

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Edelweiss Asset Reconstruction Company Limited**

#### **Report on the Financial Statements**

- 1 We have audited the accompanying financial statements of **Edelweiss Asset Reconstruction Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

#### **Management's Responsibility for the Financial Statements**

- 2 The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

#### **Auditor's Responsibility**

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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
- 4 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 financial control relevant to the Company's preparation of the financial statement, that give a true and fair view, 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 Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements

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

### **Opinion**

- 6 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the state of affairs of the Company as at 31<sup>st</sup> March 2017, its Profit and its cash flows for the year ended on that date

### **Report on Other Legal and Regulatory Requirements**

- 7 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order

- 8 As required by section 143(3) of the Act, we further report that:

- a. we have sought and 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 aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

- (i) The Company does not have any pending litigations which would impact its financial position
- (ii) The Company does not have any long-term contracts including derivative contracts for which there existed any foreseeable losses
- (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise
- (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank notes during the period from November 8, 2016 to December 30, 2016 and as explained to us, the same are in accordance with books of accounts and records maintained by the Company. Refer Note 2.35

For **Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

Sd/-

Hasmukh B Dedhia  
Partner (F - 33494)

Place: Mumbai  
Date: May 16, 2017

**Annexure A referred to in paragraph 7 Our Report of even date to the members of Edelweiss Asset Reconstruction Company Limited on the Financial Statements of the company for the year ended 31st March, 2017**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Based on the records of the Company examined by us, fixed assets have been physically verified by the management at regular intervals; as informed to us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and based on the records of the company examined by us, title deed of an immovable property is held in the name of the company.
- (ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause 3 (ii) of the Order is not applicable to it.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence the requirement of clause 3 (iii) of the order is not applicable.
- (iv) According to the records of the company examined by us and as per the information and explanations given to us, the Company has not granted any loans or advances covered under Section 185 and 186 of the Act
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- (vii) (a) According to the information and explanations given and based on the records of the Company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Income-tax, Value Added Tax, Sales Tax, Service Tax, and other material statutory dues applicable to it. There are no undisputed statutory dues remaining outstanding for the period exceeding six months as at the date of the Balance sheet

We have been informed that Employees' state insurance, Custom duty and Excise Duty are currently not applicable to the Company for the year under audit

- (b) According to the information and explanations given and based on the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Value Added Tax and Cess which have not been deposited on account of any disputes

We have been informed that Custom duty and Excise Duty are currently not applicable to the Company for the year under audit

- (viii) According to the information and explanations given and based on the records of the company examined by us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, Bank, Government or dues to debenture holders
- (ix) The Company has raised money by way of issue of Listed secured Non-convertible debentures and term loans. Based on the records of the company examined in course of our audit, the moneys so raised have been utilized for the purpose of business for which the same were raised
- (x) During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management
- (xi) According to the information and explanations given and based on the records of the company examined by us, the Company has complied with the provisions of Section 197 read with Schedule V to the Companies Act, 2013 pertaining to Managerial Remuneration paid/provided during the year under audit
- (xii) In our opinion and according to the information and explanations given, the Company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable to it;
- (xiii) According to the information and explanations given and based on the records of the company examined by us, the Company has complied with the provisions of Section 177 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014. The transactions with related parties entered into by the Company, disclosures whereof are made as per applicable Accounting Standards, do not attract the provisions of Section 188 of the Act;
- (xiv) The Company has made a preferential allotment of preference shares during the year under audit and requirements of Section 42 read with Section 62 of the Act are complied with and the amount so raised have been used for the purpose of business for which the funds were raised;

- (xv) According to information and explanation given, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year under audit
- (xvi) The Company being a Securitization and Reconstruction Company ('SCRC') under SARFAESI Act 2002, it is not required to be registered under Section 45 IA of the Reserve Bank of India Act 1934.

**For Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

Sd/-  
Hasmukh B Dedhia  
Partner (F - 33494)

Place: Mumbai  
Date: May 16, 2017

**Annexure B referred to in paragraph 8(f) of Our Report of even date to the members of Edelweiss Asset Reconstruction Company Limited on the Financial Statements of the Company for the year ended 31st March, 2017**

**Report on the Internal Financial Controls under Clause (i) of Sub -section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of the company as at 31 March 2017 in conjunction with our audit of financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting are established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

Internal financial control over financial reporting is a process designed by the Company to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and Board of Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Further, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate owing to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate or for other reasons

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No.105146W

Sd/-

Hasmukh B Dedhia  
Partner (F - 33494)

Place: Mumbai  
Date: May 16, 2017



# Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

## Balance Sheet

as at 31 March 2017

(Currency: Indian rupees in millions)

	Note	As at 31 March 2017	As at 31 March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2.1	2,305.26	1,052.63
(b) Reserves and surplus	2.2	6,043.73	1,002.59
		<b>8,348.99</b>	2,055.22
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	2.3	20,252.50	9,604.97
(b) Deferred tax liabilities (Net)	2.10	245.83	82.75
(c) Long-term provisions	2.4	108.87	31.25
		<b>20,607.20</b>	9,718.97
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	2.5	10,889.20	12,720.98
(b) Other current liabilities	2.6	2,634.80	565.80
(c) Short-term provisions	2.7	14.44	29.83
		<b>13,538.44</b>	13,316.61
<b>Total</b>		<b>42,494.63</b>	25,090.80
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	2.8	12.40	8.36
(ii) Intangible assets	2.8	28.46	1.39
(iii) Capital work-in-progress		-	0.04
(b) Non-current investments	2.9	38,497.17	22,283.28
(d) Long-term loans and advances	2.11	145.57	74.90
		<b>38,683.60</b>	22,367.97
<b>(2) Current assets</b>			
(a) Current investments	2.12	2,168.33	1,345.35
(b) Trade receivables	2.13	814.46	689.82
(c) Cash and bank balances	2.14	399.15	486.45
(d) Short-term loans and advances	2.15	410.03	198.76
(e) Other current assets	2.16	19.06	2.45
		<b>3,811.03</b>	2,722.83
<b>Total</b>		<b>42,494.63</b>	25,090.80

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

**For Khimji Kunverji & Co.**

*Chartered Accountants*

Firm Registration No.: 105146W

**Sd/-**

**Hasmukh B Dedhia**

*Partner ( F-33494)*

Mumbai

16 May 2017

**For and on behalf of the Board of Directors**

**Sd/-**

**Siby Antony**

*Managing Director*

Mumbai

**DIN No.: 00075909**

**Sd/-**

**Abhishek Baxi**

*Chief Financial Officer*

Mumbai

16 May 2017

**Sd/-**

**Rashesh Shah**

*Director*

Mumbai

**DIN No.: 00008322**

**Sd/-**

**Deepak Nautiyal**

*Company Secretary*

Mumbai

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Statement of Profit and Loss

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>I. Revenue from operations</b>			
Fee income	2.17	4,870.70	2,511.37
Other operating revenue	2.18	163.10	479.00
<b>II. Other income</b>	2.19	17.92	-
<b>III. Total Revenue</b>		5,051.72	2,990.37
<b>IV. Expenses</b>			
Employee benefit expenses	2.20	318.73	140.98
Finance costs	2.21	2,934.68	2,074.13
Depreciation	2.8	10.29	3.63
Other expenses	2.22	259.51	82.48
<b>Total expenses</b>		3,523.21	2,301.22
<b>IX. Profit before tax</b>		1,528.51	689.15
<b>X. Tax expense:</b>			
(1) Income tax		367.51	129.09
(2) MAT credit entitlement		(21.93)	-
(3) Deferred tax charge/ (benefit)		163.06	110.30
<b>XI. Profit for the year</b>		1,019.87	449.76
<b>XVI. Earnings per equity share (Face value Rs. 10/- per share)</b>			
Basic	2.24	6.07	4.33
Diluted		4.62	4.33

Significant accounting policies and notes to the financial statements1 & 2

As per our report of even date attached.

For Khimji Kunverji & Co.  
Chartered Accountants  
Firm Registration No.: 105146W

Sd/-  
Hasmukh B Dedhia  
Partner ( F-33494)

Mumbai  
16 May 2017

For and on behalf of the Board of Directors

Sd/- Siby Antony Managing Director Mumbai DIN No.: 00075909	Sd/- Rashesh Shah Director Mumbai DIN No.: 00008322
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Sd/- Abhishek Baxi Chief Financial Officer Mumbai 16 May 2017	Sd/- Deepak Nautiyal Company Secretary Mumbai
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Edelweiss Asset Reconstruction Company Limited  
CIN-U67100MH2007PLC174759

Cash Flow Statement

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

A Cash flow from operating activities

	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit before taxation	1,528.51	689.15
Adjustments for		
Depreciation	10.29	3.63
Provision for diminution in value of non-current investments	-	(12.18)
Bad debts and advances written off	-	4.45
Bad debts written back	(1.00)	(3.00)
Reversal of receivables from trusts as per RBI guidelines	29.31	54.27
Reversal of management fees as per RBI guidelines	378.44	713.25
Provision for compensated absences	0.59	0.31
Provision for gratuity	1.82	1.41
Provision for non performing assets	76.81	(12.59)
Profit from investments in security receipts	(52.85)	(421.28)
Interest income	(109.23)	(54.64)
Interest income on fixed deposits	(17.92)	-
Finance costs	2,934.68	2,073.69
Operating cash flow before working capital changes	4,779.45	3,036.47
Add/(Less): Adjustments for working capital changes		
Increase in trade receivables	(503.07)	(352.19)
(Increase) / Decrease in loans and advances	(203.01)	(38.41)
Increase / (Decrease) in liabilities and provisions	1,141.59	193.21
(Increase) / Decrease in other current assets	(16.61)	(1.57)
Cash generated from operations	5,198.35	2,837.51
Income taxes paid	(364.78)	(148.51)
Net cash generated from operating activities - A	4,833.57	2,689.00

B Cash flow from investing activities

Purchase of fixed assets	(41.27)	(5.28)
Investments in security receipts	(17,566.54)	(11,233.73)
Redemption of investments	529.67	1,353.15
Income from investments	52.85	421.28
Interest received on fixed deposits	17.92	-
Interest income on loan	92.62	52.19
(Increase)/Decrease in Earmarked Fixed Deposits	(189.88)	
Loans given (refer note 2)	(58.26)	(45.24)
Net cash used in investing activities - B	(17,162.89)	(9,457.63)

C Cash flow from financing activities

Proceeds from issue of share capital/share application money	5,273.90	72.95
Proceeds (Repayment) from unsecured borrowings (refer note 2)	(14,286.21)	8,666.40
Proceeds (Repayment) from secured borrowings (refer note 2)	23,359.47	443.95
Finance costs	(2,295.02)	(2,060.70)
Net cash generated from financing activities - C	12,052.14	7,122.60
Net increase in cash and cash equivalents (A+B+C)	(277.18)	353.97

Cash and cash equivalent as at the beginning of the year	486.45	132.48
Cash and cash equivalent as at the end of the year (refer note 1)	209.27	486.45

Note:

- 1 Cash and cash equivalents represent cash and balances with banks in current account placed with banks (refer note 2.14)
- 2 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For Khimji Kunverji & Co.

Chartered Accountants

Firm Registration No.: 105146W

Sd/-  
Hasmukh B Dedhia  
Partner ( F-33494)

Mumbai  
16 May 2017

For and on behalf of the Board of Directors

Sd/-  
Siby Antony  
Managing Director  
Mumbai  
DIN No.: 00075909

Sd/-  
Abhishek Baxi  
Chief Financial Officer  
Mumbai  
16 May 2017

Sd/-  
Rashesh Shah  
Director  
Mumbai  
DIN No.: 00008322

Sd/-  
Deepak Nautiyal  
Company Secretary  
Mumbai

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.1 Share capital</b>		
<b>Authorised:</b>		
500,000,000 (Previous year: 150,000,000) equity shares of Rs. 10 each	5,000.00	1,500.00
250,000,000 (Previous year: Nil) Preference shares of Rs. 10 each	2,500.00	-
<b>Issued, subscribed and paid up:</b>		
21,05,26,316 (Previous year: 10,52,63,158) equity shares of Rs.10 (Previous year: Rs. 10) each, fully paid-up	2,105.26	1,052.63
2,00,00,000 (Previous year: NIL) 0.001% Compulsorily Convertible Non – Cumulative Preference Shares of Rs.10 (Previous year: NIL) each, fully paid-up	200.00	-
	2,305.26	1,052.63
<b>Reconciliation of number of shares outstanding:</b>		
<b>Shares outstanding at the beginning</b>		
Number of equity shares	105.26	100.00
Number of 0.001% Compulsorily Convertible preference shares	-	-
<b>Additions during the year</b>		
Number of equity shares	105.26	5.26
Number of 0.001% Compulsorily Convertible preference shares	20.00	-
<b>Shares outstanding at the end</b>	210.52	105.26
Number of equity shares	20.00	-
Number of 0.001% Compulsorily Convertible preference shares		
<b>Reconciliation of share capital:</b>		
<b>Shares capital at the beginning</b>		
Equity shares capital	1,052.63	1,000.00
0.001% Compulsorily Convertible preference shares capital	-	-
<b>Additions during the year</b>		
Equity shares capital	1,052.63	52.63
0.001% Compulsorily Convertible preference shares capital	200.00	-
<b>Shares capital at the end</b>	2,105.26	1,052.63
Equity shares capital	200.00	-
0.001% Compulsorily Convertible preference shares capital		

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

	As at 31 March 2017		As at 31 March 2016	
<b>Equity shareholders</b>	<b>Number of shares</b>	<b>% holding</b>	Number of shares	% holding
Edelweiss Custodial Services Limited	54,459,148	25.87%	49,909,148	47.41%
Reeta Kuhad	21,200,000	10.07%	14,000,000	13.30%
Edelweiss Financial Services Limited	20,817,286	9.89%	-	-
Edelweiss Commodities Services Limited	20,964,082	9.96%	-	-
Ecap Equities Limited	20,964,082	9.96%	-	-
Edelweiss Securities Limited	14,450,000	6.86%	-	-
Edelweiss Finvest Private Limited	15,254,550	7.25%	-	-
Edelcap Securities Limited	10,564,536	5.02%	-	-
Alok Tandon	-	-	14,290,852	13.57%
Vineet Kashyap	-	-	9,900,000	9.41%
Aakanksha Management Consultancy & Holding (P) Limited	-	-	9,900,000	9.41%
<b>0.001% Compulsorily Convertible preference shareholders</b>	<b>Number of shares</b>	<b>% holding</b>	Number of shares	% holding
CDPQ Private Equity Asia Pte Ltd.	20,000,000	100.00%	-	0.00%

Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

There have been no shares (i) bought back, (ii) issued for consideration other than cash or (iii) issued as bonus shares, during last five years.

Terms/rights attached to Compulsorily Convertible preference shares:

The Company offered, issued and allotted 2,00,00,000 (Two Crore) 0.001% Non – Cumulative, Participating, Compulsorily Convertible Preference Shares (CCPS) of Rs.10/- each at a premium of Rs. 143.16875/- each to CDPQ Private Equity Asia Pte Ltd. In addition, subject to applicable Law, each CCPS holder would be entitled to participate pari-passu in any dividends paid to shareholders of the Company on a pro rata, as-if-converted basis. The CCPS holders are entitled to have the proceeds of dissolution or winding up applied to pay off their CCPS investment in the Company, prior and in preference to any other payments by the Company to the equity share holders. CCPS are convertible into equity shares of the Company no later than the fourth anniversary from the date of issue of the CCPS.

2.2 Reserves and surplus

Securities Premium Account - Opening balance	20.32	-
Add : Additions during the year	4,021.27	20.32
	4,041.59	20.32
Debenture Redemption Reserve		
As per last Balance Sheet	77.67	1.04
Add : Addition during the period	614.94	76.63
	692.61	77.67
Surplus in statement of profit and loss		
Opening balance	904.60	531.46
Add: Profit for the year	1,019.87	449.76
Amount available for appropriation	1,924.47	981.22
Less: Appropriations		
Transfer to Debenture Redemption Reserve	614.94	76.63
Closing Balance in Statement of Profit and Loss	1,309.53	904.60
Closing balance	6,043.73	1,002.59

# Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

## Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in millions)

2.3

Long-term borrowings

As at

31 March 2017

As at

31 March 2016

Secured

Secured Redeemable Non-convertible Debentures

10.75% p.a. of Rs. 300 millions secured by pari passu ranking charge on immovable property and pledge of Security Receipts is due for redemption in February 2021

2.00% p.a.\* of Rs. 4100 millions secured by pari-passu charge on immovable property and pledge of Security Receipts is due for redemption in March 2027

Secured Redeemable Non-convertible Debentures

Secured by pari-passu charge on immovable property, hypothecation of Security Receipts and unconditional & irrevocable guarantee by Edelweiss Financial Services Limited

The rate of interest & repayment schedule are as follows:

Amount (Rs. in millions)

Maturities	2018-19	2019-20	2020-21	2021-22	2026-27	Total
Rate of Interest						
10.00%-10.99%	97.50	5,600.00	-	320.00	295.00	6,312.50
Zero Coupon Debentures	-	350.00	180.00	-	-	530.00
Various (Benchmark linked)	1,205.00	220.00	-	592.50	140.00	2,157.50
Total	1,302.50	6,170.00	180.00	912.50	435.00	9,000.00

Term loan from banks

Secured by pledge of security receipts

The rate of interest & repayment schedule are as follows:

Amount (Rs. in millions)

Maturities	2018-19	2019-20	Total
Rate of Interest			
11.90%-12.18%	420.00	62.50	482.50

Loans and advances taken

Secured by Hypothecation of Security Receipts

14.50% p.a. due for redemption in March 2019

18,752.50

1,140.00

Unsecured

Un-secured Redeemable Non-convertible Debentures

17.00% p.a. due for redemption in March 2020

Loans and advances taken

20,252.50

9,604.97

4,400.00

300.00

9,000.00

-

482.50

840.00

4,870.00

-

1,500.00

1,500.00

-

6,964.97

\*Coupon rate is 2% p.a. and additionally, Conditional Interest being positive difference between the interest payment funds lying in the earmarked Escrow account and Coupon rate.

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.4 Long-term provisions</b>		
Provision for employee benefits		
Gratuity	5.55	3.86
Compensated absences	1.05	0.53
Deferred bonus	-	1.40
Others		
Provision for non performing assets	102.27	25.46
	<u>108.87</u>	<u>31.25</u>
<b>2.5 Short-term borrowings</b>		
<b><u>Secured</u></b>		
Bank overdraft	599.07	259.36
- Secured by Pledge of Security Receipts		
Loans taken	5,149.76	-
(Repayable on demand)		
- Secured by Hypothecation of Security Receipts		
<b><u>Unsecured</u></b>		
Commercial papers	2,000.00	2,450.00
Less: Unamortised discount	159.63	175.00
	<u>1,840.37</u>	<u>2,275.00</u>
Loans taken	-	10,186.62
(Repayable on demand)		
Inter-corporate loan	3,300.00	-
	<u>10,889.20</u>	<u>12,720.98</u>

# Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

## Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.6 Other current liabilities</b>		
Current maturities of Long Term Debt		
Term loan from bank (refer note 2.3)	357.50	100.00
Interest accrued but not due on borrowings	734.21	14.47
Interest accrued and due on borrowings	-	66.80
Income received in advance	375.48	15.75
Other Payables		
Accrued salaries and benefits	148.41	55.19
Withholding tax and other taxes payable	7.04	117.03
Recovery made on behalf of trust	993.88	181.96
Others	18.28	14.60
	<u>2,634.80</u>	<u>565.80</u>
<b>2.7 Short-term provisions</b>		
Provision for employee benefits		
Gratuity	0.61	0.50
Compensated absences	0.29	0.22
Deferred bonus	12.41	27.99
Others		
Provision for taxation (net of advance taxes and taxes deducted at source)	1.12	1.12
	<u>14.43</u>	<u>29.83</u>

# Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

## Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in millions)

### 2.8 Fixed Assets

	Gross block				Depreciation and amortization				Net block	
Description of assets	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
<b>Tangible assets</b>										
Building	1.78	-	-	1.78	0.13	0.08	-	0.21	1.57	1.64
Vehicles	6.61	2.52	-	9.13	2.28	1.81	-	4.09	5.04	4.33
Office equipment	0.65	-	0.01	0.64	0.42	0.10	0.00	0.52	0.12	0.23
Computers	4.16	5.74	0.14	9.76	2.02	2.18	0.11	4.09	5.67	2.15
<b>Total A</b>	<b>13.20</b>	<b>8.26</b>	<b>0.15</b>	<b>21.31</b>	<b>4.85</b>	<b>4.18</b>	<b>0.12</b>	<b>8.92</b>	<b>12.40</b>	<b>8.35</b>
<b>Intangible assets</b>										
Computer software	2.10	33.17	-	35.27	0.71	6.10	-	6.81	28.46	1.39
<b>Total B</b>	<b>2.10</b>	<b>33.17</b>	<b>-</b>	<b>35.27</b>	<b>0.71</b>	<b>6.10</b>	<b>-</b>	<b>6.81</b>	<b>28.46</b>	<b>1.39</b>
<b>Grand Total (A+B)</b>	<b>15.30</b>	<b>41.43</b>	<b>0.15</b>	<b>56.58</b>	<b>5.56</b>	<b>10.29</b>	<b>0.12</b>	<b>15.73</b>	<b>40.86</b>	<b>9.75</b>
Previous period	10.06	5.28	0.04	15.30	1.94	3.63	0.01	5.56	9.75	



Edelweiss Asset Reconstruction Company Limited

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Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in millions)

2.9 Non-Current investments - at lower of cost and fair value

	as at 31 March 2017			As at 31 Mar 2016		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Other non-current investment						
Available for sale- Investment in Security Receipts (Non trade, unquoted)						
EARC Trust SC 1	-	-	-	-	-	-
EARC Trust SC 2 Series I	-	-	-	1	1,370	0.00
EARC Trust SC 2 Series II	-	-	-	1	99,000	0.10
EARC Trust SC 3 Series I	1	11,500	0.01	1	11,500	0.01
EARC Trust SC 3 Series II	1	35,100	0.04	1	35,100	0.04
EARC Trust SC 4 Class A	-	-	-	-	-	-
EARC Trust SC 4 Class B	998	34,875	34.81	998	34,875	34.81
EARC Trust SC 5	-	-	-	-	-	-
EARC Trust SC 6	538	11,500	6.18	994	11,500	11.43
EARC Trust SC 7	654	5,500	3.60	654	5,500	3.60
EARC Trust SC 8	-	-	-	585	4,055	2.37
EARC Trust SC 9	1	3,763	0.00	1	3,763	0.00
EARC Trust SC 10	-	-	-	1	69,000	0.07
EARC Trust SC 11*	1,000	34,500	34.50	1,000	34,500	34.50
EARC Trust SC 12*	-	-	-	-	-	-
EARC Trust SC 14	-	-	-	1,000	4,125	4.13
EARC Trust SC 15 Series I	-	-	-	-	-	-
EARC Trust SC 15 Series II	-	-	-	-	-	-
EARC Trust SC 16	922	7,250	6.69	922	7,250	6.69
EARC Trust SC 17	872	3,500	3.05	1,000	3,500	3.50
EARC Trust SC 18 Series I***	1,000	47,500	47.50	1,000	47,500	47.50
EARC Trust SC 18 Series II***	1,000	6,000	6.00	1,000	6,000	6.00
EARC Trust SC 19 Series I**	971	28,125	27.32	976	28,125	27.44
EARC Trust SC 19 Series II**	971	251,000	243.78	976	251,000	244.92
EARC Trust SC 19 Series III**	979	237,500	232.54	984	237,500	233.63
EARC Trust SC 19 Series IV**	979	167,000	163.51	984	167,000	164.28
EARC Trust SC 19 Series V	979	471,500	461.65	984	471,500	463.83
EARC Trust SC 20	-	-	-	-	-	-
EARC Trust SC 21	786	77,000	60.51	795	77,000	61.21
EARC Trust SC 22**	952	40,800	38.86	1,000	40,800	40.80
EARC Trust SC 23 Series I**	1,000	317,950	317.95	1,000	317,950	317.95
EARC Trust SC 23 Series II	1,000	81,050	81.05	1,000	81,050	81.05
EARC Trust SC 24**	-	-	-	-	-	-
EARC Trust SC 25	-	-	-	-	-	-
EARC Trust SC 26	-	-	-	1	4,640	0.00
EARC Trust SC 27 Series I	-	-	-	-	-	-
EARC Trust SC 27 Series II	1	10,000	0.01	1	10,000	0.01
EARC Trust SC 28 Series I	1,000	8,500	8.50	1,000	8,500	8.50
EARC Trust SC 28 Series II	1,000	31,500	31.50	1,000	31,500	31.50
EARC Trust SC 28 Series III	1,000	59,600	59.60	1,000	59,600	59.60
EARC Trust SC 28 Series IV	1,000	4,000	4.00	1,000	4,000	4.00
EARC Trust SC 29	1,000	10,000	10.00	1,000	10,000	10.00
EARC Trust SC 30 series I**	1,000	1,533,500	1,533.50	1,000	1,533,500	1,533.50
EARC Trust SC 30 series II	1,000	701,100	701.10	1,000	701,100	701.10
EARC Trust SC 31***	987	220,500	217.72	1,000	220,500	220.50
EARC Trust SC 32 Series I	974	44,500	43.35	974	44,500	43.35
EARC Trust SC 32 Series II	1,000	21,365	21.37	1,000	21,365	21.37
EARC Trust SC 33	1,000	111,050	111.05	1,000	111,050	111.05
EARC Trust SC 34	1,000	44,030	44.03	1,000	44,030	44.03
EARC Trust SC 35 Series I***	1,000	486,865	486.87	1,000	486,865	486.87
EARC Trust SC 35 Series II***	1,000	294,500	294.50	1,000	294,500	294.50
EARC Trust SC 36	401	1,500	0.60	401	1,500	0.60
EARC Trust SC 37 Series I***	1,000	429,960	429.96	1,000	429,960	429.96
EARC Trust SC 37 Series II	1,000	46,040	46.04	1,000	46,040	46.04
EARC Trust SC 38 Series I	993	147,500	146.50	993	147,500	146.50
EARC Trust SC 38 Series II	993	137,500	136.57	993	137,500	136.57
EARC Trust SC 38 Series III	993	34,715	34.48	993	34,715	34.48
EARC Trust SC 39	1,000	94,836	94.84	1,000	94,836	94.84
EARC Trust SC 40	1,000	203,775	203.78	1,000	203,775	203.78
EARC Trust SC 41 Series I	1,000	103,500	103.50	1,000	103,500	103.50
EARC Trust SC 41 Series II	1,000	70,220	70.22	1,000	70,220	70.22
EARC Trust SC 42	1,000	270,000	270.00	1,000	270,000	270.00
EARC Trust SC 43	1,000	45,000	45.00	1,000	45,000	45.00
EARC Trust SC 44 Series I	997	130,625	130.18	1,000	130,625	130.63
EARC Trust SC 44 Series II	997	7,912	7.88	1,000	7,912	7.91

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**Notes to the financial statements (Continued)**

*as at 31 March 2017*

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EARC Trust SC 47	915	384,000	351.44	965	384,000	370.47
EARC Trust SC 48	989	54,250	53.67	1,000	54,250	54.25
EARC Trust SC 49	858	57,250	49.10	897	57,250	51.37
EARC Trust SC 50*	1,000	365,500	365.50	1,000	365,500	365.50
EARC Trust Sc 50 SIB	1,000	8,814	8.81	1,000	8,814	8.81
EARC Trust -SC 50-SBT*	1,000	70,533	70.53	1,000	70,533	70.53
EARC TRUST- SC 50- LVB	1,000	9,423	9.42	1,000	9,423	9.42
EARC TRUST SC -50 - CBI	1,000	60,590	60.59	1,000	60,590	60.59
EARC TRUST SC -50 - CBI Series II	1,000	9,695	9.70	1,000	9,695	9.70
EARC Trust SC 50 Andhra Bank	1,000	26,375	26.38	1,000	26,375	26.38
EARC Trust SC 50-Allahabad Bank	1,000	177,000	177.00	1,000	177,000	177.00
EARC Trust SC 52 Series I	997	243,000	242.30	1,000	243,000	243.00
EARC Trust SC 52 Series II	997	146,500	146.08	1,000	146,500	146.50
EARC Trust SC 52 Series III	997	1,405	1.40	1,000	1,405	1.41
EARC Trust SC 53	1,000	65,400	65.40	1,000	65,400	65.40
EARC Trust SC 55	1,000	39,000	39.00	1,000	39,000	39.00
EARC Trust SC 56 Class A	-	-	-	1	10,450	0.01
EARC Trust SC 56 Class B	632	22,150	13.99	1,000	22,150	22.15
EARC Trust SC 57 Series I	1	14,400	0.01	1	14,400	0.01
EARC Trust SC 57 Series II	825	12,750	10.52	825	12,750	10.52
EARC Trust SC 58	-	-	-	1,000	3,500	3.50
EARC Trust SC 101	1,000	37,500	37.50	1,000	37,500	37.50
EARC Trust SC 102 Series I	966	19,800	19.13	966	19,800	19.13
EARC Trust SC 102 Series II	966	25,500	24.63	966	25,500	24.63
EARC Trust SC 102 Series III	966	6,000	5.80	966	6,000	5.80
EARC Trust SC 102 Series IV	966	33,705	32.56	966	33,705	32.56
EARC Trust SC 102 Series V	966	50,625	48.90	966	50,625	48.90
EARC Trust SC 103	1,000	75,000	75.00	1,000	75,000	75.00
EARC Trust SC 104	275	13,620	3.75	550	13,620	7.49
EARC Trust SC 105 Series I	976	150,000	146.44	976	150,000	146.44
EARC Trust SC 105 Series II	976	60,000	58.58	976	60,000	58.58
EARC Trust SC 106 Series I	956	159,000	152.00	1,000	159,000	159.00
EARC Trust SC 106 Series II	956	23,162	22.14	1,000	23,162	23.16
EARC Trust SC 107	1,000	123,000	123.00	1,000	123,000	123.00
EARC Trust SC 108	1,000	109,725	109.73	1,000	109,725	109.73
EARC Trust SC 109	822	271,500	223.05	831	271,500	225.70
EARC Trust SC 110	941	165,000	155.32	1,000	165,000	165.00
EARC Trust SC 111	911	33,030	30.09	1,000	33,030	33.03
EARC Trust SC 112	874	60,000	52.45	985	60,000	59.13
EARC Trust SC 113	974	68,805	67.01	1,000	68,805	68.81
EARC Trust SC 114 Series I	883	334,650	295.57	917	334,650	307.03
EARC Trust SC 114 Series II	883	50,925	44.98	917	50,925	46.72
EARC Trust SC 114 Series III	944	4,425	4.18	980	4,425	4.34
EARC Trust SC 115	1,000	66,060	66.06	1,000	66,060	66.06
EARC Trust SC 116	1,000	112,500	112.50	1,000	112,500	112.50
EARC Trust SC 117	873	68,250	59.55	938	68,250	64.01
EARC Trust SC 118	1,000	45,000	45.00	1,000	45,000	45.00
EARC Trust SC 119	865	11,910	10.30	888	11,910	10.58
EARC Trust SC 120	1,000	231,870	231.87	1,000	231,870	231.87
EARC Trust SC 121 Series I	1,000	115,560	115.56	1,000	115,560	115.56
EARC Trust SC 121 Series II	1,000	11,460	11.46	1,000	11,460	11.46
EARC Trust SC 121 Series III	1,000	600	0.60	1,000	600	0.60
EARC Trust SC 121 Series IV	1,000	10,425	10.43	1,000	10,425	10.43
EARC Trust SC 121 Series V	1,000	1,515	1.52	1,000	1,515	1.52
EARC Trust SC 121 Series VI	1,000	3,150	3.15	-	-	-
EARC Trust SC 122	1,000	79,035	79.04	1,000	79,035	79.04
EARC Trust SC 123	1,000	37,725	37.73	1,000	37,725	37.73
EARC Trust SC 124 Series I	1,000	255,870	255.87	1,000	255,870	255.87
EARC Trust SC 124 Series II	1,000	4,935	4.94	1,000	4,935	4.94
EARC Trust SC 124 Series III	1,000	9,330	9.33	1,000	9,330	9.33
EARC Trust SC 124 Series IV	1,000	3,495	3.50	1,000	3,495	3.50
EARC Trust SC 124 Series V	1,000	4,035	4.04	1,000	4,035	4.04
EARC Trust SC 124 Series VI	1,000	4,095	4.10	-	-	-
EARC Trust SC 124 Series VII	1,000	2,610	2.61	-	-	-
EARC Trust SC 125	1,000	137,700	137.70	1,000	137,700	137.70
EARC Trust SC 126 Series I	989	105,375	104.17	989	105,375	104.17
EARC Trust SC 126 Series II	989	211,500	209.09	989	211,500	209.09
EARC Trust SC 127	958	129,030	123.62	993	129,030	128.12
EARC Trust SC 128	1,000	26,970	26.97	1,000	26,970	26.97
EARC Trust SC 129	1,000	13,500	13.50	1,000	13,500	13.50
EARC Trust SC 130	1,000	9,025	9.03	1,000	9,025	9.03
EARC Trust SC 131	986	165,750	163.42	1,000	165,750	165.75

**Edelweiss Asset Reconstruction Company Limited**

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**Notes to the financial statements (Continued)**

*as at 31 March 2017*

(Currency: Indian rupees in millions)

EARC Trust SC 132	1,000	1,500	1.50	1,000	1,500	1.50
EARC Trust SC 133	942	48,000	45.24	990	48,000	47.52
EARC Trust SC 134	933	110,625	103.24	986	110,625	109.06
EARC Trust SC 135	1,000	7,500	7.50	1,000	7,500	7.50
EARC Trust SC 136	1,000	41,550	41.55	1,000	41,550	41.55
EARC Trust SC 137	1,000	21,180	21.18	1,000	21,180	21.18
EARC Trust SC 138	1,000	119,640	119.64	1,000	119,640	119.64
EARC Trust SC 138 Series II	1,000	360	0.36	1,000	360	0.36
EARC Trust SC 139	1,000	26,130	26.13	1,000	26,130	26.13
EARC Trust SC 140	1,000	54,000	54.00	1,000	54,000	54.00
EARC Trust SC 141	1,000	102,000	102.00	1,000	102,000	102.00
EARC Trust SC 141 Series II	1,000	27,000	27.00	1,000	27,000	27.00
EARC Trust SC 142	986	20,475	20.18	1,000	20,475	20.48
EARC Trust SC 143	971	369,525	358.84	992	369,525	366.41
EARC Trust SC 144	1,000	84,750	84.75	1,000	84,750	84.75
EARC Trust SC 145	980	125,250	122.73	1,000	125,250	125.25
EARC Trust SC 146	925	344,850	318.96	986	344,850	339.98
EARC Trust SC 147	1,000	24,000	24.00	1,000	24,000	24.00
EARC Trust SC 148	752	14,400	10.82	953	14,400	13.72
EARC Trust SC 149	1,000	21,750	21.75	1,000	21,750	21.75
EARC Trust SC 150	997	65,625	65.41	1,000	65,625	65.63
EARC Trust SC 151	873	213,000	185.96	950	213,000	202.40
EARC Trust SC 151 series II	873	97,875	85.45	950	97,875	93.00
EARC Trust SC 152	1,000	48,750	48.75	1,000	48,750	48.75
EARC Trust SC 153	1,000	139,875	139.88	1,000	139,875	139.88
EARC Trust SC 154	968	277,800	268.98	1,000	277,800	277.73
EARC Trust SC 155	1,000	64,500	64.50	1,000	64,500	64.50
EARC Trust SC 156	902	12,750	11.50	986	12,750	12.57
EARC Trust SC 157	903	41,250	37.23	972	41,250	40.08
EARC Trust SC 158	886	412,500	365.38	1,000	412,500	412.50
EARC Trust SC 159	945	5,625	5.31	1,000	5,625	5.63
EARC Trust SC 160	1,000	10,500	10.50	1,000	10,500	10.50
EARC Trust SC 161	846	27,915	23.61	997	27,915	27.84
EARC Trust SC 162	708	54,000	38.22	1,000	54,000	54.00
EARC Trust SC 163	1,000	24,375	24.38	1,000	24,375	24.38
EARC Trust SC 164	1,000	122,550	122.55	1,000	122,550	122.55
EARC Trust SC 165	1,000	15,000	15.00	1,000	15,000	15.00
EARC Trust SC 166	815	32,925	26.84	990	32,925	32.60
EARC Trust SC 167	1,000	154,650	154.65	1,000	154,650	154.65
EARC Trust SC 168*	994	650,700	646.99	999	650,700	650.28
EARC Trust SC 169	1,000	184,110	184.11	1,000	184,110	184.11
EARC Trust SC 170	963	22,575	21.73	1,000	22,575	22.58
EARC Trust SC 171	1,000	198,150	198.15	1,000	198,150	198.15
EARC Trust SC 172	978	46,785	45.76	1,000	46,785	46.79
EARC Trust SC 173	953	174,015	165.79	1,000	174,015	174.02
EARC Trust SC 174****	996	652,500	649.96	999	652,500	651.93
EARC Trust SC 175	862	285,000	245.78	978	285,000	278.70
EARC Trust SC 176	1,000	114,615	114.62	1,000	114,615	114.62
EARC Trust SC 177	943	374,250	352.82	994	374,250	371.83
EARC Trust SC 178	1,000	7,500	7.50	1,000	7,500	7.50
EARC Trust SC 179	963	68,400	65.84	1,000	68,400	68.40
EARC Trust SC 180	1,000	34,650	34.65	1,000	34,650	34.65
EARC Trust SC 181	1,000	42,630	42.63	1,000	42,630	42.63
EARC Trust SC 182	971	18,975	18.42	1,000	18,975	18.98
EARC Trust SC 183	1,000	14,850	14.85	1,000	14,850	14.85
EARC Trust SC 184	991	120,075	119.00	997	120,075	119.68
EARC Trust SC 185	974	61,500	59.89	974	61,500	59.89
EARC Trust SC 186	1,000	192,840	192.84	1,000	192,840	192.84
EARC Trust SC 187	981	65,850	64.57	1,000	65,850	65.85
EARC Trust SC 188	939	78,975	74.16	1,000	78,975	78.98
EARC Trust SC 189	1,000	29,175	29.18	1,000	29,175	29.18
EARC Trust SC 190	980	16,500	16.17	1,000	16,500	16.50
EARC Trust SC 191	993	40,320	40.03	1,000	40,320	40.32
EARC Trust SC 192	1,000	15,600	15.60	1,000	15,600	15.60
EARC Trust SC 193	1,000	152,565	152.57	1,000	152,565	152.57
EARC Trust SC 194	999	124,350	124.18	1,000	124,350	124.35
EARC Trust SC 195	994	437,280	434.63	1,000	437,280	437.28
EARC Trust SC 196	998	744,150	742.93	1,000	744,150	744.15
EARC Trust SC 197	907	17,100	15.50	1,000	17,100	17.10
EARC Trust SC 198	1,000	37,500	37.50	1,000	37,500	37.50
EARC Trust SC 199	998	244,440	243.95	1,000	244,440	244.44
EARC TRUST SC - 200	998	81,210	81.07	1,000	81,210	81.21

**Edelweiss Asset Reconstruction Company Limited**

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**Notes to the financial statements (Continued)**

*as at 31 March 2017*

(Currency: Indian rupees in millions)

EARC TRUST SC - 201	999	63,150	63.09	1,000	63,150	63.15
EARC TRUST SC - 202	998	67,860	67.74	1,000	67,860	67.86
EARC TRUST SC - 203	989	1,066,860	1,055.37	1,000	1,066,860	1,066.86
EARC TRUST SC - 205	1,000	97,500	97.50	1,000	97,500	97.50
EARC TRUST SC - 206	1,000	84,000	84.00	1,000	84,000	84.00
EARC TRUST SC - 207	927	163,020	151.15	1,000	163,020	163.02
EARC TRUST SC - 208	977	48,750	47.64	1,000	48,750	48.75
EARC TRUST SC - 209	1,000	71,910	71.91	1,000	71,910	71.91
EARC TRUST SC - 210	989	88,575	87.60	1,000	88,575	88.58
EARC TRUST SC - 211	999	60,210	60.15	1,000	60,210	60.21
EARC TRUST SC - 212	1,000	108,105	108.11	1,000	108,105	108.11
EARC TRUST SC - 213	1,000	51,750	51.75	1,000	51,750	51.75
EARC TRUST SC - 214	591	9,750	5.76	1,000	9,750	9.75
EARC TRUST SC - 215	1,000	156,000	156.00	1,000	156,000	156.00
EARC TRUST SC - 216	991	78,480	77.74	1,000	78,480	78.48
EARC TRUST SC - 217	976	2,700,000	2,636.10	-	-	-
EARC TRUST SC - 218	1,000	41,850	41.85	-	-	-
EARC TRUST SC - 219	998	87,195	86.99	-	-	-
EARC TRUST SC - 220	999	431,370	430.82	-	-	-
EARC TRUST SC - 221	1,000	51,015	51.02	-	-	-
EARC TRUST SC - 222	1,000	106,245	106.25	-	-	-
EARC TRUST SC - 223	1,000	412,500	412.50	-	-	-
EARC TRUST SC - 224	1,000	159,000	159.00	-	-	-
EARC TRUST SC - 225	1,000	46,965	46.97	-	-	-
EARC TRUST SC - 226	1,000	145,125	145.13	-	-	-
EARC TRUST SC - 227	984	7,500	7.38	-	-	-
EARC TRUST SC - 228	976	43,800	42.76	-	-	-
EARC TRUST SC - 229	1,000	45,000	45.00	-	-	-
EARC TRUST SC - 230	1,000	41,850	41.85	-	-	-
EARC TRUST SC - 231	968	235,950	228.34	-	-	-
EARC TRUST SC - 232	987	40,950	40.40	-	-	-
EARC TRUST SC - 233	977	1,590,000	1,553.34	-	-	-
EARC TRUST SC - 234	1,000	1,650	1.65	-	-	-
EARC TRUST SC - 235	1,000	1,566	1.57	-	-	-
EARC TRUST SC - 236	1,000	395,670	395.67	-	-	-
EARC TRUST SC - 237	1,000	338,280	338.28	-	-	-
EARC TRUST SC - 238	958	237,600	227.60	-	-	-
EARC TRUST SC - 239	1,000	41,487	41.49	-	-	-
EARC TRUST SC - 240	1,000	150,000	150.00	-	-	-
EARC TRUST SC - 241	1,000	369,510	369.51	-	-	-
EARC TRUST SC - 242	1,000	189,375	189.38	-	-	-
EARC TRUST SC - 243	1,000	403,530	403.53	-	-	-
EARC TRUST SC - 244****	1,000	3,375,000	3,375.00	-	-	-
EARC TRUST SC - 245	1,000	188,700	188.70	-	-	-
EARC TRUST SC - 246	1,000	54,000	54.00	-	-	-
EARC TRUST SC - 247	1,000	76,590	76.59	-	-	-
EARC TRUST SC - 248	1,000	43,410	43.41	-	-	-
EARC TRUST SC - 249	1,000	121,200	121.20	-	-	-
EARC TRUST SC - 250	1,000	21,000	21.00	-	-	-
EARC TRUST SC - 251	1,000	300,000	300.00	-	-	-
EARC TRUST SC - 252****	1,000	360,000	360.00	-	-	-
EARC TRUST SC - 253	1,000	97,575	97.58	-	-	-
EARC TRUST SC - 254****	1,000	366,000	366.00	-	-	-
EARC TRUST SC - 255	1,000	324	0.32	-	-	-
EARC TRUST SC - 256	1,000	285,000	285.00	-	-	-
EARC TRUST SC - 257	1,000	48,000	48.00	-	-	-
EARC TRUST SC - 258	1,000	570,000	570.00	-	-	-
EARC TRUST SC - 261	1,000	8,565	8.57	-	-	-
EARC TRUST SC - 264	1,000	24,540	24.54	-	-	-
EARC TRUST SC - 265	1,000	137,600	137.60	-	-	-
EARC TRUST SC - 266	1,000	13,500	13.50	-	-	-
EARC TRUST SC - 267	1,000	928,500	928.50	-	-	-
EARC TRUST SC - 268	1,000	1,813,500	1,813.50	-	-	-
EARC TRUST SC - 269	1,000	60,195	60.20	-	-	-
EARC TRUST SC - 271	1,000	320,000	320.00	-	-	-
EARC TRUST SC - 272	973	28,500	27.72	-	-	-
EARC SAF - 1 Trust Investor Account*	1,000	131,857	131.86	1,000	131,857	131.86
EARC SAF - 1 Trust Seller Account**	1,000	13,143	13.14	1,000	13,143	13.14
EARC SAF 2 Trust	485	55,000	26.67	485	55,000	26.67
EARC SAF 3 Trust	927	50,000	46.34	1,000	50,000	50.00
Edelweiss ARF-I Trust Scheme 1 Series I**	650	10,933	7.10	650	10,933	7.10
Edelweiss ARF-I Trust Scheme 1 Series II**	995	11,757	11.69	995	11,757	11.69

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Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in millions)

Edelweiss ARF-I Trust Scheme 2 Series I	291	11,130	3.24	291	11,130	3.24
Edelweiss ARF-I Trust Scheme 2 Series II	291	1,401	0.41	291	1,401	0.41
Edelweiss ARF-I Trust Scheme 3 Series I	1	13,096	0.01	1	13,096	0.01
Edelweiss ARF-I Trust Scheme 3 Series II	1	4,467	0.00	1	4,467	0.00
Edelweiss ARF-I Trust Scheme 4 Series I	1	1,855	0.00	1	1,855	0.00
Edelweiss ARF-I Trust Scheme 4 Series II	1	11,217	0.01	1	11,217	0.01
Edelweiss ARF-I Trust Scheme 5 Investor Series	1	14,144	0.01	347	14,144	4.91
Edelweiss ARF-I Trust Scheme 5 Co-investor Series*	1	40,400	0.04	347	40,400	14.03
		40,665.50			23,628.63	
Less: current portion of long term investments		2,168.33			1,345.35	
		38,497.17			22,283.28	
Aggregate of investments						
- At book value		38,497.17			22,283.28	
* SR pledged with IDBI Bank against bank overdraft		1,249.42				
** SR pledged with Federal Bank against term loan		2,696.41				
*** SR pledged with Bank of Maharashtra against term loan		1,482.54				
**** SR pledged against secured NCD		5,806.33				

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Notes to the financial statements (Continued)  
as at 31 March 2017

(Currency: Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.10</b>	<b>Deferred tax</b>	
Deferred tax assets		
Disallowances under the Income Tax Act, 1961	11.55	11.94
Provision for non performing assets	35.39	8.81
Difference between book and tax depreciation	(4.41)	0.02
	<u>42.53</u>	<u>20.77</u>
Deferred tax liabilities		
Trust expenses (Net) (being pass through)	(288.36)	(103.52)
	<u>(288.36)</u>	<u>(103.52)</u>
Deferred tax (liability)/ assets (net)	<u>(245.83)</u>	<u>(82.75)</u>
<b>2.11</b>	<b>Long-term loans and advances</b>	
Unsecured, considered good		
Security Deposits		
Rental deposits	50.00	-
- Advance tax and tax deducted at source (net of provision for taxation)	95.57	74.90
	<u>145.57</u>	<u>74.90</u>

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Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in millions)

	As at 31 March 2017	As at 31 March 2016
<b>2.12 Current Investment</b>		
Current portion of non-current investment (non trade, unquoted)		
Available for sale- Investment in Security Receipts	2,168.33	1,345.35
	<u>2,168.33</u>	<u>1,345.35</u>
Aggregate of investments		
- At book value	2,168.33	1,345.35
<b>2.13 Trade receivables</b>		
<u>Unsecured, considered good</u>		
Trade receivables outstanding for a period less than six months	814.46	669.09
Trade receivables outstanding for a period exceeding six months	1,143.94	786.23
Less: Reversal as per RBI guidelines	<u>1,143.94</u>	<u>765.50</u>
	<u>814.46</u>	<u>689.82</u>
<b>2.14 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	0.31	0.03
Balances with banks		
- in current accounts	208.96	486.37
- in fixed deposits with maturity less than 3 months	-	0.05
<b>Other balances with banks</b>		
- in fixed deposits, held by Government Authorities	0.33	-
- in fixed deposits with maturity less than 3 months for recovery received on behalf of trust	189.55	-
	<u>399.15</u>	<u>486.45</u>

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Notes to the financial statements (Continued)

as at 31 March 2017

(Currency: Indian rupees in millions)

	As at		As at	
	31 March 2017		31 March 2016	
<b>2.15</b>	<b>Short-term loans and advances</b>			
Secured				
Loans given				
- considered good		-		102.07
- considered non performing		184.91		24.58
		<u>184.91</u>		<u>126.65</u>
Loans and advances to trusts	296.42		147.09	
Less: Reversal as per RBI guidelines	<u>112.94</u>	183.48	<u>83.63</u>	63.46
- Prepaid expenses		2.63		0.28
- Loans and advances to employees		0.09		0.45
- Advances recoverable in cash or in kind or for value to be received		38.92		7.92
		<u>225.12</u>		<u>72.11</u>
		<u>410.03</u>		<u>198.76</u>
<b>2.16</b>	<b>Other current assets</b>			
Accrued interest on loans given		19.06		2.45
		<u>19.06</u>		<u>2.45</u>



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Notes to the financial statements (Continued)  
for the year ended 31 March 2017

(Currency: Indian rupees in millions)

		For the year ended 31 March 2017	For the year ended 31 March 2016
2.17	Fee income		
	Management and other fees	5,249.14	3,224.62
	Less: Reversal as per RBI guidelines	<u>378.44</u>	<u>713.25</u>
		<u>4,870.70</u>	<u>2,511.37</u>
2.18	Other operating revenue		
	Interest income	109.23	54.64
	Bad debts written back	1.00	3.00
	Profit from investments in security receipts	52.85	421.28
	Income from sale of bid documents	0.02	0.08
		<u>163.10</u>	<u>479.00</u>
2.19	Other income		
	Interest Income on fixed deposits	17.92	-
	Total Other income	<u>17.92</u>	<u>-</u>

Edelweiss Asset Reconstruction Company Limited

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Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)		For the year ended 31 March 2017	For the year ended 31 March 2016
2.20	Employee benefit expenses		
	Salaries and wages	308.25	135.37
	Contribution to provident and other funds	5.79	3.08
	Staff welfare expenses	4.69	2.53
		318.73	140.98
2.21	Finance costs		
	Interest on debentures	751.59	258.44
	Interest on term loan	109.14	120.09
	Interest on bank overdraft	28.68	18.50
	Interest on loan	1,601.78	1,667.79
	Interest - others	-	0.44
	Discount on commercial paper	175.89	7.33
	Cost of benchmark linked debenture	263.00	-
	Financial and bank charges	4.60	1.54
		2,934.68	2,074.13

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Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

	For the year ended 31 March 2017	For the year ended 31 March 2016
(Currency: Indian rupees in millions)		
<b>2.22 Other expenses</b>		
Advertisement and business promotion	0.69	2.90
Auditors' remuneration (refer note below)	0.79	0.47
Bad debts and advances written off	-	4.45
Reversal of receivables from trusts as per RBI guidelines	29.31	54.27
Commission and brokerage	0.35	-
Communication expenses	1.48	1.31
Diminution in value of non-current investments	-	(12.18)
Directors' sitting fees	1.82	0.83
Donation for CSR expenditure	8.80	4.72
Electricity charges (refer note 2.29)	4.01	1.14
Insurance	0.29	0.22
Legal and professional fees	50.12	15.65
Office expenses	10.25	1.91
Printing and stationery	2.29	0.68
Provision for non performing assets	76.81	(12.59)
Rates and taxes	0.11	0.75
Rating Support Fees	9.60	-
Rent (refer note 2.29)	26.75	11.00
Repairs and maintenance - others	3.93	0.68
ROC expenses	13.70	0.01
Stamp duty	4.11	0.28
Travelling and conveyance	8.82	4.63
Miscellaneous expenses	5.48	1.35
	259.51	82.48
Note:		
<b>Auditors' remuneration:</b>		
Statutory Auditor	0.75	0.45
Out of Pocket	0.04	0.02
	0.79	0.47

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements

*for the year ended 31 March 2017*

(Currency: Indian rupees)

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting as a going concern unless otherwise stated. This financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, Regulatory norms / Guidelines prescribed by Reserve Bank of India (RBI) (hereafter referred to as "Guidelines"), The Companies Act 2013 (hereafter referred to as "The Act", Accounting Standard (AS) notified under Section 133 of the Act read with Rule 7 of The Companies (Accounts) Rules, 2014 to the extent applicable and the prevalent accounting practices in India.

#### 1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as on the date of the financial statements. Actual results could differ from the estimates. Any revision to the accounting estimates is recognised prospectively in current and future periods.

#### 1.3 Revenue recognition

1. Management fee: The Company receives management fee from trusts declared by it for acquisition of financial assets and the same is accounted for on accrual basis as per terms of the relevant trust deeds and offer document issued by the Trust. In accordance with the Guidelines, recognition of management fee is discontinued and such unrealised fee is reversed on earlier of the following situations:

- (i) If the fee remains unrealised after the expiry of 180 days from the end of planning period, wherever applicable or from the date of recognition, in other cases.
- (ii) If Net Assets Value (NAV) of the Security Receipts falls below 50% of the face value of Security Receipts.

Such unrecognised fee is recognised only on realisation.

2. Upside sharing: Share in excess realization over acquisition price is accounted for as per terms of the relevant trust deed/offer document. For acquisitions on or after 23<sup>rd</sup> April, 2014, upside income is recognized only after full redemption of Security Receipts
3. Other fee income is recognized on accrual basis as per contractual terms.
4. Income by way of yield on Security Receipt is accounted for as and when the same is realized. For acquisitions on or after 23<sup>rd</sup> April, 2014, yield is recognised only after the full redemption of the entire principal amount of Security Receipts.
5. Interest income
  - a. Interest on bank deposits / permitted investments is accounted for on accrual basis as per the terms of the deposits / instruments

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees)

### 1. Significant accounting policies (*Continued*)

#### 1.3 Revenue recognition (*Continued*)

- b. Interest on advances in terms of expenses incurred on behalf of the trusts is accounted for in terms of the provisions of the relevant trust deed and offer document and is accrued where reasonable certainty exists with respect to its recovery. Interest on advances is reversed on earlier of the following situations:
  - i. If the interest on advance remains unrealised after the expiry of 180 days from the end of planning period, wherever applicable or from the date of recognition, in other cases.
  - ii. If Net Assets Value (NAV) of the Security Receipts falls below 50% of the face value of Security Receipts.

Such interest income is recognised only on realisation.

- c. Interest income from Security Receipts is accounted for as and when the same is realized.
- d. Interest on loans provided directly to the Investee Companies for the purpose of asset reconstruction and recovery are recognized on an accrual basis in the accounts based on the terms of the loan documents except in case of non-performing assets, wherein it is accounted on realisation.

#### 1.4 Investments

Investments in Security Receipts (SR) are accounted in accordance with the guidelines issued by RBI. As per RBI guidelines, initial rating / grading would be assigned within six months of acquisition of assets post 5<sup>th</sup> August, 2014, and within one year of acquisition of assets, before said date.

- a. Investments in Security Receipts (SR) held by the company are treated as “available for sale” category.
- b. Investment in Security Receipts (SR) is valued at cost till receipt of Initial Rating and at lower of cost or realizable value thereafter. Latest available Net Asset Value (NAV) as declared by the Trusts is considered to be the realizable value. Individual scrip-wise diminution or appreciation is aggregated to arrive at ‘net diminution’ or ‘net appreciation’.
- c. Net appreciation, if any, is not accounted for in statement of profit and loss, whereas net diminution is provided for in the statement of profit and loss.

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees)

### 1. Significant accounting policies (*Continued*)

#### 1.5 Fixed assets and depreciation

##### Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule for calculating the depreciation. The useful lives of the fixed assets are as follows:

Nature of assets	Useful Life
Building (other than Factory Building)	60 years
Motor Vehicles	8 years
Office Equipment	5 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

##### Intangible fixed assets

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

#### 1.6 Employee benefits

The accounting policy followed by the company in respect of its employee benefits schemes is set out below:

##### *Gratuity*

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees)

### 1. Significant accounting policies (*Continued*)

#### 1.6 Employee benefits (*Continued*)

##### *Compensated absences*

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement as per AS 15 – Accounting for employee benefits prescribed by the Companies (Accounting Standards) Rules, 2006 based on a valuation by an independent actuary.

#### 1.7 Expenses incurred by the Company on behalf of the trust

Expenses incurred at pre-acquisition stage are recognised as expenses for the period in which such costs are incurred. If such expenses are contracted to be recovered from the trusts the same shall be recognised on realisation.

The expenses incurred on behalf of trusts are shown as recoverable from Trust(s)' and grouped under advances recoverable in cash or in kind in the Balance Sheet. These expenses are reimbursed to the Company in terms of the provisions of relevant trust deed and offer document. Expenses are reversed on earlier of the following situations:

- i.If the expenses remains unrealised after the expiry of 180 days from the end of planning period, wherever applicable or from the date of recognition, in other cases.
- ii.If Net Assets Value (NAV) of the Security Receipts falls below 50% of the face value of Security Receipts.

#### 1.8 Taxation

Tax expense comprises income tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

##### *Income tax*

Provision for income tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

##### *Deferred taxation*

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

# Edelweiss Asset Reconstruction Company Limited

## **Notes to the financial statements (*Continued*)**

*for the year ended 31 March 2017*

(Currency: Indian rupees)

### **1. Significant accounting policies (*Continued*)**

#### **1.9 Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

#### **1.10 Earnings per share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share notified under Sec.133 of the Act. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

#### **1.11 Provisions and contingencies**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

### 2.23 Earnings per share

In accordance with AS 20 on Earnings Per Share prescribed by Accounting Standard (AS) notified under Section 133 of the Act read with Rule 7 of The Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

	2017	2016
a) <b>Shareholders earnings</b> (as per statement of profit and loss)	<b>1019.87</b>	449.76
b) Calculation of weighted average number of equity shares of Rs 10 each:		
– Number of shares at the beginning of the year	<b>105,263,158</b>	100,000,000
– Shares issued during the year	<b>105,263,158</b>	52,63,158
Total number of equity shares outstanding at the end of the year	<b>210,526,316</b>	105,263,158
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	<b>168,132,661</b>	103,835,616
Number of dilutive potential equity shares	<b>52,631,579</b>	-
c) Basic earnings per share of face value of Rs.10 (in rupees)	<b>6.07</b>	4.33
d) Diluted earnings per share of face value of Rs.10 (in rupees)	<b>4.62</b>	4.33

### 2.24 Related Parties

**Disclosure as required by Accounting Standard 18 - “Related Party Disclosure”:**

#### (A) Key Management Personnel

Siby Antony

#### (B) Enterprises exercising significant influence

Edelweiss Financial Services Limited

Edelweiss Custodial Services Limited

Edelweiss Securities Limited

#### (C) Fellow subsidiaries with effect from 16 September 2016

Edelweiss Broking Limited

Edel Commodities Ltd

Edelweiss Capital Markets Ltd

EFSL Comtrade Ltd

Eternity Business Centre Ltd

Serenity Business Park Ltd

Edelweiss Comtrade Ltd.

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

Edelweiss Securities (Hong Kong) Private Limited

Edelweiss Financial Services Inc.

Burlington Business Solutions Limited

Edelweiss Financial Services (UK) Limited

Edelweiss Finance & Investments Limited

EC Global Limited, Mauritius

Olive Business Centre Limited

Edelweiss Commodities Pte. Limited

Edelweiss Tarim Urunleri Anonim Sirketi

EFSL Commodities Limited

Edelweiss Housing Finance Ltd

Edelweiss Business Services Limited erstwhile Edelweiss Web Services Limited

Edel Finance Company Ltd.

Auris Corporate Centre Limited

Edelweiss Capital (Singapore) Pte. Limited

Edelweiss Alternative Asset Advisors Pte. Limited

Edelweiss International (Singapore) Pte. Limited

Edelweiss Investment Advisors Private Limited, Singapore

EC International Limited, Mauritius

Aster Commodities DMCC, Dubai

EAAA LLC, Mauritius

EFSL International Limited

EW Special Opportunities Advisors LLC, Mauritius

EW India Special Assets Advisors LLC, Mauritius

EW SBI Crossover Advisors LLC, Mauritius

ECap Equities Limited

Edelcap Securities Limited

Edelweiss Finvest Private Limited (formerly Arum Investments Private Limited)

Edelweiss Retail Finance Limited

Edelweiss Multi Strategy Funds Management Private Limited (formerly Forefront Capital Managment Private Ltd.)

Edelweiss India Capital Management (Mauritius)

ECL Finance Limited

Edelweiss Alternative Asset Advisors Limited

Edelweiss Global Wealth Management Limited

Edelweiss Insurance Brokers Limited

EC Commodity Limited

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

Edelweiss Investment Adviser Limited

Edelweiss Tokio Life Insurance Company Limited

Edelweiss Trustee Services Limited

Edel Investments Limited

Edel Land Limited

Edelweiss Trusteeship Company Limited

Edelgive Foundation

Edelweiss Asset Management Limited

Edelweiss Holdings Limited

Edelweiss General Insurance Company Limited

Edelweiss Securities (IFSC) Limited (w.e.f. December 23, 2016)

Edel Commodities Trading Ltd (ceased to be subsidiary w.e.f. November 17,2016)

Edelweiss Commodities Nigeria Ltd (ceased to be subsidiary w.e.f. November 17,2016)

Edelweiss Commodities (CHAD) SARL (ceased to be subsidiary w.e.f. November 17, 2016)

EFSL International Ltd

Edelweiss Multi Strategy Fund Advisors LLP (formerly Known as Forefront Alternative Investment Advisors LLP)

Edelweiss Wealth Advisors LLP (formerly Known as Forefront Wealth Advisors LLP)

Edelweiss India Capital Management (formerly Known as Forefront India Capital Management)

### Transactions and balances with Related Parties:

Sr. No.	Nature of Transaction	Related Party Name	From 16-Sep - 16 to 31 Mar 17	31-Mar-16
1	Short term loans including ICD taken from	Edelweiss Commodities Services Limited	10,432.19	-
		Edelweiss Financial Services Limited*	-	0.50
2	Short term loans including ICD taken repaid to	Edelweiss Commodities Services Limited	3,469.66	-
		Edel Commodities Trading Limited	129.73	-
		Edelweiss Financial Services Limited*	-	0.50
3	Long term loans taken repaid to	Edel Commodities Trading Limited	94.97	-
4	Non-convertible debentures issued to	Edelweiss Commodities Services Limited	2,381.00	-
5	Remuneration to	Siby Antony	9.36	9.19
6	Rating support fees paid to	Edelweiss Financial Services Limited*	9.60	-
7	Interest expense on long term loan to	Edel Commodities Ltd.	380.73	-
		Edel Commodities Trading Limited	0.12	-

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

Sr. No.	Nature of Transaction	Related Party Name	From 16-Sep - 16 to 31 Mar 17	31-Mar-16
8	Interest expense on short term loan to	Edelweiss Commodities Services Limited	404.49	-
		Edel Commodities Trading Limited	0.14	-
9	Interest expense on debentures	Edelweiss Tokio Life Insurance Company Limited	17.41	-
		EFSL Comtrade Limited	137.63	-
		Edelweiss Commodities Services Limited	0.39	-
10	Advisory fee received from	ECL Finance Limited	22.79	-
11	Advisory fee paid to	Edelweiss Alternative Asset Advisors Limited	0.20	-
12	Rent Expense to	Edelweiss Commodities Services Limited	14.30	-
		Eternity Business Centre Limited	0.19	-
13	Cost reimbursements paid to	Edelweiss Commodities Services Limited	2.14	-
		Edelweiss Business Services Limited	14.17	-
		Eternity Business Centre Limited	0.03	-
		Edelweiss Financial Services Limited*	1.17	0.29
14	Transfer of gratuity liability on account of employee transfer from	Ecap Equities Limited	0.53	-
		ECL Finance Limited	0.04	-
		Edelweiss Alternative Asset Advisors Limited	0.004	-
		Edelweiss Broking Limited	0.63	-
15	Transfer of gratuity liability on account of employee transfer to	ECL Finance Limited	0.22	-
		Edelweiss Alternative Asset Advisors Limited	0.002	-
		Edelweiss Securities Limited	0.06	-
16	Contribution towards corporate social responsibility	Edelgive Foundation	8.80	-
<b>Balance with related parties</b>				
17	Interest expense accrued and not due on borrowings from	Edelweiss Tokio Life Insurance Company Limited	3.09	-
		Edelweiss Commodities Services Limited	0.39	-
18	Receivable from	Edelweiss Financial Services Limited*	0.01	0.003
		ECL Finance Limited	0.19	-
		Edelweiss Securities Limited	0.06	-
19	Payable to	Edelweiss Financial Services Limited*	-	0.30
		Edelweiss Multi Strategy Funds Management Pvt. Ltd.	0.07	-
		Edelweiss Alternative Asset Advisors Limited	1.68	-
		Edelweiss Business Services Limited	0.14	-
		Ecap Equities Limited	0.53	-
		Edelweiss Broking Limited	0.63	-
20	Non-convertible debentures held by	Edelweiss Tokio Life Insurance Company Limited	300.00	-
		EFSL Comtrade Limited	1,500.00	-
		Edelweiss Commodities Services Limited	2,381.00	-
21	Short term loan including ICD payable to	Edelweiss Commodities Services Limited	8,449.76	-

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

Sr. No.	Nature of Transaction	Related Party Name	From 16-Sep - 16 to 31 Mar 17	31-Mar-16
22	Long term loan payable to	Edel Commodities Ltd.	4,870.00	-
23	Deposits	Edelweiss Commodities Services Limited	50.00	-

\*Related Party Transactions for the full year.

### 2.25 Details of dues to micro, small and medium enterprises

Trade payables includes Rs. Nil (Previous year: Rs. Nil) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

### 2.26 Employee benefit - gratuity

The following tables summarize the components of the net benefit expenses recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the Gratuity benefit plan.

#### Statement of profit and loss

Net employee benefit expenses (recognized in employee cost)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	1.25	0.63
Interest on defined benefit obligation	0.39	0.23
Expected return on plan assets	-	-
Actuarial (gain) /losses	(0.75)	0.55
<b>Total included in 'Employee benefit expenses'</b>	<b>0.89</b>	<b>1.41</b>

#### Balance sheet

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

	As at 31 March 2017	As at 31 March 2016
Liability at the beginning of the year	4.36	2.45
Transfer in/ (out)	0.91	0.50
Interest cost	0.39	0.23
Current service cost	1.25	0.63
Benefits paid	-	-
Actuarial (gain)/loss on obligations	(0.75)	0.55
<b>Liability at the end of the year</b>	<b>6.16</b>	<b>4.36</b>

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

### Amount recognised in the Balance sheet

Particulars	As at 31 March 2017	As at 31 March 2016
Liability at the end of the year	6.16	4.36
Fair value of plan assets at the end of the year	-	-
<b>Amount in balance sheet</b>	<b>6.16</b>	<b>4.36</b>

### Experience adjustments:

Particulars	As at 31 March 2017	As at 31 March 2016
On Plan Liabilities: (Gain)/Loss	(0.90)	0.53
On Plan Assets: Gain / (Loss)	-	-
<b>Estimated contribution for the next year</b>	<b>-</b>	<b>-</b>

### Principle actuarial assumptions at the balance sheet date:

	As at 31 March 2017	As at 31 March 2016
Discount rate	6.80%	7.40%
Salary escalation	7.00%	7.00%
Employees' attrition rate (based on categories)	13%-25%	13%- 25%

## 2.27 Segment reporting

The Company has operations only in one business segment in India and hence there are no separate reportable segments to be disclosed under AS 17 – “Segmental Reporting.”

## 2.28 Additional Disclosures

The following disclosures have been made taking into account RBI guidelines.

- a) Names and addresses of the banks / financial institutions from whom financial assets were acquired and the values at which such assets were acquired from each such bank/financial institution:

Name	Address	Acquisition Price	Percentage to total acquisition price
<b>Sponsors</b>			
None	-	Nil	-
<b>Sub Total (A)</b>	-	Nil	-

Name	Address	Acquisition Price	Percentage to total acquisition price
<b>Non Sponsors</b>			
Stressed Assets Stabilisation Fund (SASF)	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	160.00	0.04%
IFCI	IFCI Tower, 61 Nehru Place, New Delhi 110019	10,945.70	2.79%

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

### 2.28 Additional Disclosures (*Continued*)

Name	Address	Acquisition Price	Percentage to total acquisition price
Andhra Bank	82-83 8th Floor, Maker , 8F Cuffe Parade. Mumbai-400005	2,431.90	0.62%
Bank of Baroda	C-26, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	4,454.20	1.14%
Punjab National Bank	Treasury Division,H.O.,C-9,G-Block,6th Floor, Bandra Kurla Complex,Mumbai-400051	15,978.00	4.07%
Central Bank of India	5th Floor, Chander Mukhi, Nariman Point, Mumbai – 400 021	28,744.20	7.33%
Kotak Bank	6th Floor, 12BKC, Plot No C 12, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051	40.00	0.01%
Dena Bank	Dena Corporate Centre, C-10, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	1,317.90	0.34%
Lakshmi Vilas Bank Limited	LVB HOUSE", CORPROATE OFFICE, 4/1, SARDAR PATEL ROAD, GUINDY, CHENNAI - 600 032	1,248.46	0.32%
IIBI Limited	19, Netaji Subhas Road, Kolkatta 700001	229.15	0.06%
Federal Bank	Loan Collection and Recovery Dept, Federal Towers, P O Box # 103,Aluva 683 101, Kerala	3,859.29	0.98%
IDBI	Deputy General Manager, Strategic & Associate Investment Cell, 17th floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	2,755.48	0.70%
Corporation bank	Corporate office, Mangaladevi Temple Road, Pandeshwar, MANGALORE - 575 001 Karnataka, India	1,285.60	0.33%
The Catholic Syrian Bank Ltd	Asset Recovery Dept; Catholic Syrian Bank Ltd, CSB Bhavan, Head Office: St. Mary"s College Road, Thrissur - 680 020, Kerala, India	100.00	0.03%
ICICI Bank	ICICI Bank Limited, ICICI Bank Towers, Bandra Kurla Complex, Mumbai – 400 051	25,588.10	6.52%
Axis Bank	Trishul, 3rd Floor, Opp. Samarhateshwar Temple, Law Garden, Ellisbridge, Ahmedabad- 380006	22,900.00	5.84%
Indian Bank	254-260, Avvai Shanmugam Salai Royapettah, Chennai 600014	12,783.80	3.26%
Oman International Bank SAOG	201, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-21	340.00	0.09%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre, Cuffe Parade, Mumbai-400005	18,569.20	4.73%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (E), Mumbai	24,592.30	6.27%
UCO Bank	Treasury Branch,3rd Flr, UCO Bank Bldg,359,D. N. Road,Fort, Mumbai-400001	7,422.20	1.89%

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

### 2.28 Additional Disclosures (*Continued*)

Name	Address	Acquisition Price	Percentage to total acquisition price
Karur Vysya Bank	Central Office, Erode Road, Karur, Tamil Nadu 639 002	967.00	0.25%
Canara Bank	Recovery & legal Section, Mumbai Circle Office, B Wing, 2nd Floor, C-14, G Block. BKC Bandra East. Mumbai-400051	8,074.40	2.06%
Yes Bank Limited	Yes Bank Tower, 26h floor, Indianbulls Finance Center,SB Marg. Elphinstone Road. Mumbai-400013	2,679.00	0.68%
Tourism Finance Corporation of India	13th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019	145.00	0.04%
IDFC	Naman Chambers , C32 G Block, Bandra Kurla Complex. Bandra East. Mumbai-400051	23,386.00	5.96%
HDFC Ltd	Treasury Operations (TROPs),Lodha - I Think Techno Campus, Building - Alpha, 4th Floor - Office,Near Kanjur Marg Railway Station,	110.20	0.03%
State Bank of India	Securities Services Branch, 2nd Floor, State Bank Of India Main Branch Building, Mumbai Samachar Marg, Fort, Mumbai 400001	65,426.50	16.68%
Oriental Bank of Commerce	Plot No.5, First Floor, Sector-32, Institutional Area, Gurgaon-122001	4,901.00	1.25%
Bank of Maharashtra	Treasury & International Banking Division, Apeejay House, 1st Floor, 130 V B Gandhi Marg. Fort. Mumbai	2,549.50	0.65%
State Bank of Mysore	Securities Services Branch, 2nd Floor, State Bank Of India Main Branch Building, Mumbai Samachar Marg, Fort, Mumbai 400001State Bank of Mysore Kempegowda Road, Bangalore – 560 254	7,131.40	1.82%
State Bank of Hyderabad	Securities Services Branch, 2nd Floor, State Bank Of India Main Branch Building, Mumbai Samachar Marg, Fort, Mumbai 400001State Bank of Mysore Kempegowda Road, Bangalore – 560 254	5,989.80	1.53%
State Bank of Patiala	Securities Services Branch, 2nd Floor, State Bank Of India Main Branch Building, Mumbai Samachar Marg, Fort, Mumbai 400001State Bank of Mysore Kempegowda Road, Bangalore – 560 254	10,604.80	2.70%
State Bank of Bikaner & Jaipur	Securities Services Branch, 2nd Floor, State Bank Of India Main Branch Building, Mumbai Samachar Marg, Fort, Mumbai 400001State Bank of Mysore Kempegowda Road, Bangalore – 560 254	4,083.14	1.04%



# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

### 2.28 Additional Disclosures (*Continued*)

Name	Address	Acquisition Price	Percentage to total acquisition price
State Bank of Travancore	Securities Services Branch, 2nd Floor, State Bank Of India Main Branch Building, Mumbai Samachar Marg, Fort, Mumbai 400001State Bank of Mysore Kempegowda Road, Bangalore – 560 254	8,745.76	2.23%
South Indian Bank	South Indian Bank Ltd., T.B Road, Mission Quarters, Thrissur-680001, Kerala, India.	1,323.78	0.34%
Indian Overseas Bank	Indian Overseas Bank, Treasury Department, Central Office, 763, Anna Salai, Chennai-600 002.	14,997.00	3.82%
Syndicate Bank	Treasury & International Banking Department, Maker Tower "E", 2nd Floor, Cuffe Parade, Colaba, Mumbai - 400 005	8,958.30	2.28%
Karnataka Bank	Karnataka Bank Limited, Post Box No. 599.Mahaveera Circle, Kankanady,Mangaluru-575 002	250.00	0.06%
HSBC	The Hongkong and Shanghai Banking Corporation of India, 52 / 60 Mahatma Gandhi Road, Fort, Mumbai 400 001	1,400.00	0.36%
L & T Infrastructure Finance Company Ltd.	L&T Infrastructure Finance Co. Ltd, 3rd Floor, Brindavan, Plot No. 177, CST Road, Next to Mercedes Showroom, Kalina Santacruz East, Mumbai 400 098	4,599.40	1.17%
Barclays Bank	801/808, Ceejay House, Dr Annie Besant Road, Worli, Mumbai – 400018	40.00	0.01%
Sicom	SICOM LIMITED, Solitaire Corporate Park Building No. 4, 6th floor, Guru Hargovindji Road (Andheri Ghatkopar Link Road), Chakala, Andheri (East), Mumbai - 400 093	224.70	0.06%
DBS	3rd Floor, Fort House, 221 DR. D N Road. Fort. Mumbai-400001	1,100.00	0.28%
UBI	239, 3rd Floor Union Bank Bhavan, Vidhan, Bhavan Marg, Nariman Point, Mumbai – 400021	2,073.80	0.53%
HDFC Bank	HDFC Bank House , Senapati Bapat Marg, Lower Parel (West) Mumbai-400 013	2,600.00	0.66%
IIFCL	8th Floor, Hindustan Times Building, 18 & 20, Kasturba Gandhi Marg, New Delhi-110 001	1,136.80	0.29%

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

### 2.28 Additional Disclosures (*Continued*)

Name	Address	Acquisition Price	Percentage to total acquisition price
Indusind Bank	8th Floor, Tower 1, One India Bulls Centre, 841 S B Marg, Elphinstone Road, Mumbai – 400013	1,985.00	0.51%
Allahabad Bank	Allahabad Bank Head Office, 2, N. S. Road, Kolkata - 700 001	5,756.70	1.47%
J&K Bank	The Jammu & Kashmir Bank Ltd., Corporate Headquarters, M.A Road, Srinagar, J&K , India, Pin code -190 001	1,469.70	0.37%
United Bank of India	Head office, United tower ,11 Hemant Basu Sarani, Kolkata - 700001	6,737.50	1.72%
ECL Finance	Edelweiss House, 10th Floor, Off C.S.T. Road, Kalina - 400098	5050.00	1.29%
SIDBI	Groun Floor, MSME Development Center, Center Plot No-C-11, G Block, BKC. Bandra East. Mumbai-400051.	276.58	0.07%
Capital First	One India Bulls Center, Tower 2A & 2B, 10th Floor, S B Marg, Lower Parel West. Mumbai-400013	1,000.00	0.25%
L&T Finance Ltd	L&T Finance Ltd, 3 <sup>rd</sup> Floor, Brindavan, Plot No. 177, CST Road, Next to Mercedes Showroom, Kalina Santacruz East, Mumbai 400 098	760.60	0.19%
Tata Capital Financial Services Ltd	1201, Tower A, Peninsula Business Park, GK Marg. Lower Parel. Mumbai-4000013	13.50	0.00%
<b>Sub Total (B)</b>		<b>3,92,292.34</b>	<b>100.00%</b>
<b>Grand Total (A+B)</b>		<b>3,92,292.34</b>	<b>100.00%</b>

b) Dispersion of various financial assets industry-wise and sponsor-wise:

Industry	Acquisition Price	Percentage to total acquisition price
<b>Sponsors</b>		
None	-	-
<b>Sub Total (A)</b>	-	-
<b>Non Sponsors</b>		
Basic Metal & Metal Products - Other Metal & Metal Products	9,197.90	2.34%
Basic Metal and Metal Products - Iron and Steel	29,819.40	7.60%
Beverages and Tobacco	1,606.00	0.41%

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

Industry	Acquisition Price	Percentage to total acquisition price
Cement and Cement Products	32,665.68	8.33%
Chemicals and Chemical Products - Drugs and Pharmaceuticals	18,979.23	4.84%
Chemicals and Chemical Products - Fertilizers	140.00	0.04%
Chemicals and Chemical Products - Others	1,154.80	0.29%
Chemicals and Chemical Products - Petro-chemicals	1,019.60	0.26%
Engineering - Electronics/Electricals	5,541.90	1.41%
Engineering - Machinery/Equipment	13,609.70	3.47%
EPC	12,738.80	3.25%
Financial Institutions	38.50	0.01%
FMCG	3,634.90	0.93%
Food Processing - Milk and Milk Products	1,388.45	0.35%
Food Processing - Others	3,413.30	0.87%
Food Processing - Sugar	4,545.90	1.16%
Gems and Jewellery	2,745.50	0.70%
Glass and Glassware	1,490.50	0.38%
Infrastructure - Educational Institution	1,449.00	0.37%
Infrastructure - Electricity Gen/Trans/Dist	28,078.38	7.16%
Infrastructure - Hospitals	5,825.80	1.49%
Infrastructure - Hotels	10,415.40	2.66%
Infrastructure - Inland Waterways	1,800.00	0.46%
Infrastructure - Ports	18,476.80	4.71%
Infrastructure - Roads and Bridges	4,122.00	1.05%
Infrastructure - Social and Commercial Infrastructure	18,330.30	4.67%
Infrastructure - Solid Waste Management	469.30	0.12%
Infrastructure - Telecommunications	11,583.69	2.95%
Infrastructure - Water and Sanitation	10.00	0.00%
Leather and Leather Garments	98.40	0.03%
Mining and Quarrying	16,222.00	4.14%
Others	5,491.48	1.40%
Paper and Paper Products	25,343.00	6.46%
Petroleum	15.00	0.00%
Real Estate	32,064.24	8.17%

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

### 2.28 Additional Disclosures (*Continued*)

Industry	Acquisition Price	Percentage to total acquisition price
Rubber, Plastic and their Products	168.40	0.04%
Shipping and Ship Building	19,721.04	5.03%
Technology	5,433.30	1.39%
Textiles - Cotton	13,162.45	3.36%
Textiles - Man made	16,103.00	4.10%
Vehicles, Vehicle Parts and Transport Equipments	14,095.50	3.59%
Wood and Wood Products	83.80	0.02%
<b>Sub Total (B)</b>	<b>3,92,292.34</b>	<b>100.00%</b>
<b>Grand Total (A+B)</b>	<b>3,92,292.34</b>	<b>100.00%</b>

c) The above tables have been prepared by the management of the Company and the same has been relied upon by the auditors.

d) Other additional disclosures:

Particulars	Amount
Value of financial assets acquired during the year	<b>115,496.68</b>
Value of financial assets realised during the year	<b>9,896.20</b>
Value of financial assets outstanding for realisation at end of year	<b>371583.96</b>
Value of Security Receipts redeemed partially during the year	<b>3,546.05</b>
Value of Security Receipts redeemed fully during the year	<b>565.39</b>
Value of Security Receipts pending for redemption at end of year	<b>382,687.07</b>
Value of Security Receipts not redeemed as a result of non-realisation of the financial asset	<b>88.86</b>
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-

e) The company's Owned Fund aggregating to Rs. 8,349.00 million as on March 31, 2017 is in compliance with Para 5 of the Guidelines which requires minimum owned funds to be not less than fifteen percent of the total financial assets acquired or to be acquired by the Company (whether held in the Trust set up by the Company or in the books of account of the Company), the Capital Adequacy ratio of the Company as at March 31, 2017 works out to 19.83% (Previous Year 14.44%)

f) In terms of the requirements of RBI circular no. DNBS (PD) CC. No. 41/ SCRC / 26.03.001/ 2014-2015, w.e.f. 5 August 2014,

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

- with respect to financial assets acquired, the Company has not acquired the financial assets in FY16-17 where acquisition price is more than total dues outstanding as on the date of acquisition.

- with respect to financial assets acquired, the Company has not disposed off assets (either by write off or by realisation) out of acquisitions made on or after 5<sup>th</sup> August 2014, during the year at substantial discount (20% of valuation as on the previous year end); and

- with respect to financial assets acquired, there are no assets out of acquisitions made on or after 5<sup>th</sup> August 2014, where the value of the SRs has declined substantially (20% or more) below the acquisition value.

### **2.29 Cost sharing**

Edelweiss Commodities Services Limited incurs expenditure like electricity etc. which is for the benefit of Edelweiss Asset Reconstruction Company Limited. This cost so expended is reimbursed by Edelweiss Asset Reconstruction Company Limited on the basis of number of employees, area occupied, time spent by employees for other companies, actual indentifications etc. Accordingly, the expenditure heads in Note 2.22 are inclusive of the reimbursements.

### **2.30 Capital commitments and contingent liability**

The Company has Rs. 0.22 millions (Previous year: Rs. 3.75) as capital commitments as at the balance sheet date.

The Company has Rs. 0.82 millions (Previous year: Rs. 0.82) as contingent liability as at the balance sheet date.

Accumulated preference dividend of Rs. 0.002 millions (Previous year: Rs. NIL) on 0.001% Non – Cumulative, Participating, Compulsorily Convertible Preference Shares (CCPS) as contingent liability as at the balance sheet date.

The company does not have any pending litigations as on the balance sheet date.

### **2.31 Long term contracts**

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. The Company did not have any derivative contracts as at balance sheet date.

### **2.32 Loans and Advances**

Balances in loans and advances to some borrowers are subject to confirmations.

### **2.33 Foreign currency**

The Company has incurred Rs. 0.17 millions in foreign currency during the year towards foreign travel expenses. (Previous year: Rs. 0.02)

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Currency: Indian rupees in millions)

### 2.34 Corporate social responsibility

- a) Gross amount required to be spent by the company during the year is Rs. 8.81 millions.
- b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	8.80	-	8.80

### 2.35 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.05	0.00	0.05
(+) Permitted receipts	-	0.05	0.05
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	0.05	-	0.05
Closing cash in hand as on 30.12.2016	-	0.05	0.05

### 2.36 Prior year comparatives

Previous year figures have been regrouped and reclassified wherever necessary.

As per our report of even date attached.

**For Khimji Kunverji & Co.**  
Firm Registration No.: 105146W

**For and on behalf of the Board of Directors**

**Sd/-**  
**Hasmukh B Dedhia**  
Partner (F-33494)

**Sd/-**  
**Siby Antony**  
Managing Director  
Mumbai  
DIN No.: 00075909

**Sd/-**  
**Rashesh Shah**  
Director  
Mumbai  
DINS No.: 00008322

Mumbai  
16 May 2017

**Sd/-**  
**Abhishek Baxi**  
Chief Financial Officer  
Mumbai  
16 May 2017

**Sd/-**  
**Deepak Nautiyal**  
Company Secretary  
Mumbai