SREI BNP PARIBAS

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Srei Equipment Finance Private Limited

Annual Report 2012-13

Board of Directors

Didier Chappet Chairman (w.e.f. 17th June, 2013)	Hemant Kanoria Vice Chairman & Managing Director	Sunil Kanoria Joint Managing Director
Thierry Bonetto	Kora Ipe Puthenpurockal	Anjan Mitra

Chief Executive Officer	Chief Financial Officer
D. K. Vyas	C. R. Sudharsanam

Company Secretary	Auditors
Sanjay Chaurasia	S. R. Batliboi & Co. LLP Chartered Accountants

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DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company has pleasure in presenting the Seventh Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2013.

FINANCIAL RESULTS AND OPERATIONS

The summarized financial performance of your Company for the year ended 31st March, 2013 is as under:

(₹in lakh)

Particulars	Year ended	
	31st March, 2013	31st March, 2012
Total revenue	237,377	181,852
Total expenditure (including depreciation and other expenses etc.)	182,514	125,329
Profit before Bad debts, provisions & tax	54,863	40,857
Bad Debts written off (Net of recovery), Provision for Non Performing Assets and Contingent Provision against Standard Assets	14,515	10,395
Profit Before Tax	**40,348**	**30,462**
Total Tax expense	13,356	10,739
Profit After Tax	**26,992**	**19,723**
Profit brought forward from earlier year	24,410	16,234
Profit available for Appropriation	51,402	35,957
Paid up Equity Share Capital	5,966	5,322
Amount transferred to Reserves	16,468	11,547
Net Worth	187,006	139,967

OPERATIONAL REVIEW

Your Company continues to maintain its market leadership in the infrastructure equipment financing business. Some of the key highlights of your Company's performance during the year under review are:

- The gross profit (before depreciation, bad debts, provision and tax) grew to ₹ 77,257 lakh from ₹ 56,523 lakh last year.
- Profit before taxation increased to ₹ 40,348 lakh as against ₹ 30,462 lakh in the last year.
- Net profit after taxation increased to ₹ 26,992 lakh as against ₹ 19,723 lakh in the last year.
- The total asset under management increased to ₹ 19,316.09 Crore as against ₹ 17,476.11 Crore last year.

The Capital Adequacy Ratio (CAR) of your Company stands at 16.19 per cent as on March 31, 2013, well above the regulatory minimum level of 15 percent prescribed by the Reserve Bank of India for systemically important non-deposit taking NBFCs (NBFCs-ND-SI) of this, the Tier I CAR was 11.47 per cent.

Your Company has complied with all norms prescribed by the Reserve Bank of India (RBI) including Fair Practices Code (FPC) as modified upto date, Anti Money Laundering (AML) & Know your customer (KYC) guidelines and also all the mandatory accounting standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

CAPITAL

During the year under review, the Authorised Share Capital of your Company was increased to ₹ 75,00,00,000 (Rupees Seventy Five Crore only) divided into 7,50,00,000 Equity Shares of ₹ 10/- each fully paid up by creation of 2,17,80,000 Equity shares of ₹ 10/- each fully paid-up.

Both Srei Infrastructure Finance Limited (Srei) and BNP Paribas Lease Group (BPLG), the Shareholders of your Company continues to and express their keen interest and commitment to the growth and development of your Company and accordingly during the year under review, both Srei and BPLG infused fresh capital by way of equity contribution of ₹ 99.82 Crore each aggregating to ₹ 199.64 Crore at a price of ₹ 310/- (including a premium of ₹ 300/-) per share in order to enhance the Capital Adequacy Ratio and augment the long term resources of your Company. Hence, the paid-up Equity share capital of your Company stands increased to ₹ 59.66 Crore.

Unsecured Subordinated Non Convertible Perpetual Debentures (Perpetual Debt Instruments - PDIs) aggregating to ₹ 37.50 Crore (Rupees Thirty Seven Crore and Fifty lakh only) forming part of Tier I Capital of your Company issued during Financial Year 2011-12 are outstanding as on date. The interest due on such PDI is payable annually and first such interest payment has been made on 30th December, 2012.

ECONOMIC REVIEW

Global Outlook

The World Bank predicts a 2.4 per cent global GDP growth in 2013 and expects it to improve to 3.1 per cent in 2014. The projections by International Monetary Fund (IMF) are slightly more optimistic. IMF's GDP growth projections for 2013 and 2014 stand at 3.25 per cent and 4 per cent respectively.

Amongst the developed nations, the US economy is on a path of gradual recovery from the 2008 crisis. Employment is picking up, although very slowly. Federal Reserve has decided not to increase interest rate before unemployment rate falls below 6.5 per cent. The benchmark short-term rate has been kept at a record low of near zero per cent since December 2008. To keep long-term borrowing costs down, Federal Reserve is presently buying bonds worth USD 85 billion on a monthly basis. However, the US recovery might get challenging if the debt ceiling issue is not resolved. IMF projects USA to grow at 1.9 per cent in 2013 and 3 per cent in 2014.

The debt-ridden Euro Zone, which is in recession, is not expected to register positive growth until 2014. European Central Bank (ECB) has reduced its benchmark rate to 0.5 per cent, a record low, and also announced that it would buy unlimited quantities of government bonds in order to lower borrowing cost of countries which are struggling to manage their debts. Earlier ECB gave banks more than USD 1.3 trillion in low-interest loans lasting up to 3 years. It has also been announced that ECB is considering further steps to provide support to the Euro Zone. IMF projects Euro Zone to contract by 0.3 per cent in 2013 before registering growth of 1.1 per cent in 2014.

The Euro Zone being a major export market for the UK, the problems in the former have had a major impact on the latter. UK economy contracted by 0.3 per cent in the last quarter of 2012. IMF projects GDP of UK to grow by 0.7 per cent in 2013 and by 1.5 per cent in 2014. Bank of England has kept its benchmark rate at a record low of 0.5 per cent since 2009. It has also announced plans to purchase more government bonds from financial institutions so that banks can lend to businesses and households.

Bank of Japan recently announced that it would inject about USD 1.3 trillion into the economy before end of 2014 through purchase of government bonds. The intent is to end the long stagnation in Japan for nearly two decades and shift the economy from a phase of prolonged deflation to an inflationary situation of at least 2%. IMF projects Japan to grow at 1.6 per cent in 2013 and 1.4 per cent in 2014.

The emerging and developing economies (EDEs) continue to outperform the developed ones, but their growth pattern has been mixed. Some like China are picking up pace, while several have slowed down. However, the massive quantitative easing (QE) undertaken in the developed nations is bound to expose the EDEs to the threat of asset bubbles and inflation. In addition, the QE induced depreciation of currencies of the developed nations will dent the competitiveness of EDE currencies thereby making these economies more vulnerable. EDEs are likely to experience sharp fluctuations in currencies and capital flows. Experts are not ruling out an impending currency war which can badly hurt global economic recovery.

Certain geo-political tensions have been building up. In a situation of abundant global liquidity, any flare-up of geo-political tension can lead to disruption in supply of commodities resulting in sharp rise in prices. This can have a cascading impact across industries. Inflation management would become extremely challenging, especially for EDEs where demand is still buoyant.

Indian Scenario

The year under review was an extremely difficult one for doing business in India. India's GDP growth averaged just about 5 per cent in the first three quarters of FY12 after registering 6.2 per cent in FY12. Q3FY13 registered the weakest GDP growth (4.5 per cent) in last 15 quarters. GDP growth of 5.7 per cent for FY14 has been projected by RBI.

Wholesale Price Index (WPI) inflation, averaging 7.4 per cent during April-February FY13, continues to remain way above the comfort level of Reserve Bank of India (RBI). Consumer Price Inflation (CPI) has been in double digits. Despite high inflation, RBI has resorted to monetary easing in FY13 to push growth. RBI has reduced policy rates (repo and reverse repo) by 100 basis points, cash reserve ratio (CRR) by 75 basis points and statutory liquidity ratio (SLR) by 100 basis points during FY13. But these steps have failed to stimulate fresh investments. Index of Industrial Production (IIP) averaged only 1 per cent growth during April-January FY13. While intermediate goods registered 1.7 per cent growth during this phase, capital goods contracted sharply by 9.3 per cent. This does not augur well for the infrastructure sector. The slowdown has got mirrored in the loan growth of Indian banking. At around 14.5 per cent rate of loan growth, FY13 has been one of the bad years for Indian banking.NPAs and debt restructuring now account for almost 12 per cent of all bank loans and infrastructure loans constitute as significant segment of this. This trend of infrastructure projects defaulting on their debt obligations forcing lenders to go for restructuring is likely to continue in 2013.

India's infrastructure deficit and the resultant supply bottlenecks have contributed to the lingering inflation, especially food inflation. Thus, the ideal way to counter this slowdown is through a fiscal push, especially in infrastructure spending. However, the twin deficits namely fiscal deficit and current account deficit (CAD) have severely constrained government's ability to provide a stimulus. Government is confident that fiscal deficit would be contained at 5.2 per cent of GDP in FY13 and it would be brought down to 4.8 per cent by FY14. However, RBI admits that CAD at 5.4 per cent of GDP for the first three quarters of FY13 is not sustainable, and needs to be reduced. Although CAD gets financed by capital flows, mainly in the form of portfolio investment and debt, the vulnerability of the external sector to abrupt shifts in sentiment remains a concern area. The rupee will continue to remain under pressure going forward.

NBFCs in India

Non-banking Finance Companies (NBFCs) like Asset Finance Companies (NBFC-AFCs) and Infrastructure Finance Companies (NBFC-IFCs) form an integral part of the financial fabric of the Indian economy. Most of the banks are unable to cater to the finance needs of micro, small and medium enterprises (MSMEs) and it is these NBFCs which bridge the gap and act as an extended arm of the banking system in India.

RBI has harmonized its definition of 'Infrastructure Lending for the purpose of financing of infrastructure by the banks and financial institutions' with the Master List that was issued by Government of India in March 2012 that classified infrastructure sectors into 5 sectors and 29 sub-sectors. NBFCs, would need to abide by this revised definition.

RBI extended the guidelines on securitization and standard assets (loans) to NBFCs stipulating that originating NBFCs can securitize a loan only after it had been held by them for a minimum period in their books in order to align the interest of the originator with that of the investor(s). RBI has also stipulated that a minimum retention requirement would be applicable to ensure that the originating NBFCs continue to have a stake in the performance of the securitized assets. Originating NBFCs should also be bound to disclose to investors the weighted average holding period of the securitized assets.

100 per cent foreign direct investment (FDI) is now allowed under automatic route in 'Financial Lease' and not in 'Operating Lease'. NBFC-AFCs stand to gain partially from this development.

NBFCs having and maintaining a minimum net worth of ₹ 1 billion and incorporated under the Companies Act, 1956 are allowed to set up White Label ATMs (WTAs) aimed at promoting financial inclusion in the hinterlands.

REVIEW OF OPERATIONS

Your Company, a joint venture between Srei Infrastructure Finance Limited (Srei) and BNP Paribas Lease Group (BPLG), is registered with RBI as a non-deposit taking NBFC (Category - Asset Finance) and is in the business of equipment financing with a wide spectrum of asset finance business which includes Technology and Solutions, Healthcare, Captive financing solutions for leading manufacturers like Volvo and Atlas Capco. Infrastructure is the sector, which contributes to a majority, and client profile includes the best names in the country today.

Your Company has retained its position as one of the leading equipment financier in India in the year under review with a disbursement of asset cost of over ₹ 13,000 crore.

The infrastructure equipment market has a de growth of around 12 per cent. With unit sales of 72,244 in 2012, the Indian earth moving and construction equipment industry was valued at approximately ₹ 20,000 crore (USD 3.7bn) and it contributed 7.9 per cent on the GDP.

The year 2012-13 had a challenging time for the industry, as it encountered project implementation, consolidation, cash flow mismatch challenges at large throughout all players. It also faced various government policy challenges at large in the roads, land acquisition and mining sectors.

In the year under review, the total disbursements in terms of asset cost of your Company had a de growth of approx. 12 per cent in line with the industry but the profits grew by nearly 33 per cent from ₹ 305 crore to ₹ 403 crore during the year due to increased margins, fee income and effective collections.

The last year incubated businesses like logistics, pre-owned equipment and farm equipment are strengthened this year and will show better results in terms of diversifying the portfolio going forward. During the year, the branch distribution network was strengthened to create a reach and proximity with the client and exploit the cross selling activities.

The view for the year ahead is to diversify the risk and stabilize, but retain the market leadership in the infra equipment space. Your Company will have a cautious approach and watch policy decisions with strong focus on relationship with customers and assist them in their business as partners.

The relationship between both the shareholders, Srei and BPLG, continues to be at the best terms and best practices and cross selling opportunities are being exploited. In order to improve the Capital Adequacy Ratio and infuse fresh Capital for growth, both the shareholders of your Company subscribed to 32,20,000 Equity shares respectively of your Company in June 2012 and October, 2012 at a price of ₹ 310/- per Equity share aggregating to ₹ 199.64 Crore.

BUSINESS OUTLOOK AND FUTURE PLANS

The present macroeconomic scenario is not very promising as already mentioned before. However, a review of the recent developments on the infrastructure front provides reasons for your Company to be optimistic about the business outlook for FY14 in the infrastructure sector.

India's Twelfth Five Year Plan (2012-17) envisaged investments worth USD 1 trillion for infrastructure, which works out to be a requirement of ₹ 11.26 lakh crore annually. Union Budget 2013-14 has earmarked a total outlay of ₹ 1.54 lakh crore for infrastructure.

Union Budget 2013-14 has announced several initiatives that are expected to set in motion infrastructure activities :

- Cabinet Committee on Investment has been set up to fast-track large infrastructure projects.
- IDFs to be encouraged.
- India Infrastructure Finance Company Ltd. (IIFCL) to offer credit enhancement to companies which wish to tap the bond market.
- Select institutions will be allowed to issue tax-free bonds to mobilize ₹ 50,000 crore in FY14.
- Domestic coal production is to be stepped up by forming PPPs with Coal India Ltd.
- Benefits under Sec. 80-IA of Income Tax Act have been extended to power generation companies till FY15.

- Power transmission system from Srinagar to Leh to be constructed.
- A policy to encourage exploration and production of shale gas will be announced.
- Low interest bearing funds from National Clean Energy Fund (NCEF) to be extended to Indian Renewable Energy Development Agency (IREDA) to on-lend to viable renewable energy projects.
- A regulator to be formed for the road sector.
- 3,000 km of new road projects are to be awarded during first half of FY14.
- Two new ports (in West Bengal and Andhra Pradesh) and one outer harbour (in Tamil Nadu) are to be built.
- A grid combining ports, inland waterways and roadways, etc. is being planned.
- Three industrial corridors namely Delhi-Mumbai, Chennai-Bangaluru and Bangaluru-Mumbai will be built leading to holistic development of the regions in and around those corridors.

Enhanced corpus for Mahatma Gandhi National Rural Employment Guarantee programme (MGNREGA), Pradhan Mantri Gram Sadak Yojana (PMGSY), Rural Infrastructure Development Fund (RIDF), Indira Awas Yojana, etc. augur well for building rural infrastructure. In addition, ₹ 5,000 crore has been allocated for National Bank for Agricultural and Rural Development (NABARD) so that refinancing can be extended to projects pertaining to warehousing, cold storage, etc. These will go a long way in addressing the supply bottlenecks that have been fuelling food inflation.

National Housing Fund has been provided additional funds to promote rural housing through refinancing and has also been instructed to set up an urban housing fund. Further, additional tax incentives for the first time home buyer taking a home loan of up to ₹ 25 lakh is expected to provide a fillip to house construction, especially in the non-metro cities.

Apart from these, the 15 per cent investment allowance (in addition to existing depreciation benefits) for investment in plant and machinery worth ₹ 100 crore or more is expected to encourage capacity addition. This is likely to benefit the infrastructure equipment sector too.

The policy rates are likely to be reduced by another 50-100 basis points and the CRR by at least 50 basis points during FY14. Government is taking steps to ease the flow of FDI and FII into India. Government is also very serious about activating the moribund corporate bond market. All these would aid infrastructure financing.

During the second half of FY13, government initiated a number of steps towards creating a conducive investment climate. However, to provide a fillip to infrastructure creation, government needs speedy reforms in key areas like land acquisition, forest and environmental clearances, coal linkage, etc. Clarity in policy and regulations is the need of the hour, more so when 47-50 per cent of the infrastructure investment is expected from the private sector.

To sum up, the management of your Company remains confident about India's prospect as an investment destination in the long run. The macroeconomic conditions in FY14 are likely to remain challenging. However, the developments in the domestic economy will largely depend on government's appetite for reforms. If certain key reforms can be pushed through quickly, India will be in a position to take advantage of the global developments and might end up attracting a part of the QE induced global liquidity. If that happens, your Company with its in-depth knowledge of the infrastructure business, prudent risk management techniques and its knack for innovation, will be all set to take advantage of the opportunities that would unfold.

RESOURCES

Your Company has been mobilising resources at the most competitive rates and raised the required resources from its bankers, financial institutions and other lenders, all the while ensuring proper asset liability match and managing overall cost of funds. Your Company has one of the country's largest consortium of banks and domestic and international financial institutions.

The tied-up Working Capital fund based limit of your Company is ₹ 8,080 crores as at the financial year end, with fresh sanction and/or enhancement during the year amounting to ₹ 1,780 Crore, from a consortium of 35 banks. Apart from this, the present non-fund based limit being enjoyed by your Company aggregate to ₹ 831 Crore. The mobilization of fresh Term Loans during the year amounted to ₹ 2,032 Crore.

Your Company was also able to mobilize USD 70 million (equivalent of ₹ 380 Crore) of External Commercial Borrowings (ECBs) during the year. Sanctions and approval for USD 105 million is also in hand at the close of financial year.Your Company has hedged all its external commercial borrowings.

There have been challenges in terms of regulatory compliances, post new guidelines on Assignment and Securitization released by RBI in mid of financial year but still your Company managed to sell its portfolio of loan assets worth ₹ 674 crores through securitization of receivables, releasing capital for additional business.

Your Company has focused to mobilized long term funds by issue of Non Convertible Debentures (NCDs) to maintain healthy assets liability profile. Your Company has mobilized ₹ 561 crore by issue of Long Term NCDs during the FY 2012-13. Moreover, to augment resources and increase the capital base, your Company raised Tier II Capital in the form of Subordinated Debentures aggregating to ₹ 101 crores during the financial year.

Your Company was also able to reduce its overall cost of borrowings mobilized through interest arbitrage measures by issue of Commercial Paper aggregating to ₹ 14,475 crores and Short Terms Loans from Banks and Institutions aggregating to ₹ 22,080 crores, during the financial year.

CORPORATE SOCIAL RESPONSIBILITY

Recognising its social responsibility, your Company had established a public charitable trust in the name of 'Srei Foundation' with the objective of granting scholarships and other financial assistance to deserving and talented candidates. The Fund also supports setting up of schools, colleges, medical and scientific research institutions. Donations to Srei Foundation qualify for deduction under Section 80G of the Income Tax Act, 1961. Your Company has granted donation of ₹ 50,00,000/- (Rupees Fifty lakh only) to Srei Foundation during the financial year 2012-13.

Your Company also made donations aggregating to ₹ 46,41,500/- (Rupees Forty Six lakh Forty One Thousand Five Hundred only) to Suryodaya Schools, a division of IISD Edu World, established with the intent to promote and spread education among the under-privileged and weaker sections of the society.

A donation of ₹ 12,50,000/- (Rupees Twelve lakh and Fifty Thousand only) was also made to Gyan Prakash Foundation, a public charitable trust set up to develop sustainable and scalable models of self-learning that taps a child's natural curiosity and ability to explore, discover and learn with the ultimate aim of teaching the underprivileged children all over the country.

Your Company also promotes all-round development of a clean environment and help in propagating and imparting education for the betterment of agriculture / horticulture and other similar activities.

Your Company is fully aware of the fact that as a corporate citizen, it is also entrusted with the responsibility to contribute for the betterment of the community at large. During the year under review, your Company supported a variety of charitable projects and social welfare activities and has contributed an aggregate sum of ₹ 3,52,77,809/- (Rupees Three Crore Fifty Two lakh Seventy Seven Thousand and Eight Hundred Nine only) to several welfare and charitable organisations.

DIVIDEND

In order to conserve the resources of your Company, the Board of Directors of your Company do not recommend any dividend for the year ended 31st March, 2013.

PUBLIC DEPOSITS

During the year under review, your Company, being a Non deposit taking Non Banking Financial Institution (NBFI), has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998. The Board of Directors of your Company have resolved that the Company will not accept any Public Deposits during the Financial Year 2013-14 in terms of aforesaid directions.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report and forms part of the Directors' Report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

Your Company has no activity relating to Conservation of Energy and Technology Absorption as stipulated in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. However, your Company uses information technology extensively in its operations and also continues its endeavour to improve energy conservation and utilisation, safety and environment.

During the year under review, the total foreign exchange expenditure of your Company was ₹ 6,954 lakh (previous year ₹ 6,678 lakh) and has not earned any foreign exchange (Previous Year - Nil).

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and pursuant to the Articles of Association of your Company, Mr. Kora Ipe Puthenpurockal and Mr. Anjan Mitra, Directors of your Company retire by rotation in the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE

The Audit Committee of your Company comprises of Mr. Sunil Kanoria as Chairman, Mr. Thierry Bonetto, Mr. Anjan Mitra and Mr. Kora Ipe Puthenpurockal, as Members of the Committee.

During the year under review, the Committee met 4 (four) times on 11th May, 2012, 25th July, 2012, 7th November, 2012 and 12th February, 2013.

DIRECTORS' RESPONSIBILTY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 (Act), your Directors confirm that:

(i) in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the profit of the Company for that year;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the annual accounts for the year ended 31st March, 2013 on a going concern basis.

Further, your Directors confirm that your Company has adequate internal systems and controls in place to ensure compliance of laws applicable to your Company.

AUDITORS

S. R. Batliboi & Co. LLP, Chartered Accountants, having Registration No. 301003E allotted by The Institute of Chartered Accountants of India (ICAI), retire as Auditors of your Company at the conclusion of the ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office of Auditors, if re-appointed. Your Company has received a confirmation from S. R. Batliboi & Co. LLP, Chartered Accountants 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 Audit Committee and the Board of Directors of your Company recommend the re-appointment of S. R. Batliboi & Co. LLP, Chartered Accountants, as the Auditors of your Company. Members are requested to consider their re-appointment as Auditors of your Company to hold office from conclusion of ensuing AGM to the conclusion of next AGM on remuneration to be decided by the Board of Directors based on the recommendation of the Audit Committee of your Company.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the excellent support and co-operation received from Srei Infrastructure Finance Limited, BNP Paribas Lease Group, Financial Institutions, Banks, Central & State Government Authorities, Reserve Bank of India, Ministry of Corporate Affairs, Registrar of Companies, Credit Rating Agencies, Depositories, Customers, Manufacturers, Suppliers, Vendors, Business Associates, Shareholders and other Stakeholders during the year under review. Your Directors also place on record their deep appreciation of the valuable contribution of the employees at all levels for the progress of your Company during the year and look forward to their continued co-operation in realisation of the corporate goals in the years ahead.

On behalf of the Board of Directors

Place : Kolkata
Date : 15th May, 2013

Bertrand Gousset
Chairman

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 referred to in the Directors' Report for the year ended 31st March, 2013 and forming part thereof

Sl. No.	Name	Age as on 31.03.2013	Designation	Qualification	Remuneration (₹)	Date of Commencement of Employment	Working Experience (Years) (Total)	Previous Employment (Designation)
1	Mr. Hemant Kanoria	50	Vice Chairman & Managing Director	B. Com (Hons)	37,524,269	02-04-2008	33	-
2	Mr. Sunil Kanoria	48	Joint Managing Director	B. Com (Hons), CA	37,533,001	02-04-2008	28	-
3	Mr. D. K. Vyas	44	Chief Executive Officer	B. Com, CA	24,512,000	01-04-1997	21	G P Agrawal & Co. Chartered Accountants (Partner)
4	Mr. C. R. Sudharsanam #	57	Chief Financial Officer	B. Com, Grad CWA, ACA, FCMA (UK)	9,448,702	01-11-2008	31	BNP Paribas, Canada (Finance & Control - Project Manager (A2 System))
5	Mr. Jugal Kishore Dwivedi	54	Head-HR	B. Sc., CA	6,172,752	18-12-2006	34	Magma Leasing Limited (Head-Corporate Finance)
6	Mr. Prakash Chand Patni	54	Head - Resource Mobilisation	B. Com (Hons.), CA	6,424,629	08-07-1995	29	Aketa Ltd.(Vice President Finance)
7.	Mr. Rohit Chawla	42	Head-ARM	BBS, MBA	6,456,612	05-03-2001	19	K & Co. (Manager- Head of Investment Cell)
8	Mr. Nilabhra Sinha	43	Zonal Head	B. Com (Hons.), ICWA - Inter	7,278,808	26-09-2002	18	L & T Finance Ltd. (Assistant Manager)
9	Mr. Ramana Venkat Vallabhajoysula	40	Business Head	B. Com (Hons.), CFA, PGDBM	6,384,824	01-10-2003	11	GE Capital CEF Limited (Area Sales Manager- South CE)
10	Mr. Debnil Chakravarty	40	Business Head	B.A. (Hons.), PGDBA, ICFAI, CFA	6,663,690	02-01-2008	15	ICICI Bank Limited (Product Risk Manager-Commercial Business)
11	Mr. Sukanta Nag*	53	Chief Credit & Risk Officer	M. Com, ACA, ICWA, CS, CAIIB	9,356,667	02-04-2012	28	Credit Analysis & Research Limited (CARE Ratings) (Chief General Manager)
12	Mr. Raja Singh	45	Senior - Vice President	B. Com, MBA (Finance), CA	6,218,498	05-04-2010	19	Kotak Mahindra Bank Limited (Senior Vice-President)
13	Mr. Philippe Chabert*&#	47	Head	Maîtrise d' économétrie at Paris I (Econometrics), Licence de sociologie at Paris V (Sociology)	2,674,393	01-08-2011	21	BNP Paribas Leasing Solutions Romania (Administrator and General Manager)

*Employed for part of the year

Notes:

1. The aforesaid appointment is terminable by giving One / Three months Notice by either side except in # case where it is on contractual basis for 3 years.
2. Remuneration includes Basic Salary, Commission, House Rent Allowance, Special Allowance, Leave Travel Allowance, Medical Benefit, Leave encashment, Employer's contribution to Provident Fund, Incentive, City Compensatory Allowance, Car Allowance and other perquisites.
3. Mr. Hemant Kanoria, Vice Chairman & Managing Director and Mr. Sunil Kanoria, Joint Managing Director of the Company are related to each other.
4. None of the employees hold 2% or more of the Paid-up-Share capital of the Company.

INDEPENDENT AUDITORS' REPORT

To the Members,

Srei Equipment Finance Private Limited

1. Report on the financial statements

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

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

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

4. Opinion

   In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

   (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

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

   2. As required by section 227(3) of the Act, we report that:

      (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

      (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

      (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

      (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

      (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E

per Bhaswar Sarkar
Partner
Membership No. 55596

Place : Kolkata
Date : May 15, 2013

Annexure referred to in paragraph 5(1) of our report of even date

Re: **Srei Equipment Finance Private Limited** ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has physically verified a part of its fixed assets during the year but there is a regular programme of verification of fixed assets in a phased manner to cover all items over a period of three years 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 of fixed assets during the year.

(c) There was no substantial disposal of fixed assets during the year.

(ii) The Company does not have any inventory and therefore, clause 4 (ii) of the Order is not applicable and hence not commented upon.

(iii) (a) As informed, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act and hence, clauses 4 (iii) (b) to (d), of the Order are not applicable and hence not commented upon.

(e) As informed, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act and hence, clauses 4 (iii) (f) and (g) of the Order are not applicable and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the 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 those areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.

(v) According to the information and explanations provided by the management, there has been no transaction that needs to be entered into the register maintained under Section 301 of the Act. Therefore, clause 4(v) of the Order is not applicable and hence not commented upon.

(vi) As informed, the Company has not accepted any deposits from the public under the provisions of Section 58A and 58AA of the Act and the rules framed thereunder.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Company is not engaged in any manufacturing or mining activities, and thus, the provisions relating to maintenance of cost records under section 209(1)(d) of the Act are not applicable and hence not commented upon.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, cess and other material statutory dues applicable to it. During the year, the Company did not have any dues towards wealth tax, investor education and protection fund and excise duty.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues applicable to the Company were outstanding, at the year end, for a period of more than six months from the date they became payable. During the year, there were no dues towards investor education and protection fund, wealth tax and excise duty.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, and cess that has not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
UP Trade Tax Act, 1948	Sales Tax	7	1995-96 – 1999-00	Deputy Commissioner (Appeals), A.C Assessment, Trade Tax, Kanpur
Finance Act, 1994	Service Tax on financial and business auxiliary services, interest payments and utilization of cenvat credit	535	2002-03 to 2009-10	High Court at Calcutta
WB-VAT	VAT on sale of fixed assets	118	2007-08, 2009-10	Appellate Authority, West Bengal
AP-VAT	Entry Tax	119	2008-09	AP-Commercial Tax Authority
Income Tax Act, 1961	Income Tax	627	2008-09 to 2011-12	Jurisdictional Assessing Officer / CIT (Appeals), Kolkata

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceeding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) Based on our examination of the documents and records, we are of the opinion that the Company has maintained adequate records in respect of loans and advances granted primarily on the security of underlying assets and backed by collateral security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order, are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order, are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) Having regard to the management's explanations set out in Note No. 2.7(a) to the financial statements regarding the Company's practice of rolling forward short term loans to finance lending / leasing contracts with customers for periods in excess of twelve months 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 during the year to parties or companies covered in the register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us and the records examined by us, securities / charges have been created in respect of debentures issued by the Company.

(xx) The Company has not raised any money by public issue during the year.

(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 material fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & CO. LLP.
Chartered Accountants
Firm Registration No.: 301003E

per Bhaswar Sarkar
Partner
Membership No. 55596

Place : Kolkata
Date : May 15, 2013

Balance Sheet as at 31st March, 2013

(₹ in lakh)

	Note No.	As at 31st March, 2013		As at 31st March, 2012	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	2.1	5,966		5,322	
Reserves and Surplus	2.2	181,152	187,118	134,840	140,162
Non-current liabilities					
Long-term borrowings	2.3	432,886		351,398	
Deferred tax liabilities (Net)	2.4	15,287		11,133	
Other long term liabilities	2.5	15,315		12,392	
Long-term provisions	2.6	13,538	477,026	12,554	387,477
Current liabilities					
Short-term borrowings	2.7	743,638		466,157	
Trade payables	2.8	37,291		66,134	
Other current liabilities					
- Current maturities of long term borrowings	2.9	178,113		213,679	
- Other current liabilities	2.9	17,083		9,589	
Short-term provisions	2.10	8,530	984,655	5,175	760,734
TOTAL			**1,648,799**		**1,288,373**
ASSETS					
Non- current assets					
Fixed assets					
Tangible assets	2.11	124,283		124,014	
Intangible assets	2.11	1,810		1,716	
Non current investments	2.13	184		-	
Long-term loans and advances					
- Financial assets	2.14	841,006		615,792	
- Other long term advances	2.15	6,958		5,579	
Other non current assets	2.16	20,153	994,394	31,576	778,677
Current assets					
Current investments	2.13	2,953		-	
Trade receivables	2.17	4,020		2,554	
Cash and bank balances	2.18	1,02,894		96,289	
Short-term loans and advances					
- Financial assets	2.14	103,429		81,088	
- Other advances	2.19	1,292		692	
Other current assets					
- Current maturities of long term financial assets	2.14	427,710		317,614	
- Other current assets	2.20	12,107	654,405	11,459	509,696
TOTAL			**1,648,799**		**1,288,373**
Summary of Significant Accounting Policies	1				

The accompanying notes are an integral part of the financial statements
As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E

On behalf of the Board of Directors

per Bhaswar Sarkar
Partner
(Membership No.55596)

Bertrand Gousset
Chairman

Hemant Kanoria
Vice Chairman &
Managing Director

Devendra Vyas
Chief Executive Officer

Place : Kolkata
Date : 15th May, 2013

CR Sudharsanam
Chief Financial Officer

Sanjay Chaurasia
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in lakh)

	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
INCOME			
Revenue from operations	2.21	237,320	181,779
Other income	2.22	57	73
Total revenue		**237,377**	**181,852**
EXPENDITURE			
Employee benefits expenses	2.23	11,521	10,098
Finance cost	2.24	136,660	104,392
Depreciation / Amortisation / Impairment	2.11	22,394	15,666
Administrative and other expenses	2.25	11,855	10,754
Miscellaneous expenditure written off		84	85
Total expenditure		**182,514**	**140,995**
PROFIT BEFORE BAD DEBTS, PROVISIONS AND TAX		**54,863**	**40,857**
Bad debts written off (Net)	2.6.2	13,191	9,768
Provision for Non Performing Assets	2.6.1	457	262
Contingent provisions against standard assets	2.6.1	867	365
		14,515	**10,395**
PROFIT BEFORE TAX		**40,348**	**30,462**
Tax expense :			
- Current tax		9,202	5,387
- Income tax for earlier years		-	495
- Less : MAT credit entitlement for earlier years		-	(187)
- Deferred tax		4,154	5,044
Total Tax Expense		**13,356**	**10,739**
PROFIT AFTER TAX		**26,992**	**19,723**
Earnings per equity share (basic and diluted) (₹)	2.27	**47.60**	**37.60**
[Nominal Value of Equity Shares of ₹ 10/- each (31st March 2012 : ₹ 10/-each)]			
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements
As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E

per Bhaswar Sarkar
Partner
(Membership No.55596)

Place : Kolkata
Date : 15th May, 2013

On behalf of the Board of Directors

Bertrand Gousset
Chairman

Hemant Kanoria
Vice Chairman &
Managing Director

Devendra Vyas
Chief Executive Officer

CR Sudharsanam
Chief Financial Officer

Sanjay Chaurasia
Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

(₹ in lakh)

	2012-13	2011-12
A. Cash Flows from Operating Activities		
Net Profit Before Tax	40,348	30,462
Non cash adjustment to reconcile profit before tax to net cash flows :		
Depreciation / amortisation / impairment	22,394	15,666
Bad Debts written off (net)	13,191	9,768
Provision for Non Performing Assets	457	262
Contingent Provisions against Standard Assets	867	365
Loss on sale of Fixed Assets (net)	86	146
Miscellaneous Expenditure Written off	84	85
Interest & Finance Charges	136,660	104,392
Profit on sale of Investments	-	(31)
Dividend Income from Current Investments (Non Trade)	(44)	(34)
Operating profit before working capital changes	**214,043**	**161,081**
Movements in working capital :		
(Increase) / Decrease in Trade Receivables / Others	(34)	(20,379)
(Increase) / Decrease in Financial Assets	(370,841)	(165,874)
Increase / (Decrease) in Trade Payables / Others	(25,403)	17,115
(Increase) / Decrease in Fixed Deposit (Deposits with original maturity period of more than three months)	5,269	(49,064)
Cash generated from / (used in) operations	**(176,966)**	**(57,121)**
Interest paid (net of foreign exchange fluctuation)	(129,491)	(1,01,090)
Advance taxes paid (including Tax deducted at Source)	(6,532)	(9,030)
Net Cash (used in) / generated from operating activities	**(312,989)**	**(167,241)**
B. Cash flows from investing activities		
Dividend Income from Current Investments (Non Trade)		
Purchase of Fixed Assets	(23,017)	(87,311)
Purchase of Investments	(3,137)	-
Dividend Income from Current Investments (Non Trade)	44	34
Proceeds from Sale of Fixed Assets	174	51
Proceeds from Sale of Investments	-	281
Net Cash (Used) / Generated in Investing Activities	**(25,936)**	**(86,945)**
C. Cash Flows from Financing Activities		
Increase in Equity Share Capital (including Securities Premium)	19,964	9,982
Proceeds from issuance of debentures	66,200	36,230
Repayment on redemption of debentures	(61,519)	(23,781)
Increase / (Decrease) in Working Capital facilities (net)	261,135	232,723
Increase / (Decrease) in Other Loans (net)	57,587	8,894
Net Cash (Used) / Generated in Financing Activities	**343,367**	**264,048**
Net Increase / (Decrease) in Cash and Cash Equivalents	**4,442**	**9,862**
Cash & Cash Equivalents at the beginning of the year	**20,510**	**10,648**
Cash and Cash Equivalents at the end of the year *(Refer Note No. 2.18)*	**24,952**	**20,510**
Note :		
Components of Cash and Cash Equivalents:		
Cash on hand	448	222
In Current Account	23,493	18,314
Fixed Deposits with original maturity period being three months or less	1,011	1,974
[Receipts under lien with banks 1,011 lakh (₹ 874 lakh)]	**24,952**	**20,510**
Cash and Bank Balances are represented by :		
Cash and Cash Equivalents	24,952	20,510
Fixed Deposits with original maturity period exceeding three months	79,934	85,203
[Receipts under lien with banks as security ₹79,822 lakh (₹ 84,967 lakh)]	**104,886**	**105,713**

Summary of Significant Accounting Policies *(Refer Note No. 1)*

As per our report of even date.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E

On behalf of the Board of Directors

per Bhaswar Sarkar
Partner
(Membership No.55596)

Bertrand Gousset
Chairman

Hemant Kanoria
Vice Chairman &
Managing Director

Devendra Vyas
Chief Executive Officer

Place : Kolkata
Date : 15th May, 2013

CR Sudharsanam
Chief Financial Officer

Sanjay Chaurasia
Company Secretary

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation

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

Presentation and disclosure in Financial Statements

The financial statements are presented and prepared according to revised Schedule VI notified under the Companies Act, 1956.

Operating Cycle

'An operating cycle' is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The normal operating cycle for the company is considered to be of twelve months.

1.2 Use of estimates

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

1.3 Fixed Assets and Depreciation / Amortisation

Fixed Assets

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

Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortiation. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

Depreciation / Amortisation

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

The rate of depreciation considered during the year by the Company where the rate is higher than the Schedule XIV is as follows:

Particulars	Useful life considered by the Company (in months)
Plant & Machinery	60 to 144
Heavy Earth Moving Equipment	72
Motor Vehicles	66
Furniture and Fixture	84

Fixed Assets costing up to ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Lease hold assets including improvements are amortised over the period of the lease.

Depreciation on assets purchased / sold during the period is recognized on a pro-rata basis.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

Impairment of assets

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment based on internal / external factors. An impairment loss is recognized to the extent, the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the net selling price and its value in use.

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

A previously recognized 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, had usual depreciation been charged and no impairment provision recognised.

1.4 Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Ancillary costs of borrowings are amortised over the life of the underlying borrowings.

1.5 Operating Leases

Leases under which substantially all risks and benefits of ownership of the asset are not transferred to the lessee are classified as operating leases. Assets given on operating leases are included in fixed assets. Lease income is recognised in Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs incurred for execution of operating lease arrangements are recognised immediately in Statement of Profit and Loss.

1.6 Finance Leases

Leases under which substantially all risks and benefits of ownership of the asset are transferred to the lessee are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

1.7 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value / buy back price determined category wise. Long-term investments are carried at cost. However, provision for diminution in the value is recognized in case of a decline, other than temporary, in the value of a long term investment.

1.8 Financial Assets

(i) Financial Assets include assets under loan / hypothecation facility. These are shown net of assets securitized / assigned.

(ii) Financial Assets are carried at net investment amount including installments fallen due and are net of unmatured / unearned finance charges etc. and include interest accrued and assets acquired in satisfaction of debt.

1.9 Provisioning / Write-off of assets

The Company recognizes provision, for standard assets, non-performing Assets (NPAs) and other receivables, in accordance with applicable guidelines issued by RBI. The Company also makes additional provision for NPA and other receivables based on the management's best estimate.

Financial assets overdue for more than four years, as well as those, which, as per the management are not likely to be recovered, are considered as bad debts and written off in the accounts.

1.10 Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the prevailing exchange rate between the reporting currency and the foreign currency at the date of the transaction.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

Conversion

Year-end foreign currency monetary items are reported using the year-end foreign exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates prevailing at the date when the values were determined.

Exchange differences

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements and / or on conversion of monetary items, are recognized as income or expenses in the period in which they arise.

Forward Exchange Contracts (not intended for trading or speculation purpose)

The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract and any charge payable in respect of such foreign exchange contracts are recognized when such charges become due under the terms of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the period.

Derivatives and Hedges

The Company, in order to hedge itself against the adverse impact of fluctuations in foreign currency rates / variable interest benchmark (LIBOR) on underlying liability, enters into the derivative contracts. The Company does not enter into derivative contracts for speculation or trading purposes. In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are "marked to market" on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored. The Company believes that the above treatment reflects the true effect of the hedge and also reflects the economic substance of the impact of derivative contracts.

1.11 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Income from Operations is recognized in the Statement of Profit and Loss on accrual basis as stated herein below except that revenue from non-performing assets is recognized, on realization as per the Prudential Norms / Directions of RBI, applicable to Non-Banking Financial Companies.

(a) Income from financial assets is recognized based on the internal rate of return to provide a constant periodic rate of return on the net investment outstanding over the period of the contract or as per the terms of the contract.

(b) Income from operating lease is recognized as rentals (net of value added tax), on straight line basis over the period of the lease.

(c) Fees for processing of loans are recognized when a binding obligation for granting loan has been entered into.

(d) Interest for delayed payment and changes into interest payment to Company's benchmark interest rate revision are accrued, due to uncertainty of realization, only to the extent of probable recovery, as per the best estimate of the management.

(e) Gains arising on securitization / assignment of assets are recognized over the tenure of agreements as per guideline on securitization of standard assets issued by RBI, and included under income from financial assets, while loss, if any is recognised upfront.

(f) Interest income on fixed deposits / margin money is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) Referral income is recognized when it becomes due under the term of relevant mutually agreed arrangement.

(h) Income from dividend is recognized when the company's right to receive such dividend is established by the Balance Sheet date.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

1.12 Retirement and other employee benefits

(a) Employee benefits in the form of Provident Fund and Employees' State Insurance are defined contribution plans and related contributions are charged to the Statement of Profit and Loss, when they become due for payment to respective authorities.

(b) Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation under projected unit credit method at the Balance Sheet date.

(c) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.

(d) Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

1.13 Income tax

Tax expense comprises of current (net of Minimum Alternate Tax (MAT) credit entitlement) and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that these can be realized against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets 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.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is recognized by crediting to Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

1.14 Segment reporting

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

1.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

1.16 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and 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 their present value and are determined based on the best estimates 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. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.17 Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statement comprise of cash on hand and balances with banks, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less.

1.18 Debt Redemption Reserve

As a matter of prudence, the Company, as per the management's discretion, creates debt redemption reserve for redemption of privately placed subordinated debentures / loans qualifying for Tier I / Tier II Capital on straight line basis over the tenure of the respective debenture / loans qualifying for Tier I / Tier II Capital.

1.19 Assets under Management

Contracts securitized or assigned are derecognized from the books of account in accordance with the applicable guidelines issued by the RBI. Contingent liabilities, if any, in respect of such contracts are disclosed separately.

1.20 Miscellaneous Expenditure (to the extent not written off / adjusted)

Miscellaneous expenses incurred on issue of Equity shares and Global Depository Receipts (GDRs), Long Term Bonds and Debentures, are amortised as follows:

i) Expenses on issue of Equity shares and GDRs are amortised over a period of ten years.

ii) Expenses incurred on issue of Bonds and Debentures are amortised over the tenure of the respective Bonds and Debentures.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.1 SHARE CAPITAL

(₹ in lakh, except number of shares)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Authorised		
Equity shares, ₹ 10/- par value		
75,000,000 (31st March, 2012 : 53,220,000) equity shares	7,500	5,322
	7,500	5,322
Issued, subscribed and fully paid-up		
Equity shares, ₹ 10/- par value		
59,660,000 (31st March, 2012 : 53,220,000) Equity Shares	5,966	5,322
Total	5,966	5,322

2.1.1 Reconciliation of Equity Shares

The reconciliation of the number of Equity Shares outstanding and the corresponding amount thereof as at the Balance Sheet date is set out below:

Equity Shares	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
At the beginning of the year	53,220,000	5,322	50,000,000	5,000
Add: Issued as fully paid during the year	6,440,000	644	3,220,000	322
At the end of the year	59,660,000	5,966	53,220,000	5,322

2.1.2 Terms / rights attached to Equity Shares

The Company's authorized capital consists of only one class of shares referred to as Equity Shares having a par value of ₹ 10/- each. Each holder of Equity Shares is entitled to one vote per share.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

2.1.3 The details of shareholders holding more than 5% shares are set out below:

Class of shares and names of shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	% held	No. of shares	% held
Equity shares, ₹ 10/- par value				
Srei Infrastructure Finance Limited	29,830,000	50	26,610,000	50
BNP Paribas Lease Group	29,830,000	50	26,610,000	50

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.2 RESERVES AND SURPLUS

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Capital reserve		
Opening balance	31	31
Add / Less: Transferred to / from Surplus	-	-
Closing balance	**31**	**31**
Securities premium account		
Opening balance	84,660	75,000
Add: Received on issue of equity shares during the year	19,320	9,660
Closing balance	**103,980**	**84,660**
Debt redemption reserve		
Opening balance	15,707	8,105
Add: Transferred from Surplus for the year	11,408	8,234
Less: Transferred to Surplus on redemption	339	632
Closing balance	**26,776**	**15,707**
Special reserve as per Reserve Bank of India Guidelines		
Opening balance	10,032	6,087
Add: Transferred from Surplus	5,399	3,945
Closing balance	**15,431**	**10,032**
Surplus in the Statement of Profit and Loss		
Opening balance	24,410	16,234
Add: Net profit after tax transferred from Statement of Profit and Loss	26,992	19,723
Amount available for appropriation	51,402	35,957
Appropriations:		
Less: Amount transferred to Special reserve	5,399	3,945
Less: Amount transferred to Debt redemption reserve	11,408	8,234
Add: Amount transferred from Debt redemption reserve	339	632
Closing balance	**34,934**	**24,410**
Total Reserves and Surplus	**181,152**	**134,840**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.3 LONG TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	(a) Total	(b) Current maturities *(refer note no. 2.9)*	(c)=(a)-(b) Non-current portion	(a) Total	(b) Current maturities *(refer note no. 2.9)*	(c)=(a)-(b) Non-current portion
A. Secured						
Bonds / Debentures						
Non-convertible debentures *(refer note 2.3.1)*	84,063	31,039	53,024	115,732	59,139	56,593
Term loans *(refer note 2.3.2)*						
From banks						
- Rupee loans	253,888	96,568	157,320	202,328	110,215	92,113
- Foreign currency loans	129,798	24,373	105,425	131,976	36,610	95,366
From Financial institutions						
- Rupee loans	28,445	6,240	22,205	5,732	1,212	4,520
- Foreign currency loans	18,290	15,016	3,274	18,619	1,379	17,240
Other loans from banks						
Buyer's credit in foreign currency *(refer note 2.3.3)*	5,239	4,251	988	8,578	4,173	4,405
(A)	**519,723**	**177,487**	**342,236**	**482,965**	**212,728**	**270,237**
B. Unsecured						
Debentures						
Subordinated perpetual debentures (Tier I Capital) *(refer note 2.3.4)*	3,750	-	3,750	3,750	-	3,750
Subordinated redeemable debentures (Tier II Capital) *(refer note 2.3.5)*	61,900	-	61,900	51,800	-	51,800
Term loans *(refer note 2.3.6)*						
Subordinated loans (Tier II Capital)						
- From banks (Rupee loans)	25,000	-	25,000	25,000	-	25,000
- From financial institutions (Foreign currency loans)	-	-	-	340	340	-
Other loans *(refer note 2.3.7)*						
Foreign currency loans						
- From financial institutions	626	626	-	1,222	611	611
(B)	**91,276**	**626**	**90,650**	**82,112**	**951**	**81,161**
Total (A+B)	**610,999**	**178,113**	**432,886**	**565,077**	**213,679**	**351,398**
Less: Amount disclosed under the head "other current liabilities" *(refer note 2.9)*		1,78,113	-		2,13,679	-
Net amount		**-**	**432,886**		**-**	**351,398**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.3.1 Secured Non-Convertible Debentures

Date of Allotment	Face Value per Debenture (₹) ##	Amount outstanding (₹ in lakh) *		Interest rate (%)	Earliest redemption date
		As at 31st March, 2013	As at 31st March, 2012		
19 July 2012	1,000,000	10,100	-	11.50%	19 July 2015
19 December 2011	1,000,000	2,500	2,500	11.35%	18 December 2014 #
01 December 2011	1,000,000	2,500	2,500	11.35%	15 December 2014
05 December 2011	1,000,000	2,500	2,500	11.35%	11 December 2014 #
01 December 2011	1,000,000	3,000	3,000	11.35%	25 November 2014 #
01 November 2011	1,000,000	1,000	1,000	11.00%	23 October 2014
02 November 2011	1,000,000	300	300	11.00%	23 October 2014
27 August 2009	70,000	279	279	10.75%	26 August 2014
27 August 2009	100,000	2,475	2,475	11.00%	26 August 2014
27 August 2009	100,000	3,620	25,150	10.50%	26 August 2014**
03 August 2012	1,000,000	19,750	-	10.75%	03 August 2014
01 December 2011	1,000,000	5,000	5,000	11.35%	30 April 2014
17 February 2012	1,000,000	690	690	10.40%	17 February 2014
07 September 2011	1,000,000	250	250	10.55%	14 February 2014
08 March 2011	1,000,000	500	500	11.25%	16 January 2014
24 October 2011	1,000,000	2,000	2,000	11.35%	20 December 2013
24 October 2011	1,000,000	2,000	2,000	11.35%	20 November 2013
07 September 2011	1,000,000	250	250	10.55%	13 September 2013
26 August 2011	1,000,000	1,500	1,500	10.60%	06 September 2013
27 August 2009	70,000	209	209	10.75%	26 August 2013
13 August 2010	1,000,000	18,500	18,500	9.15%	13 August 2013
08 December 2011	1,000,000	500	500	10.75%	12 June 2013
15 June 2011	1,000,000	2,700	2,700	10.90%	12 June 2013
19 December 2011	1,000,000	440	440	10.52%	06 June 2013 #
25 May 2011	1,000,000	1,500	1,500	10.95%	13 May 2013
24 October 2011	1,000,000		6,000	11.35%	08 March 2013 ***
30 March 2010	1,000,000		3,500	9.00%	29 March 2013
10 March 2010	1,000,000		3,340	7.24%	10 March 2013
09 March 2011	1,000,000		180	10.70%	06 March 2013
10 March 2011	1,000,000		1,000	11.00%	09 February 2013

2.3.1 Secured Non-Convertible Debentures (Contd.)

Date of Allotment	Face Value per Debenture (₹) ##	Amount outstanding (₹ in lakh) *		Interest rate (%)	Earliest redemption date
		As at 31st March, 2013	As at 31st March, 2012		
08 March 2011	1,000,000		500	11.25%	30 January 2013
17 January 2011	1,000,000		200	9.75%	10 January 2013
06 January 2010	1,000,000	-	500	9.00%	02 November 2012
15 June 2011	1,000,000	-	1,000	10.90%	05 October 2012
27 August 2009	100,000	-	209	10.75%	26 August 2012
29 March 2011	1,000,000	-	2,500	10.85%	02 July 2012
14 March 2011	1,000,000	-	3,000	11.00%	02 July 2012
10 March 2011	1,000,000	-	3,000	10.90%	14 June 2012
14 March 2011	1,000,000	-	2,600	11.00%	06 June 2012
19 April 2010	1,000,000	-	3,000	8.50%	28 May 2012
14 March 2011	1,000,000	-	6,200	11.00%	18 May 2012
04 November 2010	100,000	-	1,500	9.75%	02 May 2012
24 February 2011	1,000,000	-	1,760	10.70%	24 April 2012
Total		**84,063**	**115,732**		

* Includes current maturities.

** Put / Call Option has been exercised on 26 August 2012 while the original maturity date is 26 August 2014.

*** Original Maturity date is 15 April 2013

\## In cases, where face value has been partially redeemed, those have been shown at outstanding face value.

All the above debentures are redeemable at par except those marked # which are redeemable at premium.

Security: The above non-convertible debentures are secured by way of pari passu charge on the Company's immovable properties located at Pune / West Bengal and an exclusive first charge on the respective receivables from financial assets of the Company.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.3.2 Term Loan from banks and financial Institutions

Particulars	Outstanding * (₹ in lakh) As at 31st March, 2013	Repayment terms (₹ in lakh)				Tenure (years)	Rate of Interest per annum	Nature of security
		Monthly	Quarterly	Half yearly	Single installment			
Rupee term loans								
From banks #	253,888	105,036	148,852	-	-	3-5	10%-12%	Hypothecation of specific assets covered by respective hypothecation loan agreements and operating lease agreements with customers and receivables arising there from.
	(202,328)	(161,699)	(30,629)	-	(10,000)	(3-5)	(10%-12%)	
From financial institutions	28,445	24,570	3,875	-	-	5-10	10%-12%	
	(5,732)	-	(5,732)	-	-	(7-10)	(10%-12%)	
Total (A)	**282,333 ****	**129,606**	**152,727**	**-**	**-**			
	(208,060)	**(161,699)**	**(36,361)**	**-**	**(10,000)**			
Foreign currency term loans								
From banks	129,798		10,860	118,938	-	5-7	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and operating lease agreements with customers and / or receivables arising there from.
	(131,976)	(2,703)	-	(129,273)	-	(3-7)	(<10%)	
From financial institutions	18,290	-	-	18,290	-	7-10	<10%	
	(18,619)	-	-	(18,619)	-	(7-10)	(<10%)	
Total (B)	**148,088**	**-**	**10860**	**137,228**	**-**			
	(150,595)	**(2,703)**	**-**	**(147,892)**	**-**			

* Includes current maturities.

** Includes ₹ 8,303 lakh (₹ 15,844 lakh) guaranteed by two directors of the Company.

The above figures includes ₹ 16,746 lakh (₹ 27,946 lakh) lying in the bucket range of 12%-14% p.a. and Nil (₹ 50,184 lakh) lying in the bucket range of <10% p.a.

Figures in bracket indicate previous year's figures.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.3.3 Buyer's credit from banks

These foreign currency loans from banks are repayable by single installment and have tenures ranging from 1-3 years and bear interest rate of less than 10% per annum (31st March, 2012: Less than 10% per annum).These loans are secured by import documents covering title to capital goods and extension of pari passu charge on assets covered under working capital facilities.

2.3.4 Unsecured subordinated perpetual debentures (Tier I Capital)

During the year ended 31st March, 2013, the Company has raised subordinated perpetual debentures qualifying for Tier I capital amounting to ₹ Nil (31st March, 2012: ₹ 3,750 lakh). As at 31st March, 2013, the amount outstanding in respect of such subordinated perpetual debentures is ₹ 3,750 lakh (31st March, 2012: ₹ 3,750 lakh) which is 2.04% (31st March, 2012: 2.65%) of total Tier I Capital as on Balance Sheet date. The coupon rate of these perpetual debentures remains the same i.e.12.50%. These perpetual debentures have call option which is exercisable on 30th Decemeber 2021 with prior approval of RBI.

2.3.5 Unsecured Subordinated Redeemable Non-Convertible Debentures (Tier II Capital)

During the year ended 31st March, 2013, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹ 10,100 lakh (31st March, 2012 ₹ 9,300 lakh). The following table sets forth, the detail of the bonds outstanding as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in lakh)		Coupon rate (%)	Earliest redemption date
		As at 31st March, 2013	As at 31st March, 2012		
24 January 2013	10,00,000	900	-	11.25%	24 January 2023
17 December 2012	10,00,000	1,700	-	11.50%	17 December 2022
31 March 2010	10,00,000	7,450	7,450	10.00%	31 March 2020
19 March 2010	10,00,000	2,550	2,550	10.00%	19 March 2020
24 December 2009	10,00,000	10,000	10,000	10.00%	24 December 2019
28 March 2013	10,00,000	2,500	-	11.50%	28 September 2018
27 September 2011	10,00,000	6,800	6,800	12.00%	27 September 2018
08 February 2013	10,00,000	5,000	-	11.60%	08 August 2018
31 March 2011	10,00,000	5,000	5,000	11.50%	31 March 2018
03 August 2007	10,00,000	10,000	10,000	12.00%	03 August 2017
30 December 2011	10,00,000	2,500	2,500	12.60%	30 July 2017
31 March 2011	10,00,000	2,500	2,500	11.00%	30 September 2016
26 October 2010	10,00,000	5,000	5,000	9.15%	26 April 2016
Total		**61,900**	**51,800**		

All the above are redeemable at par by single installment.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.3.6 Unsecured Subordinated Term Loans (Tier II Capital)

Particulars	Outstanding (₹ in lakh) As at 31st March 2013	Repayment terms (₹ in lakh) Monthly	Quarterly	Half yearly	Single installment	Tenure (years)	Rate of Interest per annum
Subordinated term loans (Tier II Capital)							
Rupee loan from banks ##	25,000	-	10,000**	5,000#	10,000	5-7	12%-14%
	(25,000)	-	(10,000)	(5,000)	(10,000)	(5-7)	(12%-14%)
Foreign currency loan from financial institutions	-	-	-	-	-	-	-
	(340)	-	-	(340)	-	(10)	(<10%)
Total (A)	**25,000**	**-**	**10,000**	**5,000**	**10,000**		
	(25,340)	**-**	**(10,000)**	**(5,340)**	**(10,000)**		

** Payable after remaining moratorium of 48 months.

Payable after remaining moratorium of 51 months.

The above figures includes Nil (₹ 5,000 lakh) lying in the bucket range of 10%-12% p.a.

Figures in bracket indicate previous year's figures.

2.3.7 Other Unsecured Long- term Loans

Particulars	Outstanding* (₹ in lakh) As at 31st March, 2013	Repayment terms (₹ in lakh) Monthly	Quarterly	Half yearly	Single installment	Tenure (years)	Rate of Interest per annum
Other foreign currency loans							
From financial institutions	626	-	-	626	-	8	<10%
	(1,222)	-	-	(1,222)	-	(8)	(<10%)
Total (A)	**626**	**-**	**-**	**626**	**-**		
	(1,222)	**-**	**-**	**(1,222)**	**-**		

* Includes current maturities.

Figures in bracket indicate previous year's figures.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.4 DEFERRED TAXES

In terms of AS 22 'Accounting for Taxes on Income', net deferred tax liability (DTL) of ₹ 4,154 lakh (31st March, 2012 ₹ 5,044 lakh) has been recognised in the Statement of Profit and Loss for the year ended 31st March 2013 and consequently, the net DTL as at 31st March, 2013 stands at ₹ 15,287 lakh (31st March, 2012: ₹ 11,133 lakh).

The break-up of major components of such net DTL is as follows:

(₹ in lakh)

Particulars	As at 31st March, 2013 Asset / (Liability)	As at 31st March, 2012 Asset / (Liability)
Deferred tax liability		
Depreciation on Fixed Assets	(16,577)	(11,979)
Deferred Revenue Expenditure	(2,153)	(2,140)
Gross deferred tax liability	**(18,730)**	**(14,119)**
Deferred tax asset		
Provisions for Standard assets and NPAs	3,313	2,883
Others	130	103
Gross deferred tax asset	**3,443**	**2,986**
Net Deferred Tax Asset / (Liability)	**(15,287)**	**(11,133)**

2.5 OTHER LONG TERM LIABILITIES

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest accrued but not due on borrowings	5,268	2,451
Acceptances	457	972
Others		
Trade Deposits	9,590	8,657
Forward contract payable	-	312
Total	**15,315**	**12,392**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.6 LONG-TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits *(refer note no. 2.31)*		
Gratuity	400	320
	400	320
Less: Current portion of provision for employee benefits *(refer note no. 2.10)* - Gratuity	150	100
(A)	**250**	**220**
Other provisions *(refer note no.2.6.1)*		
- Provision for NPAs	11,279	10,848
- Contingent provision against standard assets	2,009	1,486
(B)	**13,288**	**12,334**
Total (A+B)	**13,538**	**12,554**

2.6.1 Movement of other provisions

Provision for Non-Performing Assets (NPAs) has been recognized in the financial statements according to the Prudential Norms prescribed by RBI. Further, financial assets overdue for more than four years, as well as those, which, as per the management are not likely to be recoverable, are written off as bad debts in the accounts. The Company has recognized additional provision towards financial assets, based on the management's best estimates as stated below:

(₹ in lakh)

Particulars	Balance as at 1st April, 2012	Net movement after considering Bad debts written off	Balance as at 31st March, 2013
Provision for NPAs and other receivables as per RBI Guidelines excluding restructured loans pursuant to Corporate Debt Restructuring (CDR)	1,249	2,438	3,687
Provision on restructured loans pursuant to CDR as per RBI Guidelines	-	2,816	2,816
Contingent provision against standard assets as per RBI Prudential norms	2,447	867	3,314
Additional provision as per management estimate	9,603	(4,797)	4,807
Total	**13,299**	**1,324**	**14,624**
Previous year	12,672	627	13,299

2.6.2 Bad debts written off (Net)

Bad debts written off during the year amounting to ₹ 13,191 lakh (31st March, 2012 : ₹ 9,768 lakh) is net of recovery of ₹ 2,935 lakh (31st March, 2012 : ₹ 2,300 lakh)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.7 SHORT TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
A. Secured		
Working capital facilities from banks (Rupee loan) [Note (a) below]	671,142	412,053
Debentures *(refer note 2.7.1)*	26,250	-
Short- term foreign currency loan from banks [Note (b) below]	8,145	20,200
Buyer's credit foreign currency loans from banks [Note (c) below]	27,692	22,307
(A)	**733,229**	**454,560**
B. Unsecured		
Commercial papers (from other than banks) [Note (d) below]	10,409	11,597
(B)	**10,409**	**11,597**
Total (A+B)	**743,638**	**466,157**

Notes :

(a) Working capital facilities including working capital demand loans (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets (both short-term and long-term financial assets) covered by respective hypothecation loan agreements and operating lease agreements with customers and receivables arising therefrom ranking pari passu (excluding assets specifically charged to others). As per the prevalent practice, these facilities are renewed on a year to year basis and therefore, are revolving in nature. As at 31st March, 2013 working capital facilities from banks include working capital demand loans aggregating ₹ 465,000 lakh (31st March, 2012: ₹ 261,710 lakh). Rate of interest for working capital demand loans ranges from 10% to 12% per annum (31st March, 2012 : from 10% to 12% per annum) and for working capital facilities, ranges from 11% to 16% per annum (31st March, 2012 : from 11% to 16% per annum)

(b) Short- term loans from banks bearing interest rate from 10% to 12% per annum (31st March, 2012: from 10% to 12% per annum) are secured by hypothecation of specific assets covered by respective hypothecation loan agreements with customers and receivables arising therefrom.

(c) Buyer's credit in the form of foreign currency loans from banks were secured by import documents covering title to capital goods and extension of pari passu charge for working capital facilities.

(d) Rate of Interest ranges from 8% to 11% per annum (31st March, 2012 : from 7% to 11% per annum)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.7.1 Secured Non-Convertible Debentures

Date of allotment	Face Value per debenture (₹)	Amount outstanding (₹ in lakh) *		Interest Rate (%)	Earliest redemption date
		As at 31st March, 2013	As at 31st March, 2012		
6 August 2012	1,000,000	6,000	-	10.75%	6 August 2013
3 August 2012	1,000,000	20,250	-	10.75%	3 August 2013
Total		**26,250**	**-**		

* All the above debentures are redeemable at par.

<u>Security:</u> The above non-convertible debentures are secured by way of pari passu charge on the Company's immovable properties located at West Bengal and exclusive first charge on specific receivables from financial assets of the Company.

2.8 TRADE PAYABLES

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Due to Micro and Small enterprises *(refer note no. 2.36)*	-	-
Due to others		
Trade payables	34,037	47,123
Acceptances	3,254	19,011
Total	**37,291**	**66,134**

2.9 OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Current maturities of long-term borrowings *(for detail refer note no.2.3)*	178,113	213,679
(A)	**178,113**	**213,679**
Interest accrued but not due on borrowings	10,660	6,308
Other payables		
Trade deposits	1,294	521
Forward contracts payable	1,619	966
Advances from customers for operating leases	833	148
Employees payables	2,008	1,155
Commission payable to Directors	270	197
Other liabilities	399	294
(B)	**17,083**	**9,589**
Total (A + B)	**195,196**	**223,268**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.10 SHORT TERM PROVISIONS

(₹ in lakh)

Particulars		As at 31st March, 2013	As at 31st March, 2012
Other provisions *(refer note no.2.6.1)*			
- Contingent provision against standard assets		1,305	961
	(A)	**1,305**	**961**
Current portion of provision for employee benefits *(refer note no. 2.6)*			
Gratuity		150	100
Leave benefits		680	568
	(B)	**830**	**668**
Provision for Income taxes [net of Advance tax / Tax deducted at source of ₹ 3,027 lakh (31st March, 2012: ₹ 1,841 lakh)]		6,395	3,546
	(C)	**6,395**	**3,546**
Total (A+B+C)		**8,530**	**5,175**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.11 FIXED ASSETS

(₹ in lakh)

Particulars	Gross block				Depreciation / amortisation / impairment					Net book value
	As at April 01, 2012	Additions	Deductions / Retirement	As at March 31, 2013	As at April 01, 2012	For the year	Impairment Charge	Less on Deductions	As at March 31, 2013	As at March 31, 2013
I. Tangible assets:										
Assets for Own use										
Land- Freehold	4	-	-	4	-	-	-	-	-	4
Buildings	72	20	-	92	6	2	-	-	8	84
Furniture and fixtures	1,944	94	2	2,036	561	279	-	1	839	1,197
Motor vehicles	153	80	47	186	66	18	-	25	59	127
Computers and office equipments	1,161	152	68	1,245	521	162	-	65	618	627
(A)	**3,334**	**346**	**117**	**3,563**	**1,154**	**461**	**-**	**91**	**1,524**	**2,039**
Assets given on operating lease										
Aircrafts	806	-	-	806	209	49	-	-	258	548
Earthmoving Equipments	24,800	3,084	260	27,624	6,155	4,245	84	168	10,316	17,308
Motor vehicles	46,870	8,477	370	54,977	15,618	7,939	232	280	23,509	31,468
Plant & Machinery	20,134	3,535	57	23,612	3,235	2,242	-	5	5,472	18,140
Wind Mills	40,277	-	-	40,277	3,683	2,163	-	-	5,846	34,431
Computers	18,834	5,103	-	23,937	3,427	3,484	-	-	6,911	17,026
Furniture and fixtures	2,971	1,658	-	4,629	531	555	220	-	1,306	3,323
(B)	**154,692**	**21,857**	**687**	**175,862**	**32,858**	**20,677**	**536**	**453**	**53,618**	**122,244**
Total for Tangible assets (C)= (A+B)	**158,026**	**22,203**	**804**	**179,425**	**34,012**	**21,138**	**536**	**544**	**55,142**	**124,283**
II. Intangible assets:										
Assets for Own use										
Softwares	675	68	1	742	400	152	-	1	551	191
Tenancy right	8	-	-	8	8	-	-	-	8	-
(D)	**683**	**68**	**1**	**750**	**408**	**152**	**-**	**1**	**559**	**191**
Assets given on operating lease										
Softwares	2,341	746	-	3,087	900	568	-	-	1,468	1,619
(E)	**2,341**	**746**	**-**	**3,087**	**900**	**568**	**-**	**-**	**1,468**	**1,619**
Total for Intangible assets (F)= (D+E)	**3,024**	**814**	**1**	**3,837**	**1,308**	**720**	**-**	**1**	**2,027**	**1,810**
Total for Fixed Assets (C+ F)	**161,050**	**23,017**	**805**	**183,262**	**35,320**	**21,858**	**536**	**545**	**57,169**	**126,093**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.11 FIXED ASSETS (Contd.)

(₹ in lakh)

Particulars	Gross block				Depreciation / amortisation / impairment					Net book value
	As at April 01, 2011	Additions	Deductions / Retirement	As at March 31, 2012	As at April 01, 2011	For the year	Impairment Charge	Less on Deductions	As at March 31, 2012	As at March 31, 2012
Tangible Assets										
Assets for Own use:										
Land - Freehold	4	-	-	4	-	-	-	-	-	4
Buildings	72	-	-	72	5	1	-	-	6	66
Furniture & Fixtures	1,525	463	44	1,944	388	200	-	27	561	1,383
Motor Vehicles	155	6	8	153	49	19	-	2	66	87
Computer & Office Equipments	870	309	18	1,161	382	147	-	8	521	640
(A)	**2,626**	**778**	**70**	**3,334**	**824**	**367**	**-**	**37**	**1,154**	**2,180**
Assets given on operating lease										
Aircrafts	806	-	-	806	160	49	-	-	209	597
Earthmoving Equipments	8,651	16,230	81	24,800	2,925	2,090	1,192	52	6,155	18,645
Motor vehicles	20,723	26,158	11	46,870	9,782	4,924	923	11	15,618	31,252
Plant & Machinery	11,642	8,492	-	20,134	1,088	1,344	803	-	3,235	16,899
Wind Mills **	15,474	24,803	-	40,277	2,814	869	-	-	3,683	36,594
Computers	9,693	9,323	182	18,834	1,184	2,260	30	47	3,427	15,407
Furniture and fixtures	2,067	904	-	2,971	297	223	11	-	531	2,440
(B)	**69,056**	**85,910**	**274**	**154,692**	**18,250**	**11,759**	**2,959**	**110**	**32,858**	**121,834**
Total for Tangible assets (C)= (A+B)	**71,682**	**86,688**	**344**	**158,026**	**19,074**	**12,126**	**2,959**	**147**	**34,012**	**124,014**
II. Intangible assets:										
Assets for Own use										
Softwares	554	121	-	675	269	131	-	-	400	275
Tenancy right	8	-	-	8	6	2	-	-	8	-
(D)	**562**	**121**	**-**	**683**	**275**	**133**	**-**	**-**	**408**	**275**
Assets given on operating lease										
Softwares	1,932	409	-	2,341	452	448	-	-	900	1,441
(E)	**1,932**	**409**	**-**	**2,341**	**452**	**448**	**-**	**-**	**900**	**1,441**
Total for Intangible assets (F)= (D+E)	**2,494**	**530**	**-**	**3,024**	**727**	**581**	**-**	**-**	**1,308**	**1,716**
Total for Fixed Assets (C+ F)	**74,176**	**87,218**	**344**	**161,050**	**19,801**	**12,707**	**2,959**	**147**	**35,320**	**125,730**

** Additions to Wind Mills includes borrowing costs for qualifying asset capitalized during the year ended 31st March, 2012 amounting ₹ 878 lakh (31st March, 2011: ₹ Nil) as per "AS- 16 Borrowing Costs".

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.12 LEASES

a) In the capacity of Lessee

(i) The Company has obtained certain office premises under cancellable operating lease arrangements which generally, range between 11 months to 9 years, and are usually renewable by mutual agreement. For the year ended 31st March, 2013, lease payments charged to the Statement of Profit and Loss with respect to such leasing arrangements aggregate to ₹ 2,036 lakh (31st March, 2012: ₹ 1,885 lakh).

(ii) In addition to the above, the Company has also acquired certain other office premises under non-cancellable operating lease arrangements which, generally range between 2 to 9 years, and are usually renewable by mutual agreement. For the year ended 31st March, 2013 total lease payments aggregating to ₹ 178 lakh (31st March, 2012: ₹ 216 lakh) in respect of such arrangements have been recognized in the Statement of Profit and Loss. The future minimum lease payments in respect of above non-cancellable operating leases are as follows:

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Not later than one year	137	161
Later than 1 year but not later than 5 years	110	229
Later than five years	-	-
Total	**247**	**390**

None of the operating lease agreements entered into by the Company provides for any contingent rent payment.

b) In the capacity of Lessor (Operating lease)

The Company has given assets on operating lease arrangements *(refer note no. 2.11)* for periods ranging between 1 to 12 years. Such arrangements do not have clauses for contingent rent.

The future minimum lease receivables in respect of non-cancellable operating leases are as follows:

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Not later than one year	37,946	32,156
Later than 1 year but not later than 5 years	65,707	75,181
Later than five years	18,017	22,984
Total	**121,670**	**130,321**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

c) In the capacity of lessor (Finance Lease)

The Company has given an asset under finance lease arrangement for a period of 5 years. Such arrangement does not have clause for contingent rent and hence, the Company has not recognized any contingent rent as income during the year.

The details of gross Investments, unearned finance income and future minimum lease payments in respect of the above non-cancellable finance lease are as follows :

Gross Investments

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
i. not later than one year;	70	-
ii. later than one year and not later than five years;	225	-
iii. later than five years;	-	-
Total	**295**	**-**

Unearned finance Income

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
i. not later than one year;	30	-
ii. later than one year and not later than five years;	45	-
iii. later than five years;	-	-
Total	**75**	**-**

Minimum lease payments

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
i. not later than one year;	40	-
ii. later than one year and not later than five years;	180	-
iii. later than five years;	-	-
Total	**220**	**-**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.13 INVESTMENTS (at cost or market value, whichever is lower)

(₹ in lakh, except number of shares)

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Current	Non Current	Total	Current	Non Current	Total
Trade investments (unquoted)						
Pass Through Certificates	153	184	337	-	-	-
37 units of Face Value of ₹ 909,897.50/- each						
Subtotal (A)	153	184	337	-	-	-
Current non trade investments (unquoted)						
Investment in India Global Competitive Fund (IGCF)						
2,800,000 units of Face Value of ₹ 100/- each	2,800	-	2,800	-	-	-
Subtotal (B)	2,800	-	2,800	-	-	-
Total (A + B)	**2,953**	**184**	**3,137**	**-**	**-**	**-**

2.14 FINANCIAL ASSETS (GROSS)

(₹ in lakh)

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Long-term		Short-term	Long-term		Short-term
	Non-Current	Current maturities		Non-Current	Current maturities	
(Secured, considered good, unless otherwise stated)						
Financial assets ** ##	841,006	427,710	103,429	615,792	317,614	81,088
Total	**841,006**	**427,710**	**103,429**	**615,792**	**317,614**	**81,088**

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
** Includes non-performing assets as under : -		
- Restructuring pursuant to CDR	28,011	-
- Others	18,540	36,076
Total	**46,551**	**36,076**

The above financial assets are secured by underlying hypothecated assets and in certain cases, are additionally secured by immovable properties and pledge of equity shares of the borrowers by way of collateral security. Securities, created / to be created by the borrowers, against financial assets are based on the valuation of the underlying assets, where applicable, carried out by an external valuer which has been relied upon.

As at 31st March, 2013 financial assets include assets aggregating ₹ 8,317 lakh (31st March, 2012: ₹ 3,964 lakh) pending to be given on finance and tangible assets aggregating ₹ 3,918 lakh (31st March, 2012: ₹ 2,773 lakh) acquired in satisfaction of debt.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.15 OTHER LONG-TERM ADVANCES

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, considered good)		
Capital advances	5,295	3,762
Security deposits	1,144	1,476
Other loans and advances		
- Advances to employees	31	32
- Advance income tax [net of Income tax provision of ₹ 162 lakh (31st March, 2012: ₹ 295 lakh)]	488	309
Total	**6,958**	**5,579**

2.16 OTHER NON CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, considered good)		
Balances with Service Tax / VAT Authorities etc.	1069	639
Miscellaneous expenditure to the extent not written off or adjusted	28	111
Non-current portion of other bank balances		
- Fixed deposit with banks *(refer to note no. 2.18)*	1,992	9,424
Prepaid expenses	3,764	4,075
Receivable on forward exchange contracts	13,250	17,246
Others advances	50	81
Total	**20,153**	**31,576**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.17 TRADE RECEIVABLES (OPERATING LEASES)

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months from the date they became due		
Considered good	8	105
Considered doubtful (Non Performing Assets)	151	37
	159	**142**
Other debts		
Considered good	3,737	2,416
Considered doubtful (Non Performing Assets)	155	-
	3,892	**2,416**
	4,051	**2,558**
Less: Provision for bad and doubtful debts *(refer note no.2.6.1)*	31	4
Total	**4,020**	**2,554**

2.18 CASH AND BANK BALANCES

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
A. Cash and cash equivalents		
Cash on hand	448	222
Balances with banks- In current accounts	23,493	18,314
Fixed deposits with banks (having original maturity of 3 months or less) *	1,011	1,974
(A)	**24,952**	**20,510**
B. Other Bank balances		
Fixed deposit with banks (having original maturity of more than 3 months) **	79,934	85,203
Less: Non-current portion of other bank balances *(refer note no 2.16)*		
Fixed deposit with banks (having remaining maturity of more than 12 months)	1,992	9,424
(B)	**77,942**	**75,779**
Total (A+B)	**102,894**	**96,289**

* Includes deposits under lien with banks as security aggregating ₹ 1,011 lakh (31st March, 2012: ₹ 874 lakh).

** Includes deposits under lien with banks as security aggregating ₹ 79,822 lakh (31st March, 2012 : ₹ 84,967 lakh).

2.19 OTHER SHORT TERM ADVANCES

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, considered good)		
Advances to employees	219	164
Security deposits	753	418
Advances to vendors	320	110
Total	**1,292**	**692**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.20 OTHER CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Balances with Service Tax / VAT Authorities etc.	1,066	1,481
Interest accrued on fixed deposits	311	434
Miscellaneous expenses to the extent not written off or adjusted	84	84
Prepaid expenses	2,613	2,268
Receivable on forward exchange contracts	7,232	6,476
Other advances	801	716
Total	**12,107**	**11,459**

2.21 REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	For the year ended 31st March,	
	2013	2012
Income from Financial Assets**	1,92,024	1,54,553
Income from Operating Lease	36,409	22,321
Interest on fixed deposits	7,934	4,905
Interest Income from Investments	116	-
Liabilities no longer required written back	837	-
Total	**237,320**	**181,779**

** Includes interest income aggregating ₹ 177,660 lakh (₹ 140,130 lakh), fee income and other income attributable to financial assets.

2.22 OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31st March,	
	2013	2012
Profit on sale of long - term investments	-	31
Dividend income from current investments	44	34
Other income	13	8
Total	**57**	**73**

2.23 EMPLOYEE BENEFIT EXPENSES

(₹ in lakh)

Particulars	For the year ended 31st March,	
	2013	2012
Salaries and bonus	9,889	8,572
Contribution to provident and other funds	396	353
Gratuity *(refer note no. 2.31)*	182	113
Staff welfare	304	369
Managerial remuneration	750	691
Total	**11,521**	**10,098**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.24 FINANCE COST

(₹ in lakh)

Particulars	For the year ended 31st March,	
	2013	2012
Interest expense	114,931	87,567
Other borrowing costs	20,851	15,067
Other Finance charges		
Net loss on foreign currency transaction and translations	878	1,758*
Total	**136,660**	**104,392**

* includes foreign exchange loss to the extent considered as an adjustment to borrowing cost amounting to ₹ 1,057 lakh

2.25 ADMINISTRATIVE AND OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended 31st March,	
	2013	2012
Communication expenses	320	276
Legal and professional fees	2,041	1,537
Electricity charges	326	230
Rent	2,214	2,101
Rates and taxes	33	14
Brokerage and service charges	1,655	1,632
Auditor's remuneration *(refer note no 2.25.1)*	121	114
Repairs to machineries	450	446
Repairs to Others	1,034	866
Travelling and conveyance	2,184	1,979
Director's sitting fees	1	1
Insurance	32	27
Printing and stationery	161	125
Advertisement and subscription	177	218
Conference and seminar	108	296
Charity and donations	348	387
Loss on sale of Fixed assets (net)	86	146
Miscellaneous expenses	564	359
Total	**11,855**	**10,754**

2.25.1 Auditors Remuneration

(₹ in lakh)

Particulars	For the year ended 31st March,	
	2013	2012
Audit Fees	36	35
Other services (certification,quarterly audit etc.)	82	74
Reimbursement of expenses	3	5
Total	**121**	**114**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.26 SEGMENT REPORTING

The Company is engaged in providing asset finance to customers in India. Consequently, it has one reportable business segment i.e. asset financing and one reportable geographical segment, i.e. India.

2.27 EARNING PER SHARE

Particulars	For the year ended 31st March,	
	2013	2012
Net Profit after tax attributable to Equity Shareholders (₹ in lakh)	26,992	19,723
Weighted average number of Equity Shares Basic (Nos.)	56,704,658	52,454,590
Weighted average number of Potential Equity Shares (Nos.)	-	-
Weighted average number of Equity Shares Diluted (Nos.)	56,704,658	52,454,590
Nominal Value of Equity per share (₹)	10	10
Basic and Diluted Earnings per share (₹)	47.60	37.60

2.28 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Contingent liabilities		
Claims against the company not acknowledged as debt		
Disputed demands		
- Sales tax	7	7
- Service tax	555	9,110
- Value added tax (VAT)	237	29
- Income tax	1,186	586
(A)	**1,985**	**9,732**
Guarantees		
Bank guarantees*	786	786
Bank Guarantees against receivables securitized / assigned	-	8,648
(B)	**786**	**9,434**
Total (A+B)	**2,771**	**19,166**
Commitments		
Estimated amount of capital contracts remaining to be executed [Net of advances of ₹ 5,295 lakh(31st March, 2012: ₹ 3,762 lakh)] Other commitments *(refer note no. 2.28.1)*	6,470	4,182

* Excludes ₹ 697 lakh (31st March, 2012: ₹ 892 lakh) issued on behalf of the Joint Venturer to give effect to the Scheme of Arrangement, against which the Company holds counter guarantee.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.28.1

The Company has entered into Options / Swaps / Forward contracts for the purpose of hedging currency and interest rate related risks in relation to borrowings. Option, Swap and Forward contracts outstanding as at the Balance Sheet date are as follows:

i) Currency Options and Swaps

(₹ in lakh)

Sl. No.	Currency	As at 31st March, 2013		As at 31st March, 2012	
		No. of Contracts	Amount in Foreign Currency	No. of Contracts	Amount in Foreign Currency
1	USD/INR	22	USD 2,761	24	USD 2,552
2	YEN/USD	1	YEN 26,217	1	YEN 38,401
3	EUR/INR	2	EUR 48	3	EUR 73
4	SGD/USD	1	SGD 349	1	SGD 349

ii) Interest Rate Swaps

(₹ in lakh)

Sl. No.	Currency	As at 31st March, 2013		As at 31st March, 2012	
		No. of Contracts	Amount in Foreign Currency	No. of Contracts	Amount in Foreign Currency
1	USD	7	USD 1,528	7	USD 1,573
2	EUR	1	EUR 39	1	EUR 50

iii) Forward Contracts

(₹ in lakh)

Sl. No.	Currency	As at 31st March, 2013		As at 31st March, 2012	
		No. of Contracts	Amount in Foreign Currency	No. of Contracts	Amount in Foreign Currency
1	USD/INR	22	USD 250	44	USD 299
2	EUR/INR	26	EUR 160	41	EUR 223
3	SGD/INR	-	-	1	SGD 6
4	CHF/INR	1	CHF 4	1	CHF 4

Foreign currency exposures aggregating ₹ Nil (31st March, 2012: ₹ 10,835 lakh) are not hedged by derivative instruments.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.29 C.I.F Value of Imports

(₹ in lakh)

Particulars	For the year ended 31st March,	
	2013	2012
Capital goods (for operating lease)	1,745	13,163
Total	**1,745**	**13,163**

2.30 Expenditure in Foreign Currency

(₹ in lakh)

Particulars	For the year ended 31st March,	
	2013	2012
Finance charges	6,822	6,559
Others	132	119
Total	**6,954**	**6,678**

2.31 EMPLOYEE BENEFITS

The trustees of the gratuity scheme for the employees of the Company have entrusted the administration of the scheme to the Life Insurance Corporation of India (LIC).

(a) Expenses recognized in the Statement of Profit and Loss are as follows:

(₹ in lakh)

Particulars	Gratuity		Leave	
	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2013	Year ended 31st March, 2012
Current service cost	145	123	192	204
Interest cost	50	39	24	18
Expected return on plan assets	(28)	(20)	-	-
Past Service Cost	-	-	-	-
Net actuarial losses / (gains)	15	(29)	72	78
Net benefit expense	**182**	**113**	**288**	**300**
Expected return on plan assets	9.25%	9.25%	N.A.	N.A.

(b) Net Liability recognised in Balance Sheet are as follows:

(₹ in lakh)

Particulars	Gratuity		Leave	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Defined benefit obligation	767	586	680	568
Fair value of plan assets	(367)	(266)	-	-
Net liability	**400**	**320**	**680**	**568**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

(c) Changes in the present value of the defined benefit obligations are as follows:

(₹ in lakh)

Particulars	Gratuity		Leave	
	Year ended 31st March,2013	Year ended 31st March,2012	Year ended 31st March,2013	Year ended 31st March,2012
Opening defined benefit obligation	586	468	568	412
Interest cost	50	39	24	18
Current service cost	145	123	192	204
Benefit paid	(25)	(15)	(176)	(144)
Actuarial losses / (gains)	11	(29)	72	78
Plan Amendments	-	-	-	-
Closing defined benefit obligation	**767**	**586**	**680**	**568**

(d) The details of fair value of plan assets at the Balance Sheet date are as follows:

(₹ in lakh)

Particulars	Gratuity	
	As at 31st March, 2013	As at 31st March, 2012
Opening fair value of plan assets	266	177
Expected return on plan assets *	28	20
Contribution by the Company	102	84
Benefits paid	(25)	(15)
Actuarial (losses) / gains	(4)	-
Closing fair value of plan assets	**367**	**266**

* Determined based on government bond rate

(e) The principal assumptions used in determining the gratuity and leave liability are as shown below:

Particulars	As at 31st March, 2013	As at 31st March, 2012
Discount rate (%)	8.20%	8.70%
Expected Return on Plan Assets (Gratuity Scheme)	9.25%	9.25%
Mortality Rate	LIC (1994-96)	LIC (1994-96)
	Ultimate	**Ultimate**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

(f) The amounts for the current and previous years are as follows:

(₹ in lakh)

Particulars	Gratuity					Leave	
	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2013	31st March, 2012
Defined benefit obligation	767	586	468	283	185	680	568
Fair value of plan assets	367	266	177	107	57	-	-
Deficit	400	320	291	176	128	680	568
Experience adjustments on plan liabilities – gains / (losses)	42	3	(72)	21	(5)	(46)	(92)
Experience adjustments on plan assets – gains / (losses)	(4)	-	1	(1)	-	-	-

g) The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

h) The Company expects to contribute ₹ 150 lakh to gratuity fund in the year 2013-2014.

i) Amount provided for defined contribution plans are as follows:

(₹ in lakh)

Particulars	For the year ended 31st March,	
	2013	2012
Provident fund	432	386
Employee state insurance	7	10
Total *	**439**	**396**

* Includes in respect to Managerial Personnel

2.32 Related Party Disclosure

Related party disclosures, as stipulated by “AS 18: Related Party Disclosures” are given below:

List of Related Parties

Enterprises having joint control over the Company	Nature of Relationship
Srei Infrastructure Finance Limited	Joint Venturer
BNP Paribas Lease Group	Joint Venturer

Key Management Personnel (KMP)

Name	Designation
Mr. Hemant Kanoria	Vice Chairman & Managing Director
Mr. Sunil Kanoria	Joint Managing Director
Mr. D K Vyas	Chief Executive Officer
Mr. CR Sudharsanam	Chief Financial Officer
Enterprise over which KMP is having significant influence	
Viom Networks Limited (with effect from 18th November, 2011)	

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

Summary Of Transactions

(₹ in lakh)

Name of the Related Party	Nature of relationship	Nature of transactions	Year ended 31st March,2013		Year ended 31st March 2012	
			For the Year	As at 31st March, 2013	For the Year	As at 31st March, 2012
BNP Paribas Lease Group	Joint Venturer	Issue of Equity Shares including securities premium	9,982	-	4,991	-
Srei Infrastructure Finance Limited	Joint Venturer	Issue of equity shares including securities premium	9,982	-	4,991	-
		Sale of shares of subsidiary company	-	-	143	-
		Rent payment	1,456	-	1,388	-
		Security Deposit paid for Leased Premises	-	1,425	54	1,425
		Refund of Security Deposit paid for Leased Premises	-	-	50	-
		Refund of Security Deposit received on sub-letting of Leased premises.	-	-	7	-
Viom Networks Limited	Enterprise over which KMP is having significant influence	Interest income	1,633	-	732	39
		Loan given	-	12,093	-	12,501
Mr. Hemant Kanoria *	Vice Chairman and Managing Director	Managerial Remuneration	375	167	346	99
Mr. Sunil Kanoria *	Joint Managing Director	Managerial Remuneration	375	159	345	99
Mr. D K Vyas	Chief Executive Officer	Salary and Allowances	245	16	175	-
		Loan Given / (Repayment)	(22)	13	(21)	35
		Interest Income on loan given	2	-	5	-
Mr. CR Sudharsanam	Chief Financial Officer	Salary and Allowances	94	-	82	-
Mrs. Sangeeta Vyas	Spouse of Chief executive officer	Rent paid for leased premise	8	-	8	-
		Security deposit paid for leased premise	-	4	4	4

*Apart from the transactions referred above, Mr. Hemant Kanoria, Vice Chairman & Managing Director and Mr. Sunil Kanoria, Joint Managing Director of the Company have extended their personal guarantees in favour of financial institution / banks, the outstanding amount of which as at 31st March, 2013 is ₹ 8,303 lakh (31st March, 2012: ₹ 15,844 lakh) and ₹ 4,428 lakh (31st March, 2012: ₹ 10,112 lakh) respectively for the loans taken by the Company from such institutions / banks.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.33 ASSETS UNDER MANAGEMENT

2.33.1 Securitisation of receivables

In terms of Reserve Bank of India Guidelines on securitization of assets issued on 1st February, 2006, details of financial assets securitized by the Company during the year are as under:

(₹ in lakh, except in respect of total number of contracts)

Particulars	For the year ended 31st March,	
	2013	2012
Total number of contracts securitized	3,484	367
Book Value of contracts securitized	67,409	19,555
Sales consideration *	67,409	19,555
Gain / (Loss) (net) on securitization	-	-
Subordinated assets as on Balance Sheet date	-	-

* excludes unmatured finance charges thereon.

The aggregate amount of collateral security provided by the Company against the above securitization stands as follows on the Balance Sheet date:

(₹ in lakh)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Bank / Other deposits provided as collateral as on Balance Sheet date	8,011	2,837
Credit enhancements provided by third parties;		
- First loss facility	-	1,580
- Second loss facility	-	1,703

2.33.2 Assignment of receivables

During the year ended 31st March,2013, the Company has assigned financial assets to the extent of ₹ Nil (31st March, 2012: ₹ 413,798 lakh) for purchase consideration of ₹ Nil (31st March, 2012: ₹ 413,798 lakh). Assets assigned are derecognized from the books of account. At 31st March, 2013 the Company has lodged bank deposits of ₹ 72,164 lakh (31st March, 2012: ₹ 78,474 lakh) as collateral against these contracts outstanding at the year end.

2.33.3 The Aggregate amount of assets derecognized / loans originated in terms of paragraphs 2.33.1 to 2.33.2 above that are Assets Under Management of the Company are as under

(₹ in lakh)

Particulars	Amount outstanding as at	
	31st March, 2013	31st March, 2012
Securitization	65,462	15,603
Assignment of Receivables	217,348	443,635
Total	**282,810**	**459,238**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.33 ASSETS UNDER MANAGEMENT (CONTINUED)

2.33.4 Disclosure as per revised guidelines on Securitisation Transactions

In terms of Reserve Bank of India Guidelines on securitization of assets issued on 21st August, 2012, details of securitized contracts by the Company during the year are as under:

(₹ in lakh, except in respect of total number of contracts)

Sl. No.	Particulars	No. / (₹ in lakh)
1	No of SPVs sponsored by the NBFC for securitisation transactions*	6
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	67,409
3	Total amount of exposures retained by the NBFC to comply with Minimum retention ratio (MRR) as on the date of Balance Sheet	
	a) Off-balance sheet exposures	
	* First loss	-
	* Others	-
	b) On-balance sheet exposures	
	* First loss	6,432
	* Others	337
4	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitisations	
	* First loss	-
	* Loss	-
	ii) Exposure to third party securitisations	
	* First loss	-
	* Others	-
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	
	* First loss	-
	* Others	1,579
	ii) Exposure to third party securitisations	
	* First loss	-
	* Others	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

2.34 Consequent to the changes in business dynamics and operations and emerging trend of useful lives of various items of fixed assets deployed under operating lease during the year the company has changed the estimated useful life of Plant & Machinery, Heavy earthmoving Equipment, Motor Vehicles and Furniture & Fixture as under:

Particulars	Useful life considered earlier (in months)	Revised life (in months)
Plant & Machinery	72 to 253	60 to 144
Heavy Earth Moving Equipment	106	72
Motor Vehicles	74	66
Furniture and Fixture	96 to 190	84

As a result of the aforesaid change in estimated useful life of assets, the depreciation charge for the year is higher by ₹ 3,467 lakh

2.35 IMPAIRMENT OF ASSETS

The Company has tested for impairment purposes, the carrying value of certain plant & machineries, motor vehicles, furnitures, computers and earth moving equipments with due consideration to expected recovery of such carrying value based on past trends and from redeployment to customers during the year ended 31st March, 2013 or thereafter under highly competitive market conditions. Based on the above, impairment losses aggregating ₹ 536 lakh (31st March, 2012: ₹ 2,959 lakh) have been recognized in the Statement of Profit and Loss for the year 31st March, 2013.

2.36 MICRO, SMALL AND MEDIUM ENTERPRISES

No interest was payable by the Company during the year ended 31st March, 2013 and 31st March, 2012 to the Suppliers who are covered under the Micro, Small and Medium Enterprise Development Act, 2006 based on the information available with the Company.

2.37 Information as required by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished vide Annexure – I attached herewith.

2.38 COMPARATIVE FIGURES

Previous year figures including those given in brackets have been regrouped / rearranged wherever considered necessary.

Signatories to Notes 1 and 2.1 to 2.38

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
Firm Registration No.: 301003E

On behalf of the Board of Directors

per Bhaswar Sarkar
Partner
(Membership No. 55596)

Bertrand Gousset
Chairman

Hemant Kanoria
Vice Chairman & Managing Director

Devendra Vyas
Chief Executive Officer

Place : Kolkata
Date : 15th May, 2013

CR Sudharsanam
Chief Financial Officer

Sanjay Chaurasia
Company Secretary

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013

I. Disclosure of details as required in terms of paragraphs 10 of Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1. Capital to Risk Assets Ratio (CRAR)

Sl. No.	Items	Current Year	Previous Year
i	CRAR (%)	16.19	16.92
ii	CRAR – Tier I Capital (%)	11.47	11.08
iii	CRAR – Tier II Capital (%)	4.72	5.84

2. Exposure to Real Estate Sector

Category	Current Year	Previous Year
a) Direct exposure		
(i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹15 lakh may be shown separately)	-	-
(ii) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	-	-
(iii) Investments in Mortgage Securities (MBS) and other securitised exposures		
a. Residential,	-	-
b. Commecial Real Estate	-	-
b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

I. Disclosure of details as required in terms of paragraphs 10 of Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

3. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31st March, 2013 are as follows;

(₹ in lakh)

	1 day to 30/31 days (one 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 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks	52,707	39,117	45,141	82,746	181,914	515,402	152,968	25,910	1,095,905
Market Borrowings	841	1,955	10,755	62,178	13,850	68,134	10,369	-	168,082
Assets									
Advances	75,516	58,917	60,342	120,584	253,726	709,144	170,708	44,878	1,493,815
Investments	13	13	13	38	2,876	182	2	-	3,137

Notes:

1. The borrowings indicated above do not include unsecured subordinated perpetual debentures and unsecured subordinated debentures / loan amounting to ₹ 90,650 lakh since the same forms part of Tier I / Tier II Capital.
2. The maturity pattern of working capital facilities sanctioned by the banks has been apportioned in proportion to the maturity pattern of the financial assets.

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013

II. Disclosure of details as required in terms of paragraphs 10 of Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(₹ in lakh)

Sl. No.	Particulars	As at 31st March, 2013		As at 31st March, 2012	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side:				
1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**				
	a) Debentures				
	- Secured	118,984	-	119,299	-
	- Unsecured				
	Other than falling within the meaning of public deposits)	70,255	-	58,218	-
	b) Deferred Credits	-	-	-	-
	c) Term loans	441,375	-	382,280	-
	d) Inter- corporate loans and borrowings	-	-	-	-
	e) Commercial paper	10,409	-	11,597	-
	f) Other Loans	729,543	-	468,599	-

(₹ in lakh)

Sl. No.	Particulars	As at 31st March, 2013 Amount Outstanding	As at 31st March, 2012 Amount Outstanding
	Assets side:		
2)	**Break-up of Loans and Advances including bills receivables** [other than those included in (4) below]:		
	(a) Secured	-	-
	(b) Unsecured	37,607	38,944
	Total (a) + (b)	**37,607**	**38,944**
3)	**Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities**		
	(a) Financial assets	1,363,828	1,010,530
	(b) Assets on operating Lease	127,914	125,833
	(c) Repossessed Assets	8,317	3,964
	Total (a) + (b) + (c)	**1,500,059**	**1,140,327**
4)	**Break up of Investments**		
	Long term Investments		
	1) Unquoted		
	i) Shares : (a) Equity	-	-
	Total	**-**	**-**

ANNEXURE - I TO NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2013

5) Borrower Group-wise Classification of assets financed as in (3) above

(₹ in lakh)

Sl. No.	Related Parties	Amount net of provisions					
		As at 31st March, 2013			As at 31st March, 2012		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	**Related parties**						
	a) Subsidiaries	-	-	-	-	-	-
	b) Companies in the same group	-	-	-	-	-	-
	c) Other related parties	-	-	-	-	-	-
2	**Other than related parties**	**1,488,749**	**-**	**1,488,749**	**1,129,475**	**-**	**1,129,475**

6) Investor Groupwise Classification of all Investments in Shares and Securities

(₹ in lakh)

Sl. No.	Related Parties	As at 31st March, 2013		As at 31st March, 2012	
		Market Value / Break up or Fair value or NAV	Book value (net of provision)	Market Value / Break up or Fair value or NAV	Book value (net of provision)
1	**Related parties**				
	a) Subsidiaries	-	-	-	-
	b) Companies in the same group	-	-	-	-
	c) Other related parties	-	-	-	-
2	**Other than related parties**	**102.06***	**2,800**	**-**	**-**

* Break up Value

7) Other Information:

(₹ in lakh)

Sl. No.	Particulars	As at 31st March, 2013	As at 31st March, 2012
i.	Gross Non-Performing Assets		
	(a) Related Parties	-	-
	(b) Other than related Parties	46,857	36,113
ii.	Net Non-Performing Assets		
	(a) Related Parties	-	-
	(b) Other than related Parties	35,547	25,261
iii.	Assets acquired in satisfaction of debt	3,918	2,773

Notes

Notes

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