

# Edelweiss Asset Reconstruction Company Limited

CIN - U67100MH2007PLC174759

## Balance Sheet

as at 31 March 2015

(Currency: Indian rupees)

	Note	As at 31 March 2015	As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2.1	1,00,00,00,000	1,00,00,00,000
(b) Reserves and surplus	2.2	53,25,09,423	19,16,77,481
		<u>1,53,25,09,423</u>	<u>1,19,16,77,481</u>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	2.3	9,41,00,00,000	49,00,00,000
(b) Long-term provisions	2.4	4,90,72,198	2,14,39,086
<b>Current liabilities</b>			
(a) Short-term borrowings	2.5	3,80,55,91,785	3,64,37,33,050
(b) Trade payables	2.6	73,51,563	64,21,744
(c) Other current liabilities	2.7	35,40,31,647	38,11,98,781
(d) Short-term provisions	2.8	1,86,75,593	86,60,955
<b>Total</b>		<u><u>15,17,72,32,209</u></u>	<u><u>5,74,31,31,097</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2.9	74,40,204	3,18,564
(ii) Intangible assets		7,09,738	-
(b) Non-current investments	2.10	11,77,24,25,635	5,02,47,60,121
(c) Deferred tax assets (net)	2.11	2,75,42,310	99,87,409
(d) Long-term loans and advances	2.12	5,66,09,359	4,94,74,439
		<u>11,86,47,27,246</u>	<u>5,08,45,40,533</u>
<b>Current assets</b>			
(a) Current investments	2.13	1,96,79,14,944	30,46,74,775
(b) Trade receivables	2.14	1,05,08,82,093	12,19,74,853
(c) Cash and bank balances	2.15	13,24,81,994	66,58,005
(d) Short-term loans and advances	2.16	16,03,46,837	22,28,65,188
(e) Other current assets	2.17	8,79,095	24,17,743
		<u>3,31,25,04,963</u>	<u>65,85,90,564</u>
<b>Total</b>		<u><u>15,17,72,32,209</u></u>	<u><u>5,74,31,31,097</u></u>

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

12 May 2015

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

Sd/-

**Siby Antony**

Managing Director

Mumbai

DIN No.: 00075909

Sd/-

**Mehul Gandhi**

Chief Financial Officer

Mumbai

12 May 2015

Sd/-

**Rashesh Shah**

Director

Mumbai

DIN No.: 00008322

Sd/-

**Dipak Kumar K. Shah**

Company Secretary

Mumbai

# Edelweiss Asset Reconstruction Company Limited

CIN - U67100MH2007PLC174759

## Statement of Profit and Loss

for the year ended 31 March 2015

(Currency: Indian rupees)

	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Revenue from operations</b>			
Fee income	2.18	1,89,92,20,849	18,59,97,024
Other operating revenue	2.19	14,44,27,611	7,84,85,331
<b>Total Revenue</b>		<b>2,04,36,48,460</b>	<b>26,44,82,355</b>
<b>Expenses</b>			
Employee benefit expenses	2.20	12,54,87,534	2,67,44,627
Finance costs	2.21	1,30,48,68,968	6,18,41,241
Depreciation	2.9	18,37,640	26,980
Other expenses	2.22	15,33,46,000	3,94,86,214
<b>Total expenses</b>		<b>1,58,55,40,142</b>	<b>12,80,99,062</b>
Profit before tax		45,81,08,318	13,63,83,293
(1) Income tax (includes excess provision for earlier years Rs.4,47,074/-; previous year: Rs.1,174,596/-)		13,48,31,280	4,44,68,282
(2) Deferred tax benefit		(1,75,54,902)	(59,44,542)
<b>Profit for the year</b>		<b>34,08,31,940</b>	<b>9,78,59,553</b>
Earnings per equity share (Face value Rs. 10/- per share)	2.23		
Basic and diluted		3.41	1.24
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

**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  
DIN No.: 00008322

Sd/-  
**Mehul Gandhi**  
Chief Financial Officer  
Mumbai  
12 May 2015

Sd/-  
**Dipak Kumar K. Shah**  
Company Secretary  
Mumbai

Mumbai  
12 May 2015

# Edelweiss Asset Reconstruction Company Limited

CIN - U67100MH2007PLC174759

## Cash Flow Statement

for the year ended 31 March 2015

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>A Cash flow from operating activities</b>		
Profit before taxation	45,81,08,318	13,63,83,293
Adjustments for		
Depreciation	18,37,640	26,980
Provision for diminution in value of non-current investments	34,81,243	17,28,108
Bad debts and advances written off	40,00,000	-
Reversal of receivables from trusts as per RBI guidelines	2,93,91,256	-
Reversal of management fees as per RBI guidelines	5,22,57,653	-
Provision for compensated absences	3,36,000	69,000
Provision for gratuity	9,43,000	3,99,885
Provision for non performing assets	1,79,21,112	1,49,00,814
Profit from investments in security receipts	(12,08,99,581)	(5,04,04,708)
Interest income	(2,35,16,849)	(2,60,27,137)
Finance costs	1,29,99,31,594	6,09,31,959
<b>Operating cash flow before working capital changes</b>	<b>1,72,37,91,386</b>	<b>13,80,08,194</b>
Add/(Less): Adjustments for working capital changes		
Increase in trade receivables	(98,11,64,893)	(8,55,33,996)
Decrease/(Increase) in loans and advances	7,48,79,488	(16,98,25,621)
(Decrease)/Increase in liabilities and provisions	(6,25,19,610)	32,32,66,000
Decrease/(Increase) in other current assets	15,38,648	(8,68,329)
<b>Cash generated from operations</b>	<b>75,65,25,019</b>	<b>20,50,46,248</b>
Income taxes paid	(19,49,28,870)	(4,00,02,997)
<b>Net cash generated from operating activities - A</b>	<b>56,15,96,149</b>	<b>16,50,43,251</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(96,77,995)	(2,13,099)
Purchase of investments	(8,71,90,61,700)	(4,59,12,01,000)
Redemption of investments	30,46,74,775	28,64,63,781
Income from investments	12,08,99,581	5,32,46,614
Interest income on loan	2,35,16,849	2,23,06,136
Loans given (refer note 2)	-	(2,06,60,000)
<b>Net cash used in investing activities - B</b>	<b>(8,27,96,48,490)</b>	<b>(4,25,00,57,568)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of share capital/share application money	-	34,77,27,130
Proceeds from unsecured borrowings (refer note 2)	9,01,08,35,943	3,15,26,21,943
Proceeds from secured borrowings (refer note 2)	7,10,22,792	63,50,66,011
Finance costs	(1,23,79,82,404)	(4,72,69,504)
<b>Net cash generated from financing activities - C</b>	<b>7,84,38,76,331</b>	<b>4,08,81,45,580</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>12,58,23,989</b>	<b>31,31,263</b>
Cash and cash equivalent as at the beginning of the year	66,58,005	35,26,742
Cash and cash equivalent as at the end of the year (refer note 1)	13,24,81,994	66,58,005

### Note:

- Cash and cash equivalents represent cash and balances with banks in current account
- placed with banks (refer note 2.15 to the financial statements)
  - 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)

For and on behalf of the Board of Directors

Sd/-

Siby Antony

Managing Director

Mumbai

DIN No.: 00075909

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Rashesh Shah

Director

Mumbai

DIN No.: 00008322

Sd/-

Mehul Gandhi

Chief Financial Officer

Mumbai

12 May 2015

Sd/-

Dipak Kumar K. Shah

Company Secretary

Mumbai

Mumbai

12 May 2015

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements

*for the year ended 31 March 2015*

(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 1<sup>st</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 1<sup>st</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 2015

(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 2015

(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 2015

(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 2015*

(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)

as at 31 March 2015

(Currency: Indian rupees)

### 2.1 Share capital

#### Authorised:

150,000,000 (Previous year: 100,000,000) equity shares of Rs. 10 each

As at  
31 March 2015

As at  
31 March 2014

#### Issued, subscribed and paid up:

100,000,000 (Previous year: 100,000,000) equity shares of Rs. 10 (Previous year: Rs. 10) each, fully paid-up

#### Reconciliation of number of shares outstanding:

Number of shares outstanding at the beginning

Shares issued during the year

Number of shares at the end

#### Reconciliation of share capital:

Share capital at the beginning of the year

Share capital issued during the year

Share capital at the end of the year

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

	As at 31 March 2015		As at 31 March 2014	
Name of the shareholders	Number of shares	% holding	Number of shares	% holding
Edelweiss Custodial Services Limited	4,99,09,148	49.91%	4,99,09,148	49.91%
Alok Tandon	1,42,90,852	14.29%	1,42,90,852	14.29%
Reeta Kuhad	1,40,00,000	14.00%	1,40,00,000	14.00%
Vineet Kashyap	99,00,000	9.90%	99,00,000	9.90%
Aakanksha Management Consultancy & Holding (P) Limited	99,00,000	9.90%	99,00,000	9.90%

#### 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.

### 2.2 Reserves and surplus

#### Debenture Redemption Reserve

As per last Balance Sheet

Add : Addition during the year

#### Surplus in the statement of profit and loss

Opening balance

Add: Profit for the year

#### Amount available for appropriation

Appropriations:

Transfer to Debenture Redemption Reserve

#### Closing Balance in Statement of Profit and Loss

#### Closing balance

-	-
10,41,667	-
10,41,667	-
19,16,77,483	9,38,17,928
34,08,31,940	9,78,59,553
53,25,09,423	19,16,77,481
10,41,667	
53,14,67,756	19,16,77,481
53,25,09,423	19,16,77,481

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

as at 31 March 2015

(Currency : Indian rupees)

2.3

Long-term borrowings

As at

31 March 2015

As at

31 March 2014

Secured

Term loan from bank

94,00,00,000

49,00,00,000

- Secured by pledge of security receipts

- The rate of interest is 12.75% p.a.

- The repayment schedule is as follows:

Financial Year	Amount (Rs.)
2016-17	10,00,00,000
2017-18	35,75,00,000
2018-19	42,00,00,000
2019-20	6,25,00,000
Total	94,00,00,000

Unsecured

Un-secured Redeemable Non-convertible Debentures

(Coupon rate 17% per annum payable annually. Due for redemption in March 2020)

1,50,00,00,000

-

Loans and advances taken

6,97,00,00,000

-

9,41,00,00,000

49,00,00,000

# Edelweiss Asset Reconstruction Company Limited

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

as at 31 March 2015

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
<b>2.4 Long-term provisions</b>		
Provision for employee benefits		
Gratuity (refer note 2.26)	12,58,069	12,63,069
Compensated absences	3,20,000	50,000
Deferred bonus	94,47,000	-
Others		
Provision for non performing assets	3,80,47,129	2,01,26,017
	<b>4,90,72,198</b>	<b>2,14,39,086</b>
<b>2.5 Short-term borrowings</b>		
<b><u>Secured</u></b>		
Bank overdraft	1,54,08,899	39,43,86,107
<i>(Secured by pledge of security receipts)</i>		
<b><u>Unsecured</u></b>		
Loan taken	3,79,01,82,886	3,24,93,46,943
<i>(Repayable on demand)</i>		
	<b>3,80,55,91,785</b>	<b>3,64,37,33,050</b>

# Edelweiss Asset Reconstruction Company Limited

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

as at 31 March 2015

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
<b>2.6 Trade payables</b>		
Trade payables from non-related parties	<b>70,48,185</b>	57,67,479
Trade payables from related parties:	<b>3,03,378</b>	6,54,265
	<b>73,51,563</b>	64,21,744

# Edelweiss Asset Reconstruction Company Limited

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

as at 31 March 2015

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
<b>2.7 Other current liabilities</b>		
Current maturities of Long Term Debt		
Term loan from bank (refer note 2.3)	5,00,00,000	1,00,00,000
Interest accrued but not due on borrowings	1,31,59,141	36,32,585
Interest accrued and due on borrowings	6,24,52,504	1,00,29,870
Income received in advance	1,69,44,747	17,03,493
Other Payables		
Accrued salaries and benefits	5,30,75,675	1,45,38,257
Withholding tax, service tax and other taxes payable	8,08,32,720	43,56,576
Deposits against sale of assets	6,93,31,879	62,50,000
Payable to trusts	66,03,242	33,05,00,000
Others	16,31,739	1,88,000
	<b>35,40,31,647</b>	<b>38,11,98,781</b>
<b>2.8 Short-term provisions</b>		
Provision for employee benefits		
Gratuity (refer note 2.26)	11,88,000	2,40,000
Compensated absences	1,25,000	59,000
Deferred bonus	1,62,40,000	-
Others		
Provision for taxation (net of advance taxes and taxes deducted at source Rs.4,54,20,845; previous year Rs.60,535,208)	11,22,593	83,61,955
	<b>1,86,75,593</b>	<b>86,60,955</b>

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupees)

### 2.9 Fixed assets

Description of assets	Gross block				Depreciation and amortization				Net block	
	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 Mar2015	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 Mar 2015	As at 31 Mar 2015	As at 31 March 2014
<b>Tangible assets</b>										
Building	-	17,75,620	-	17,75,620	-	41,350	-	41,350	17,34,270	-
Vehicles	-	48,53,695	-	48,53,695	-	6,49,794	-	6,49,794	42,03,901	-
Office equipment	1,76,241	3,92,684	9,800	5,59,125	56,298	1,78,792	823	2,34,267	3,24,858	1,19,943
Computers	2,27,323	17,39,660	-	19,66,983	28,702	7,61,106	-	7,89,808	11,77,175	1,98,621
<b>Total A</b>	<b>4,03,564</b>	<b>87,61,659</b>	<b>9,800</b>	<b>91,55,423</b>	<b>85,000</b>	<b>16,31,042</b>	<b>823</b>	<b>17,15,219</b>	<b>74,40,204</b>	<b>3,18,564</b>
<b>Intangible assets</b>										
Computer software	-	9,16,336	-	9,16,336	-	2,06,598	-	2,06,598	7,09,738	-
<b>Total: B</b>	<b>-</b>	<b>9,16,336</b>	<b>-</b>	<b>9,16,336</b>	<b>-</b>	<b>2,06,598</b>	<b>-</b>	<b>2,06,598</b>	<b>7,09,738</b>	<b>-</b>
<b>Grand Total (A+B)</b>	<b>4,03,564</b>	<b>96,77,995</b>	<b>9,800</b>	<b>1,00,71,759</b>	<b>85,000</b>	<b>18,37,640</b>	<b>823</b>	<b>19,21,817</b>	<b>81,49,942</b>	<b>3,18,564</b>
Previous year	1,90,465	2,13,099	-	4,03,564	58,020	26,980	-	85,000	3,18,564	

#### Note

As per the requirement of the Companies Act, 2013, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, in the Statement of profit and loss of the Company, the depreciation charge for the year ended 31 March 2015 is higher by Rs.5,24,600/-.

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupees)

### 2.10 Non-Current investments - at lower of cost and fair value

Other non-current investment	As at 31 Mar 2015			As at 31 March 2014		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Available for sale- Investment in Security Receipts (Non trade, unquoted)						
EARC Trust SC 1	-	-	-	-	-	-
EARC Trust SC 2 Series I	1.00	1,370	1,370	1.00	1,370	1,370
EARC Trust SC 2 Series II	1.00	99,000	99,000	1.00	99,000	99,000
EARC Trust SC 3 Series I	1.00	11,500	11,500	15.94	11,500	1,83,340
EARC Trust SC 3 Series II	1.00	35,100	35,100	167.98	35,100	58,96,078
EARC Trust SC 4 Class A	-	-	-	-	-	-
EARC Trust SC 4 Class B	998.21	34,875	3,48,12,432	998.21	34,875	3,48,12,432
EARC Trust SC 5	-	-	-	-	-	-
EARC Trust SC 6*	994.07	1,80,000	17,89,33,445	994.07	1,80,000	17,89,33,445
EARC Trust SC 7*	694.69	1,10,000	7,64,15,538	758.48	1,10,000	8,34,33,133
EARC Trust SC 8*	763.41	81,100	6,19,12,234	961.72	81,100	7,79,95,639
EARC Trust SC 9	1.00	75,250	75,250	1.00	75,250	75,250
EARC Trust SC 10	1.00	69,000	69,000	1.00	69,000	69,000
EARC Trust SC 11*	1,000.00	34,500	3,45,00,000	1,000.00	34,500	3,45,00,000
EARC Trust SC 12*	-	-	-	934.29	1,40,000	13,08,00,000
EARC Trust SC 14*	1,000.00	82,500	8,25,00,000	1,000.00	82,500	8,25,00,000
EARC Trust SC 15 Series I	1.00	1,30,000	1,30,000	1.00	1,30,000	1,30,000
EARC Trust SC 15 Series II	22.12	45,200	10,00,000	22	45,200	10,00,000
EARC Trust SC 16	1,000.00	7,250	72,50,000	1,000	7,250	72,50,000
EARC Trust SC 17	1,000.00	3,500	35,00,000	1,000	3,500	35,00,000
EARC Trust SC 18 Series I***	1,000.00	47,500	4,75,00,000	1,000	47,500	4,75,00,000
EARC Trust SC 18 Series II***	1,000.00	6,000	60,00,000	1,000	6,000	60,00,000
EARC Trust SC 19 Series I**	991.94	28,125	2,78,98,286	992	28,125	2,78,98,286
EARC Trust SC 19 Series II**	991.94	2,51,000	24,89,76,714	992	2,51,000	24,89,76,714
EARC Trust SC 19 Series III**	1,000.00	2,37,500	23,75,00,000	1,000	2,37,500	23,75,00,000
EARC Trust SC 19 Series IV**	1,000.00	1,67,000	16,70,00,000	1,000	1,67,000	16,70,00,000
EARC Trust SC 19 Series V	1,000.00	4,71,500	47,15,00,000	-	-	-
EARC Trust SC 20	-	-	-	1,000	5,000	50,00,000
EARC Trust SC 21	883.05	77,000	6,79,95,000	970	77,000	7,47,00,000
EARC Trust SC 22**	1,000.00	40,800	4,08,00,000	1,000	40,800	4,08,00,000
EARC Trust SC 23 Series I**	1,000.00	3,17,950	31,79,50,000	1,000	3,17,950	31,79,50,000
EARC Trust SC 23 Series II	1,000.00	81,050	8,10,50,000	1,000	81,050	8,10,50,000
EARC Trust SC 24**	1,000.00	39,000	3,90,00,000	1,000	39,000	3,90,00,000
EARC Trust SC 25	-	-	-	25	945	23,168
EARC Trust SC 26	686.97	4,640	31,87,550	823	4,640	38,16,550
EARC Trust SC 27 Series I	-	-	-	-	-	-
EARC Trust SC 27 Series II	1.00	10,000	10,000	-	-	-
EARC Trust SC 28 Series I	1,000.00	8,500	85,00,000	1,000	8,500	85,00,000
EARC Trust SC 28 Series II	1,000.00	31,500	3,15,00,000	1,000	31,500	3,15,00,000
EARC Trust SC 28 Series III	1,000.00	59,600	5,96,00,000	-	-	-
EARC Trust SC 28 Series IV	1,000.00	4,000	40,00,000	-	-	-
EARC Trust SC 29	1,000.00	10,000	1,00,00,000	1,000	10,000	1,00,00,000
EARC Trust SC 30 series I**	1,000.00	15,33,500	1,53,35,00,000	1,000	15,33,500	1,53,35,00,000
EARC Trust SC 30 series II	1,000.00	7,01,100	70,11,00,000	-	-	-
EARC Trust SC 31***	1,000.00	2,20,500	22,05,00,000	1,000	2,20,500	22,05,00,000
EARC Trust SC 32 Series I	974.16	44,500	4,33,50,000	1,000	44,500	4,45,00,000
EARC Trust SC 32 Series II	1,000.00	21,365	2,13,65,000	-	-	-
EARC Trust SC 33	1,000.00	1,11,050	11,10,50,000	1,000	1,11,050	11,10,50,000
EARC Trust SC 34	1,000.00	44,030	4,40,30,000	1,000	44,030	4,40,30,000
EARC Trust SC 35 Series I***	1,000.00	4,86,865	48,68,65,000	1,000	4,86,865	48,68,65,000
EARC Trust SC 35 Series II***	1,000.00	2,94,500	29,45,00,000	-	-	-
EARC Trust SC 36	800.00	1,500	12,00,000	1,000	1,500	15,00,000
EARC Trust SC 37 Series I***	1,000.00	4,29,960	42,99,60,000	1,000	4,29,960	42,99,60,000
EARC Trust SC 37 Series II	1,000.00	46,040	4,60,40,000	-	-	-
EARC Trust SC 38 Series I	997.65	1,47,500	14,71,53,989	1,000	1,47,500	14,75,00,000
EARC Trust SC 38 Series II	997.65	1,37,500	13,71,77,447	-	-	-
EARC Trust SC 38 Series III	997.65	34,715	3,46,33,564	-	-	-
EARC Trust SC 39	1,000.00	94,836	9,48,36,000	1,000	94,836	9,48,36,000
EARC Trust SC 40	1,000.00	2,03,775	20,37,75,000	-	-	-
EARC Trust SC 41 Series I	1,000.00	1,03,500	10,35,00,000	-	-	-
EARC Trust SC 41 Series II	1,000.00	70,220	7,02,20,000	-	-	-
EARC Trust SC 42	1,000.00	2,70,000	27,00,00,000	-	-	-
EARC Trust SC 43	1,000.00	99,000	9,90,00,000	-	-	-
EARC Trust SC 44 Series I	1,000.00	1,30,625	13,06,25,000	-	-	-
EARC Trust SC 44 Series II	1,000.00	7,912	79,12,000	-	-	-
EARC Trust SC 47	973.57	3,84,000	37,38,50,000	-	-	-
EARC Trust SC 48	1,000.00	54,250	5,42,50,000	-	-	-
EARC Trust SC 49	978.52	57,250	5,60,20,000	-	-	-
EARC Trust SC 50	1,000.00	3,65,500	36,55,00,000	-	-	-
EARC Trust SC 50 SIB	1,000.00	8,814	88,14,000	-	-	-
EARC Trust -SC 50-SBT	1,000.00	70,533	7,05,33,000	-	-	-
EARC TRUST- SC 50- LVB	1,000.00	9,423	94,23,000	-	-	-
EARC TRUST SC -50 - CBI	1,000.00	60,590	6,05,90,000	-	-	-
EARC TRUST SC -50 - CBI Series II	1,000.00	9,695	96,95,000	-	-	-
EARC Trust SC 50 Andhra Bank	1,000.00	26,375	2,63,75,000	-	-	-
EARC Trust SC 52 Series I	1,000.00	2,43,000	24,30,00,000	-	-	-

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupees)

EARC Trust SC 52 Series II	1,000.00	1,46,500	14,65,00,000	-	-	-
EARC Trust SC 53	1,000.00	65,400	6,54,00,000	-	-	-
EARC Trust SC 55	1,000.00	85,800	8,58,00,000	-	-	-
EARC Trust SC 56 Class A	1,000.00	10,450	1,04,50,000	-	-	-
EARC Trust SC 56 Class B	1,000.00	22,150	2,21,50,000	-	-	-
EARC Trust SC 57	1.00	14,400	14,400	-	-	-
EARC Trust SC 101	1,000.00	37,500	3,75,00,000	-	-	-
EARC Trust SC 102 Series I	1,000.00	26,400	2,64,00,000	-	-	-
EARC Trust SC 102 Series II	1,000.00	34,000	3,40,00,000	-	-	-
EARC Trust SC 102 Series III	1,000.00	8,000	80,00,000	-	-	-
EARC Trust SC 102 Series IV	1,000.00	44,940	4,49,40,000	-	-	-
EARC Trust SC 102 Series V	1,000.00	67,500	6,75,00,000	-	-	-
EARC Trust SC 103	1,000.00	75,000	7,50,00,000	-	-	-
EARC Trust SC 104	550.00	90,800	4,99,40,000	-	-	-
EARC Trust SC 105 Series I	1,000.00	1,50,000	15,00,00,000	-	-	-
EARC Trust SC 105 Series II	1,000.00	60,000	6,00,00,000	-	-	-
EARC Trust SC 106 Series I	1,000.00	1,59,000	15,90,00,000	-	-	-
EARC Trust SC 106 Series II	1,000.00	23,162	2,31,62,000	-	-	-
EARC Trust SC 107	1,000.00	1,23,000	12,30,00,000	-	-	-
EARC Trust SC 108	1,000.00	1,09,725	10,97,25,000	-	-	-
EARC Trust SC 109	1,000.00	2,71,500	27,15,00,000	-	-	-
EARC Trust SC 110	1,000.00	1,65,000	16,50,00,000	-	-	-
EARC Trust SC 111	1,000.00	33,030	3,30,30,000	-	-	-
EARC Trust SC 112	1,000.00	4,00,000	40,00,00,000	-	-	-
EARC Trust SC 113	1,000.00	68,805	6,88,05,000	-	-	-
EARC Trust SC 114	1,000.00	3,85,575	38,55,75,000	-	-	-
EARC Trust SC 115	1,000.00	66,060	6,60,60,000	-	-	-
EARC Trust SC 116	1,000.00	1,12,500	11,25,00,000	-	-	-
EARC Trust SC 117	981.54	68,250	6,69,90,000	-	-	-
EARC Trust SC 118	1,000.00	45,000	4,50,00,000	-	-	-
EARC Trust SC 119	1,000.00	11,910	1,19,10,000	-	-	-
EARC Trust SC 120	1,000.00	2,31,870	23,18,70,000	-	-	-
EARC Trust SC 121	1,000.00	1,15,560	11,55,60,000	-	-	-
EARC Trust SC 122	1,000.00	79,035	7,90,35,000	-	-	-
EARC Trust SC 123	1,000.00	37,725	3,77,25,000	-	-	-
EARC Trust SC 124	1,000.00	2,55,870	25,58,70,000	-	-	-
EARC Trust SC 125	1,000.00	1,37,700	13,77,00,000	-	-	-
EARC Trust SC 126	1,000.00	3,16,875	31,68,75,000	-	-	-
EARC Trust SC 127	1,000.00	1,29,030	12,90,30,000	-	-	-
EARC Trust SC 128	1,000.00	26,970	2,69,70,000	-	-	-
EARC Trust SC 129	1,000.00	13,500	1,35,00,000	-	-	-
EARC Trust SC 130	1,000.00	9,025	90,25,000	-	-	-
EARC Trust SC 131	1,000.00	1,65,750	16,57,50,000	-	-	-
EARC Trust SC 132	1,000.00	1,500	15,00,000	-	-	-
EARC Trust SC 133	1,000.00	48,000	4,80,00,000	-	-	-
EARC Trust SC 134	1,000.00	1,10,625	11,06,25,000	-	-	-
EARC Trust SC 135	1,000.00	7,500	75,00,000	-	-	-
EARC Trust SC 136	1,000.00	41,550	4,15,50,000	-	-	-
EARC SAF - I Trust Investor Account*	1,000.00	1,31,857	13,18,57,000	1,000.00	1,31,857	13,18,57,000
EARC SAF - I Trust Seller Account**	1,000.00	13,143	1,31,43,000	1,000.00	13,143	1,31,43,000
EARC SAF 2 Trust	770.15	55,000	4,23,58,462	-	-	-
Edelweiss ARF-I Trust Scheme 1 Series I**	649.68	10,933	71,02,455	649.68	10,933	71,02,455
Edelweiss ARF-I Trust Scheme 1 Series II**	994.51	11,757	1,16,92,496	994.51	11,757	1,16,92,496
Edelweiss ARF-I Trust Scheme 2 Series I	568.22	11,130	63,24,289	581.00	11,130	64,66,476
Edelweiss ARF-I Trust Scheme 2 Series II	568.22	1,401	7,96,074	581.00	1,401	8,13,972
Edelweiss ARF-I Trust Scheme 3 Series I	1.00	13,096	13,094	293.55	13,096	38,44,289
Edelweiss ARF-I Trust Scheme 3 Series II	1.00	4,467	4,468	293.55	4,467	13,11,274
Edelweiss ARF-I Trust Scheme 4 Series I	275.38	1,855	5,10,775	275.38	1,855	5,10,775
Edelweiss ARF-I Trust Scheme 4 Series II	376.02	11,217	42,17,862	376.02	11,217	42,17,862
Edelweiss ARF-I Trust Scheme 5 Investor Series	366.92	14,144	51,89,678	1,000.00	14,144	1,41,44,000
Edelweiss ARF-I Trust Scheme 5 Co-investor Series*	366.92	40,400	1,48,23,458	1,000.00	40,400	4,04,00,000
			13,75,25,24,930			5,33,81,38,004
Diminution in value of non-current investments		(1,21,84,351)				(87,03,108)
Less: current portion of long term investments		(1,96,79,14,944)				(30,46,74,775)
			11,77,24,25,635			5,02,47,60,121
Aggregate of investments						
- At book value		11,77,24,25,635				5,02,47,60,121

\* SR pledged with IDBI Bank against bank overdraft

\*\* SR pledged with Federal Bank against term loan

\*\*\* SR pledged with Bank of Maharashtra against term loan



# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupees)

As at 31 March 2015	As at 31 March 2014
------------------------	------------------------

### 2.11 Deferred tax

Deferred tax assets

Disallowances under section 43B of the Income Tax Act, 1961

98,90,298

2,13,141

Provision for non performing assets

1,31,67,350

68,40,833

Provision for diminution in value of current investments

42,16,760

29,58,187

Difference between book and tax depreciation

2,67,901

-

2,75,42,310

1,00,12,161

Deferred tax liabilities

Difference between book and tax depreciation

-

24,752

-

24,752

Deferred tax assets (net)

2,75,42,310

99,87,409

### 2.12 Long-term loans and advances

Secured

Loans given

- considered good

-

1,00,00,000

- considered non performing

-

3,62,52,034

Unsecured

Other loans and advances

- Advance tax and tax deducted at source (net of provision for taxation Rs.15,59,00,116; previous year: Rs.22,65,130)

5,66,09,359

32,22,405

5,66,09,359

4,94,74,439

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupees)

### 2.13 Current Investment

Current portion of non-current investment (non trade, unquoted)  
Available for sale- Investment in Security Receipts

As at  
31 March 2015

As at  
31 March 2014

1,96,79,14,944

30,46,74,775

1,96,79,14,944

30,46,74,775

Aggregate of investments

- At book value

1,96,79,14,944

30,46,74,775

### 2.14 Trade receivables

Unsecured, considered good

Trade receivables outstanding for a period less than six months

28,49,57,128

9,61,92,406

Trade receivables outstanding for a period exceeding six months

81,81,82,618

Less: Reversal as per RBI guidelines

(5,22,57,653)

76,59,24,965

2,57,82,447

1,05,08,82,093

12,19,74,853

### 2.15 Cash and bank balances

**Cash and cash equivalents**

Cash on hand

8,442

17,892

Balances with banks

- in current accounts

13,24,73,552

66,40,113

13,24,81,994

66,58,005

# Edelweiss Asset Reconstruction Company Limited

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

as at 31 March 2015

(Currency: Indian rupees)

		As at 31 March 2015	As at 31 March 2014
<b>2.16</b>	<b>Short-term loans and advances</b>		
	Secured		
	Loans given		
	- considered good	4,42,44,000	3,91,60,000
	- considered non performing	3,71,68,034	-
		<u>8,14,12,034</u>	<u>3,91,60,000</u>
	Unsecured, considered good		
	Loans and advances to trusts	10,28,08,305	
	Less: Reversal as per RBI guidelines	<u>(2,93,62,171)</u>	18,08,39,693
	- Prepaid expenses	2,13,729	99,667
	- Loans and advances to employees	80,983	77,318
	- Input tax credit	-	6,84,436
	- Advance tax and tax deducted at source (net of provision for taxation Rs.Nil; previous year Rs. 18,356,631)	-	5,28,726
	- Advances recoverable in cash or in kind or for value to be received	51,93,957	14,75,348
		<u>7,89,34,803</u>	<u>18,37,05,188</u>
		<u>16,03,46,837</u>	<u>22,28,65,188</u>
<b>2.17</b>	<b>Other current assets</b>		
	Accrued interest on loans given	8,79,095	24,17,743
		<u>8,79,095</u>	<u>24,17,743</u>

# Edelweiss Asset Reconstruction Company Limited

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

for the year ended 31 March 2015

(Currency: Indian rupees)

For the year ended  
31 March 2015

For the year ended  
31 March 2014

### 2.18 Fee income

Management and other fees	1,89,92,20,849	1,89,92,20,849	18,59,97,024
		<u>1,89,92,20,849</u>	<u>18,59,97,024</u>

### 2.19 Other operating revenue

Interest income	2,35,22,030	2,80,37,623
Profit from investments in security receipts	12,08,99,581	5,04,04,708
Income from sale of bid documents	6,000	43,000
	<u>14,44,27,611</u>	<u>7,84,85,331</u>

# Edelweiss Asset Reconstruction Company Limited

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

for the year ended 31 March 2015

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>2.20 Employee benefit expenses</b>		
Salaries and wages	12,10,57,793	2,49,74,375
Staff welfare expenses	26,96,373	17,70,252
	<u>12,54,87,534</u>	<u>2,67,44,627</u>
<b>2.21 Finance costs</b>		
Interest on debentures	34,93,151	-
Interest on term loan	11,11,96,083	5,23,973
Interest on bank overdraft	4,10,38,977	3,04,59,621
Interest on loan	1,14,30,73,656	2,80,30,214
Interest - others	49,37,374	9,06,906
Financial and bank charges	11,29,727	19,20,527
	<u>1,30,48,68,968</u>	<u>6,18,41,241</u>

# Edelweiss Asset Reconstruction Company Limited

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

for the year ended 31 March 2015

(Currency: Indian rupees)

For the year ended  
31 March 2015

For the year ended  
31 March 2014

### 2.22 Other expenses

Auditors' remuneration (refer note below)	3,18,766	2,25,000
Bad debts and advances written off	40,00,000	-
Reversal of receivables from trusts as per RBI guidelines	2,93,91,256	-
Reversal of management fees as per RBI guidelines	5,22,57,653	
Communication expenses	7,08,177	2,51,513
Diminution in value of non-current investments	34,81,243	17,28,108
Directors' sitting fees	8,20,000	5,40,000
Donation	12,50,000	5,00,000
Electricity charges (refer note 2.29)	8,79,822	3,85,622
Insurance	1,00,316	8,089
Legal and professional fees	2,19,80,456	1,28,84,178
Office expenses	10,10,197	53,370
Printing and stationery	4,91,242	1,37,726
Provision for non performing assets	1,79,21,112	1,49,00,814
Rates and taxes	10,35,100	1,55,913
Rent (refer note 2.29)	79,87,764	39,02,250
Repairs and maintenance - others	20,606	25,185
ROC expenses	38,21,172	68,896
Stamp duty	36,07,500	11,451
Travelling and conveyance	18,92,013	33,97,313
Miscellaneous expenses	3,71,605	3,10,786
	<b>15,33,46,000</b>	<b>3,94,86,214</b>

Note:

#### Auditors' remuneration:

Statutory Auditor	3,00,000	2,25,000
Out of Pocket	18,766	-
	<b>3,18,766</b>	<b>2,25,000</b>

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.23 Earnings per share

In accordance with Accounting Standard 20 on Earnings Per Share prescribed by Companies (Accounting Standards) Rules, 2006, the computation of earnings per share is set out below:

	2015	2014
a) <b>Shareholders earnings</b> (as per statement of profit and loss)	<b>340,831,940</b>	<b>97,859,553</b>
b) Calculation of weighted average number of equity shares of Rs 10 each:		
– Number of shares at the beginning of the year	100,000,000	50,000,000
– Shares issued during the year	-	50,000,000
Total number of equity shares outstanding at the end of the year	100,000,000	100,000,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	100,000,000	79,018,867
Number of dilutive potential equity shares	-	-
c) Basic earnings per share of face value of Rs.10 (in rupees)	3.41	1.24
d) Diluted earnings per share of face value of Rs.10 (in rupees)	3.41	1.24

### 2.24 Related Parties

#### (A) Names of related parties

##### 1. Enterprises which exercise significant influence over the Company:

Edelweiss Custodial Services Limited

Edelweiss Financial Services Limited

##### 2. Key managerial personnel

Siby Antony

#### (B) Transactions and balances with related parties during the year:

Particulars	Enterprises which exercise significant influence	Individuals/ Relatives of individuals exercising significant influence over company	Key managerial personnel
<i>Capital account transactions</i>			
Allotment of equity shares			

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.24 Related Parties (Continued)

Particulars	Enterprises which exercise significant influence	Individuals/ Relatives of individuals exercising significant influence over company	Key managerial personnel
Edelweiss Custodial Services Limited	-		
	(24,95,45,740)		
<b>Current account transactions</b>			
<b>Reimbursement Paid</b>			
<b>Amounts taken</b>			
Edelweiss Financial Services Limited	2,32,205		
	(29,64,155)		
<b>Amounts repaid</b>			
Edelweiss Financial Services Limited	2,32,205		
	(29,64,155)		
<b>Cost reimbursements paid</b>			
Edelweiss Financial Services Limited	2,07,344		
	(7,00,326)		
<b>Remuneration</b>			
Siby Antony			70,04,667
			(67,22,421)
<b>Balances with related parties</b>			
<b>Trade payables</b>			
Edelweiss Financial Services Limited	3,03,378		
	(7,15,411)		
<b>Bonus Payable</b>			
Siby Antony			210,00,000
			(40,00,000)

Note : Amounts in brackets represent previous year numbers



# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 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 2015	For the year ended 31 March 2014
Current service cost	411,000	282,000
Interest on defined benefit obligation	136,000	87,000
Expected return on plan assets	-	-
Actuarial (gain) /losses	341,000	103,000
<b>Total included in 'Employee benefit expenses'</b>	<b>888,000</b>	<b>472,000</b>

#### Balance sheet

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

	As at 31 March 2015	As at 31 March 2014
Liability at the beginning of the year	1,503,069	118,184
Transfer in/ (out)	55,000	985,000
Interest cost	136,000	87,000
Current service cost	411,000	282,000
Benefits paid	-	(72,115)
Actuarial (gain)/loss on obligations	341,000	103,000
<b>Liability at the end of the year</b>	<b>2,446,069</b>	<b>1,503,069</b>

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.26 Employee benefit – gratuity (Continued)

#### Amount recognised in the Balance sheet

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Liability at the end of the year	2,446,069	1,503,069	118,184	63,001
Fair value of plan assets at the end of the year	-	-	-	-
<b>Amount in balance sheet</b>	<b>2,446,069</b>	<b>1,503,069</b>	<b>118,184</b>	<b>63,001</b>

#### Experience adjustments:

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
On Plan Liabilities: (Gain)/Loss	202,000	141,000	24,319	19,846
On Plan Assets: Gain / (Loss)	-	-	-	-
<b>Estimated contribution for the next year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	As at 31 March 2015	As at 31 March 2014
Discount rate current	7.80%	8.70%
Salary escalation current	7.00%	6.00%
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 (Rs. in Lakhs)	Percentage to total acquisition price
<b>Sponsors</b>			
None	-	-	-
<b>Sub Total (A)</b>	-	-	-

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.28 Additional Disclosures (Continued)

Name	Address	Acquisition Price (Rs. in Lakhs)	Percentage to total acquisition price
<b>Non Sponsors</b>			
Stressed Assets Stabilisation Fund (SASF)	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	1,600.00	0.08%
IFCI	IFCI Tower, 61 Nehru Place, New Delhi 110019	19,900.00	0.98%
Andhra Bank	Mezzanine Floor Andhra Bank Buildings, Sultan Bazaar, Koti, Hyderabad – 500095	7,707.00	0.38%
Bank of Baroda	C-26, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	44,542.00	2.19%
Punjab National Bank	7 Bhikaji Cama Palace New Delhi 110006	7,405.00	0.36%
Central Bank of India	12th Floor, Chander Mukhi, Nariman Point, Mumbai – 400 021	1,86,397.00	9.16%
Kotak Bank	Kotak Infinity, 2 <sup>nd</sup> Floor, Building No 21, Infinity Park General A.K. Vaidya Marg, Malad (E) Mumbai 400097	400.00	0.02%
Dena Bank	Dena Corporate Centre C-10, G Block Bandra Kurla Complex, Bandra (E), Mumbai – 400051	995.00	0.05%
Lakshmi Vilas Bank Limited	Zonal Office, “ Sterling Centre , 2 <sup>nd</sup> Floor, Andheri Kurla Road Chakala, Andheri (E) Mumbai 400093.	8,884.60	0.44%
IIBI Limited	19, Netaji Subhas Road Kolkatta 700001	2,291.50	0.11%
Federal Bank	Aluva, Alwaye-683101, Kerala	31,812.88	1.56%
IDBI	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	2,557.75	0.13%
ICICI Bank	Landmark, Race Course Circle, Vadodara- 390 007	3,191.00	0.16%
Axis Bank	Trishul, 3 <sup>rd</sup> Floor, Opp. Samarhteshwar Temple, Law Garden, Ellisbridge, Ahmedabad-380006	2,100.00	0.10%
Indian Bank	254-260, Avvai Shanmugam Salai Royapettah, Chennai 600014	53,313.00	2.62%
Oman International Bank SAOG	201, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-21	3,400.00	0.17%

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.28 Additional Disclosures (Continued)

Name	Address	Acquisition Price (Rs. in Lakhs)	Percentage to total acquisition price
EXIM Bank	Centre One Building, Floor 21, World Trade Centre, Cuffe Parade, Mumbai-400005	1,82,272.00	8.96%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (E), Mumbai	2,44,113.00	12.00%
UCO Bank	10, Biplabi, Trailokya Maharaj Sarani, Kolkata 700001	28,005.00	1.38%
Karur Vysya Bank	Central Office, Erode Road, Karur, Tamil Nadu 639 002	9,670.00	0.48%
Canara Bank	112, J C Road, Head Office, Bangalore 560 002	77,625.00	3.82%
Yes Bank Limited	9th Floor, Nehru Centre, Discovery of India, Worli, Mumbai- 400018	18,500.00	0.91%
Tourism Finance Corporation of India	13th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019	1,450.00	0.07%
IDFC	KRM Tower, 8th Floor, No: 1, Harrington Road, Chetpet, Chennai - 600 031	8,860.00	0.44%
HDFC Ltd	Ramon House, 169, Backbay Reclamation, H.T. Parekh Marg, Churchgate, Mumbai 400 020	1,102.00	0.05%
State Bank of India	State Bank Bhavan, Madam Cama Road, Nariman Point, Mumbai-400 021	5,96,767.00	29.34%
Oriental Bank of Commerce	Plot No.5, First Floor, Sector-32, Institutional Area, Gurgaon-122001	21,395.00	1.05%
Bank of Maharashtra	1501, Lokmangal, Shivajinagar Pune 411005	22,210.00	1.09%
State Bank of Mysore	State Bank of Mysore Kempegowda Road, Bangalore – 560 254	66,649.00	3.28%
State Bank of Hyderabad	Hybank Towers Gun foundry. Hyderabad : 500001. Andhra Pradesh	46,888.02	2.31%
State Bank of Patiala	State Bank of Patiala The Mall, Patiala 147 002 India	85,021.00	4.18%

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.28 Additional Disclosures (Continued)

Name	Address	Acquisition Price (Rs. in Lakhs)	Percentage to total acquisition price
State Bank of Bikaner & Jaipur	State Bank of Bikaner and Jaipur, Head Office, Tilak Marg, Jaipur – 302005	27,707.40	1.36%
State Bank of Travancore	P.B. No. 34, Poojapura, Thiruvananthapuram - 695012	39,562.60	1.95%
South Indian Bank	South Indian Bank Ltd., T.B Road, Mission Quarters, Thrissur-680001, Kerala, India.	9,137.80	0.45%
Indian Overseas Bank	Indian Overseas Bank, Central Office 762, Anna Salai, P.B.No.3765 Chennai-600 002.	91,502.00	4.50%
Syndicate Bank	Syndicate Bank Post Box No.1, Manipal-576 119	18,700.00	0.92%
Karnataka Bank	Karnataka Bank Limited, Post Box No. 599.Mahaveera Circle, Kankanady,Mangaluru-575 002	2,500.00	0.12%
HSBC	The Hongkong and Shanghai Banking Corporation of India, 52 / 60 Mahatma Gandhi Road, Fort, Mumbai 400 001	1,420.00	0.07%
L & T Infrastructure Finance Company Ltd.	Mount Poonamalle Road, Manapakkam Channai -600 089	14,100.00	0.69%
Barclays Bank	801/808, Ceejay House, Dr Annie Besant Road, Worli, Mumbai – 400018	400.00	0.02%
Sicom	SICOM LIMITED Solitaire Corporate Park Building No. 4, 6th floor, Guru Hargovindji Road (Andheri Ghatkopar Link Road), Chakala, Andheri (East) Mumbai - 400 093	2,247.00	0.11%
DBS	12 Marina Boulevard Tower 3 Marina Bay Financial Centre Singapore 018982	11,000.00	0.54%
UBI	239, Union Bank Bhavan, Ground Floor, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400021	2,515.00	0.12%
HDFC Bank	HDFC Bank House , Senapati Bapat Marg, Lower Parel (West) Mumbai-400 013	25,705.00	1.26%

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.28 Additional Disclosures (Continued)

Name	Address	Acquisition Price (Rs. in Lakhs)	Percentage to total acquisition price
IIFCL	8th Floor, Hindustan Times Building 18 & 20, Kasturba Gandhi Marg New Delhi-110 001	500.00	0.02%
<b>Sub Total (B)</b>		<b>14,75,251.82</b>	<b>100.00%</b>
<b>Grand Total (A+B)</b>		<b>20,34,020.55</b>	<b>100.00%</b>

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

Industry	No. of Cases	Acquisition Price (Rs. in lakhs)	Percentage to total acquisition price
<b>Sponsors</b>			
None	-	-	-
<b>Sub Total (A)</b>	-	-	-
<b>Non Sponsors</b>			
Auto & Auto Anciliary	11	45,630.00	2.24%
Chemical	16	11,847.00	0.58%
Educational Institutes	12	17,440.00	0.86%
Engineering	3	622.00	0.03%
FMCG	6	48,460.00	2.38%
Food Processing	62	1,03,765.50	5.10%
Gems & Jewellery	10	28,455.00	1.40%
Hospitality & Entertainment	15	83,844.00	4.12%
Logistics	8	47,261.00	2.32%
Metals & Mining	58	3,73,156.00	18.35%
Others	91	82,427.00	4.05%
Packaging	9	18,215.00	0.90%
Pharmaceutical	28	1,10,955.25	5.45%
Power & Infrastructure	49	5,36,308.15	26.37%
Printing	2	10,242.00	0.50%
Real Estate	25	1,34,727.27	6.62%

# Edelweiss Asset Reconstruction Company Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.28 Additional Disclosures (Continued)

Industry	No. of Cases	Acquisition Price (Rs. in lakhs)	Percentage to total acquisition price
Telecommunications & Technology	37	1,31,819.88	6.48%
Textile	64	2,48,800.50	12.23%
<b>Sub Total (B)</b>	<b>506</b>	<b>20,34,020.55</b>	<b>100.00%</b>
<b>Grand Total (A+B)</b>	<b>506</b>	<b>20,34,020.55</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 (Rs. in lakhs)
Value of financial assets acquired during the year	10,93,192
Value of financial assets realised during the year	14,206
Value of financial assets outstanding for realisation at end of year	19,91,509
Value of Security Receipts redeemed partially during the year	6,687
Value of Security Receipts redeemed fully during the year	3,533
Value of Security Receipts pending for redemption at end of year	20,07,449
Value of Security Receipts not redeemed as a result of non-realisation of the financial asset	-
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-

e) As per the Reserve Bank of India Guidelines, the Capital Adequacy Ratio of the Company as at 31 March 2015 works out to 20.16% (Previous year – 20.64%).

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,

- the Company has not acquired any financial assets where the acquisition value of the assets is more than the Book Value;

- with respect to financial assets acquired, the Company has not disposed off assets (either by write off or by realisation) 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 where the value of the SRs has declined substantially (20% or more) below the acquisition value.

# Edelweiss Asset Reconstruction Company Limited

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

for the year ended 31 March 2015

(Currency: Indian rupees)

### **2.29**    *Cost sharing*

Edelweiss Commodities Services Limited incurs expenditure like, rent, 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, and as identified appropriately, the expenditure heads in Note 2.22 are gross of the reimbursements.

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

The Company has Rs. Nil (Previous year: Rs. 144,000/-) as capital commitments as at the balance sheet date.

The Company has Rs. Nil (Previous year: Rs. Nil) 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*

Balance in loans and advances to borrowers are subject to confirmations.

### **2.33**    *Foreign currency*

The Company has not earned/incurred any income/expenditure in foreign currency during the year. (Previous year: Rs. Nil)



# Edelweiss Asset Reconstruction Company Limited

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

for the year ended 31 March 2015

(Currency: Indian rupees)

### **2.34 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.**  
*Chartered Accountants*

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

Firm Registration No.: 105146W

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

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

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

Mumbai  
12 May 2015

**Sd/-**  
**Mehul Gandhi**  
*Chief Financial Officer*  
Mumbai  
12 May 2015

**Sd/-**  
**Dipak Kumar K. Shah**  
*Company Secretary*  
Mumbai