the year, the Company allotted 20,000,000 equity shares of Rs.10/- each at par to the Holding Company. The amount received has been utilized for the purpose of business operations.

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2012 (Contd.)

NOTE 1.14

As a matter of prudence, deferred tax asset on carry forward losses/unabsorbed depreciation has not been recognized as at and for the year ended on March 31, 2012 and March 31, 2011.

NOTE 1.15

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:

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)
354	1,293.61	1,350	25	96.11	1,679	5,947.04

NOTE 1.16 PREVIOUS YEAR COMPARATIVES

The figures for the previous year have been regrouped and reclassified, wherever necessary to conform to current year's classification.

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2012 (Contd.)

NOTE 1.17 PREVIOUS YEARS FIGURES

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

Rs in lacs

Pre revised Schedule VI			
Heading	Amount	Adjustment	Amount
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1,000.00		1,000.00
Reserves and Surplus	-	(1,392.07)	(1,392.07)
Loan Funds			
Unsecured loan from Holding Company	2,755.86	(2,755.86)	-
Deferred tax liabilities (net)	3.99		3.99
	-	0.28	0.28
Current liabilities & provisions			
	-	2,755.86	2,755.86
		23.71	23.71
Sundry creditors	677.07	(23.71)	653.36
Provisions	0.89	(0.28)	0.61
	4,437.81	(1,392.07)	3,045.74

Revised Schedule VI	
Heading	Nature of adjustment
Shareholders' Funds	
Reserves and Surplus	Debit balance of profit and loss account is disclosed as negative in Surplus
Non-Current Liabilities	
	Refer woking note 2
Deferred tax liabilities (net)	
Long term provisions	Non current component
Current liabilities	
Short term borrowings	Refer woking note 2
Trade payables	Refer woking note 3
Other current liabilities	Refer woking note 4
Short term provisions	Non Current component regrouped as Non current Liabilities

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2012 (Contd.)

Rs in lacs

Pre revised Schedule VI				Revised Schedule VI	
Heading	Amount	Adjustment	Amount	Heading	Nature of adjustment
APPLICATION OF FUNDS					
Fixed Assets				Non current assets	
Net block	310.54	(4.37)	306.17	Tangible assets	
	-	4.37	4.37	Intangible assets	
CWIP including capital advances	278.82	(1.64)	277.18	Capital work in progress	Capital advances disclosed as loan and advances. Refer working note 6
	-	429.50	429.50	Long term loans and advances	Non current component regrouped as Non current assets. Refer working note 8
	-	0.53	0.53	Other non current assets	Non current component regrouped as Non current assets. Refer working note 7
Stock in trade	1,293.61		1,293.61	Inventories	
	-	1.64	1.64	Trade receivables	Capital advances. Refer working note 6.
Cash and bank balance	538.95	(0.50)	538.45	Cash and bank balance	Refer working note 7
Loans and advances	623.82	(429.53)	194.29	Short term loans and advances	Refer working note 8
Debit balance in profit and loss account	1,392.07	(1,392.07)	-		Debit balance of profit and loss account is disclosed as negative in Surplus
	4,437.81	(1,392.07)	3,045.74		
WORKING NOTES					
1. Long term provisions					
Amount as per pre-revised Schedule VI				Nil	
Add: Non Current component of provisions				0.28	
2. Short term borrowings					
Amount as per pre-revised Schedule VI				Nil	
Add: Unsecured loan having original maturity of less than 12 months				2,755.86	
3. Trade payables					
Amount as per pre-revised Schedule VI				Nil	
Add: creditors for expenses & others				23.71	
4. Other current liabilities					
Amount as per pre-revised Schedule VI				677.07	
Less: amount of trade payables				(23.71)	
				653.36	
5. Short term provisions					
Amount as per pre-revised Schedule VI				0.89	
Less: Non current component of provisions				(0.28)	
				0.61	
6. Capital work in progress					
Amount as per pre-revised Schedule VI				278.82	
Less: Non current component of provisions				(1.64)	
				277.18	
7. Cash and bank balance					
Amount as per pre-revised Schedule VI				538.95	
Less: Non current component of fixed deposit				(0.50)	
				538.45	
8. Loans and advances					
Amount as per pre-revised Schedule VI				623.82	
Less: Non current component of Loans and advances				(429.50)	
Less: Non current component of interest accrued & due				(0.03)	
				194.29	

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012

NOTE 2 SHARE CAPITAL

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Authorised		
100,000,000 Equity Shares of Rs.10/- each	10,000.00	1,500.00
	10,000.00	1,500.00
Issued, Subscribed & Fully Paid up		
Equity Shares		
30,000,000 (March 31, 2011: 10,000,000) equity shares of Rs. 10/- each	3,000.00	1,000.00
(All the above shares as at March 31, 2011 and 2012 are held by the holding company, Shriram Transport Finance Company Ltd.)		
	3,000.00	1,000.00

a. Reconciliation of the equity shares outstanding at the beginning and at end of reporting period.

	As at March 31, 2012		As at March 31, 2011	
	Number of shares	Rs. in lacs	Number of shares	Rs. in lacs
Shares outstanding at the beginning of the year	1,00,00,000	1,000.00	50,000	5.00
Shares issued during the year	2,00,00,000	2,000.00	99,50,000	995.00
Shares outstanding at the end of the year	3,00,00,000	3,000.00	1,00,00,000	1,000.00

b) The company has only one class of shares referred to as equity shares having a par value of Rs 10/-. Each holder of equity shares is entitled to one vote per share. Each equity share holder is entitled to receive interim/ final dividend as and when declared by the board of directors/ at the Annual General Meeting. The dividend is subject to approval of Shareholders in the ensuing Annual General Meeting.

c) In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) There are no equity shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment, including the terms and amount.

e) There are no equity shares allotted as fully paid up bonus shares or pursuant to contracts without payment being received in cash. No equity shares have been bought back in the year 2010-11 and 2011-12.

f) The company does not have an ultimate holding company.

g) Details of shareholders holding more than 5% shares in the company.

Details of shareholding	As at March 31, 2012		As at March 31, 2011	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Holding company				
Shriram Transport Finance Company Ltd	3,00,00,000	100%	1,00,00,000	100%

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012 (CONTD.)

NOTE 3 RESERVES AND SURPLUS

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Surplus/(Deficit) in the statement of Profit and Loss		
Balance as per last Financial Statement	(1,392.07)	(0.55)
Add: Net profit/(loss) for the current year	(30.44)	(1,391.52)
Closing balance	(1,422.51)	(1,392.07)

NOTE 4 TRADE PAYABLES

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Sundry creditors other than Micro, Small and Medium Enterprises		
- for expenses #	314.61	23.46
- for others *	44.47	0.25
	359.08	23.71

includes dues to Shriram Transport Finance Company Ltd of Rs 139.93 Lacs (March 31, 2011: Nil)

* includes dues to Shriram Equipment Finance Company Ltd of Rs 7.17 Lacs (March 31, 2011: Nil)

NOTE 5 OTHER CURRENT LIABILITIES

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Sundry creditors other than Micro, Small and Medium Enterprises		
- for fixed assets	27.67	95.90
Interest accrued but not due to Shriram Transport Finance Company Ltd	28.70	-
Advances and Deposits from Customers	46.65	114.25
Temporary credit balance in bank accounts	50.96	424.79
Other liabilities		
- Tax on Sales	1.16	3.48
- Income Tax Deducted at Source	24.91	14.94
- Statutory Dues pertaining to employees	11.48	-
	191.53	653.36

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012 (CONTD.)

NOTE 6 PROVISIONS

(Rs. in lacs)

	As at March 31, 2012		As at March 31, 2011	
	Long term	Short term	Long term	Short term
For leave encashment and availment	-	52.33	-	0.61
For gratuity	67.58	4.83	0.28	-
	67.58	57.16	0.28	0.61

NOTE 7 SHORT TERM BORROWINGS

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Secured Loan		
Cash credit from bank *	-	-
Unsecured Loan		
From Shriram Transport Finance Company Ltd	493.17	2,755.86
	493.17	2,755.86

* Cash credit from bank [Sanctioned Limit as at March 31, 2012 Rs 1500 lacs and March 31, 2011 Rs 1000 lacs] is secured by first charge on the entire current assets of the company and is guaranteed by the Shriram Transport Finance Company Ltd for part of the year. The debit balance of Rs. 0.09 lacs as at March 31, 2012 and of Rs 162.66 lacs as at March 31, 2011 are included as Balances on current account with bank under "Cash and Cash Equivalents," Note 13.

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012 (CONTD.)

NOTE 9 LOANS AND ADVANCES

(Rs. in lacs)

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current portion	Non Current portion	Current portion
Unsecured, considered good				
Capital Advances	18.67	-	1.63	-
Advance for acquisition of Leasehold Lands	-	-	-	0.15
Advances recoverable in cash or in kind or for value to be received				
Unsecured, considered good	-	115.52	-	148.43
Unsecured, considered doubtful	-	16.17	-	-
	-	131.69	-	148.43
Less: Provision for doubtful advances	-	(16.17)	-	-
	-	115.52	-	148.43
Other Loans and Advances - Unsecured, considered good				
Security deposits	473.60	6.39	427.71	28.09
Advance Income Tax	0.05	-	-	-
Service tax credit	-	1.31	-	-
Prepaid expenses	-	9.92	0.16	17.62
	492.32	133.14	429.50	194.29

NOTE 10 OTHER NON CURRENT ASSETS

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Fixed Deposit with banks (Refer Note no. 13) #	1.50	0.50
Interest accrued on fixed deposits with bank	0.13	0.03
	1.63	0.53

Fixed Deposits are pledged with VAT authorities

NOTE 11 INVENTORIES

(Rs. in lacs)

	As at March 31, 2012	As at March 31, 2011
Stock in Trade (at lower of cost and net realisable value)		
Stock of Used Commercial Vehicles	96.11	1,293.61
Less: Provision for non moving Inventory	3.23	-
	92.88	1,293.61

NOTE 12 TRADE RECEIVABLES

(Rs. in lacs)

	As at March 31, 2012 (Current portion)	As at March 31, 2011 (Current portion)
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	25.80	1.64
	25.80	1.64

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012 (CONTD.)

NOTE 13 CASH AND BANK BALANCES

(Rs. in lacs)

	As at March 31, 2012		As at March 31, 2011	
	Non Current portion	Current portion	Non Current portion	Current portion
Cash and cash equivalents				
i) Balances with scheduled banks in:				
Current accounts	-	469.24	-	364.87
ii) Cheques on hand	-	16.33	-	169.67
iii) Cash on hand	-	36.84	-	3.91
	-	522.41	-	538.45
Other bank balances				
Deposits with original maturity for more than 12 months	1.50	-	0.50	-
	1.50	-	0.50	-
Amount disclosed under non-current assets (Refer Note 10) #	(1.50)		(0.50)	
	-	522.41	-	538.45

Fixed Deposits are pledged with VAT authorities

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

NOTE 14 REVENUE FROM OPERATIONS

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
		(Rs. in lacs)
Sales of used Commercial Vehicles	5,947.04	6,132.88
Buyer/Seller Facilitation fees	5,598.88	83.38
	11,545.92	6,216.26

NOTE 15 OTHER INCOME

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
		(Rs. in lacs)
Interest on deposits with bank	0.11	0.03
Interest on Loan to employees	0.65	-
Miscellaneous Income	0.01	-
	0.77	0.03

NOTE 16 ADJUSTMENT DUE TO DECREASE/(INCREASE) IN STOCK OF USED COMMERCIAL VEHICLES

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
		(Rs. in lacs)
Opening stock (A)	1,293.61	-
Less: Closing stock (B)	96.11	1,293.61
Decrease/(Increase) in stock of used commercial vehicles (A-B)	1,197.50	(1,293.61)

NOTE 17 EMPLOYEES BENEFIT EXPENSE

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
		(Rs. in lacs)
Salaries, allowances and Bonus	913.13	19.88
Gratuity	9.11	0.28
Contribution to provident and other funds	39.58	1.23
Staff welfare Expenses	17.64	-
Cost of Staff reimbursed (deputed by Shriram Transport Finance Company Ltd)	1,085.78	669.87
	2,065.24	691.26

NOTE 18 FINANCE COST

	For the Year ended March 31, 2012	For the Year ended March 31, 2011
		(Rs. in lacs)
Interest expense		
Interest on Loan from Bank	3.22	0.04
Interest on Loan from Holding Company	190.48	-
Other borrowing costs		
Processing charges for bank facilities	15.38	-
	209.08	0.04

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012 (CONTD.)

NOTE 19 OTHER EXPENSES

	For the Year ended March 31, 2012	(Rs. in lacs) For the Year ended March 31, 2011
Lease Rent for office premises, Computers, Furnitures and Plant and machinery (Refer Note No 1.6)	98.74	-
Lease Rent for Parking Yards	645.81	381.90
Electricity expenses	31.92	2.90
Registration & Filing fees	42.70	8.58
Buyer / Seller Facilitation expenses	1,137.96	-
Security charges	134.91	-
Repairs & Maintenance		
- Others	89.24	53.12
Rates & taxes	5.08	29.29
Printing & stationery	50.48	21.26
Travelling & conveyance	398.61	95.50
Bank charges	55.45	12.70
Advertisement	121.77	296.78
Business Promotion	54.66	35.69
Directors Sitting fees	0.75	-
Insurance	12.73	-
Communication Expenses	81.11	10.53
Payment to Auditor's.		
As Auditor		
- Audit Fees	5.33	4.41
- Tax Audit Fees	1.46	1.10
- Out of pocket	0.79	-
Legal & professional charges	59.33	1.94
Provision for non moving Inventory	3.23	-
Provision for doubtful advance	16.17	-
Miscellaneous expenses	77.48	36.10
	3,125.71	991.80



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