

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Asset Reconstruction Company Limited

Report on the Audit of the Standalone Ind AS Financial Statements**Opinion**

We have audited the accompanying standalone Ind AS financial statements of Edelweiss Asset Reconstruction Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
First time adoption of Ind AS <i>(as described in note 1.8 of the standalone financial statements)</i>	
<p>In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2018 with an effective date of April 1, 2017 for such transition. For periods up to and including the year ended March 31, 2018, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended March 31, 2019, together with the comparative financial information for the previous year ended March 31, 2018 and the transition date balance sheet as at April 1, 2017 have been prepared under Ind AS.</p> <p>The transition has involved significant changes in Company's policies and processes relating to financial reporting, as disclosed in note 1.8 of standalone financial statements, including:</p> <p>1) Accounting for unaccrued management fees charged to trusts as trustee</p>	<ul style="list-style-type: none"> • Read the Ind AS impact assessment performed by the management to identify areas to be impacted on account of Ind AS transition. • We understood the exemption availed by the management in applying the first-time adoption principles of Ind AS 101. • We understood the financial statement closure process (including disclosures in notes to accounts) and the additional controls established by the Company for transition to Ind AS. We have tested the design and operating effectiveness of key controls for processes identified by the Company for impact assessment. • We understood the changes made to the accounting policies in light of the requirements of the new framework. • We performed test of details on the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • We assessed the disclosures included in the Ind AS financial statements in accordance with the requirements of Ind AS 101, with respect to the previous periods presented. <p>With respect of (1) Accounting for unaccrued management fees charged to trusts as trustee:</p> <ul style="list-style-type: none"> • We assessed management's estimation of future recoverability of management fees and tested the computation of unaccrued management fees accrued during the year for sample cases.
Valuation of Investments in Security Receipts (SR) <i>(as described in note 39 of the standalone financial statements)</i>	
<p>In the Company's financial statements, total investment in SR amounts to Rs. 61,094 million and the fair valuation gain on such investments during the year amounts to Rs. 7,063 million as disclosed in Note 39 of the financial statements.</p> <p>The fair value of SRs is determined through discounted cash flow method which involves management judgement using level 3 inputs such as projection of future cash flows and expenses.</p> <p>The management has also involved credit rating agencies for valuation of SRs.</p> <p>Considering that fair valuation of investments is significant to overall financial statements and the degree of</p>	<ul style="list-style-type: none"> • Our audit procedures included an assessment of internal controls over measurement of fair value and evaluating the methodologies, inputs, judgments made and assumptions used by management in determining fair values. • We evaluated rationale of the models and accounting treatment applied. We compared observable inputs against independent sources and externally available market data for sample cases. • We compared the rating provided by independent rating agencies with fair valuation determined by the Company. • We assessed the disclosures related to investments in SR and fair valuation included in these Ind AS financial statements.



Key audit matters	How our audit addressed the key audit matter
management's judgement involved in the estimate, any error in the estimate could lead to material misstatement in the financial statements. Therefore, it is considered as a key audit matter.	
Provisions on trade receivables <i>(as described in note 4 of the standalone financial statements)</i>	
<p>Trade receivables outstanding as on 31 March 2019 are Rs. 5,332 million. Significant portion of trade receivables comprises of management fees receivable from trusts where the Company is the trustee.</p> <p>The Company follows simplified approach for computation of provision on trade receivables and recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date. The computation provision for receivables involves high degree of judgment applied by management in determining expected credit loss and hence considered a key audit matter.</p> <p>The Company's disclosures, included in Note 1.4.8 to the financial statements, outline the accounting policy for determining the provision for trade receivables.</p>	<ul style="list-style-type: none"> • We read the accounting policy and understood the changes made to the accounting policy with respect to provisions on trade receivables. • We assessed the design and tested the operating effectiveness of key controls over the computation of provision on trade receivables. • We obtained management's assessment of future cash flows and validated the assumptions with historical data on recovery and write off on trade receivables. • We obtained and validated the movement of trade receivables outstanding for the financial year for sample cases. • For sample cases we tested the computation of lifetime expected credit losses. • We assessed the disclosures related to provision on trade receivables included in the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's report ("Other information"), but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of directors for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and



India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; and the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditors whose report for the year ended March 31, 2018 and March 31, 2017 dated May 02, 2018 and May 16, 2017, respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. 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, based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

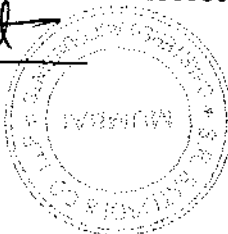

per **Jitendra Ranawat**

Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: 13 May 2019



Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Edelweiss Asset Reconstruction Company Limited ('the Company')

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance, duty of customs, sales-tax, duty of excise and value added tax are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, duty of customs, duty of excise and value added tax are not applicable to the Company.
- (vii)(c) According to the records of the Company, the dues of income-tax, sales-tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:



Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Demand under section	Rs. 0.28	Assessment year 2012-13	Commissioner of Income Tax (Appeals)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of commercial papers, non-convertible debentures (privately placed) for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment of compulsorily convertible preference shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

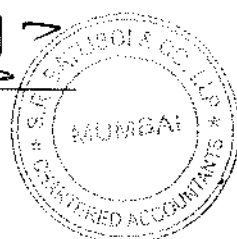

per Jitendra H. Ranawat

Partner

Membership Number: 103380

Place: Mumbai

Date: 13 May 2019



**"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF EDELWEISS ASSET RECONSTRUCTION
COMPANY LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of
the Companies Act, 2013 ("the Act")**

To the Members of Edelweiss Asset Reconstruction Company Limited

We have audited the internal financial controls over financial reporting of Edelweiss Asset Reconstruction Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

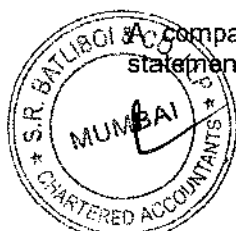
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements was established and maintained and if 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 judgement, including the assessment of the risks of material misstatement of 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 internal financial controls over financial reporting with reference to these financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these
Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements is a process designed 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 with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 With Reference to these Financial Statements

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

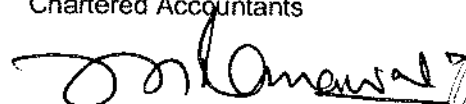
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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 issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

ICAI Firm Registration Number: 301003E/E300005

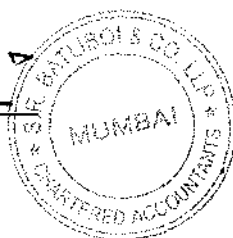
Chartered Accountants

**per Jitendra H. Ranawat**
Partner

Membership Number: 103380

Place of Signature: Mumbai

Date: May 13, 2019



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Statement of Profit and Loss for the year ended March 31, 2019

(Currency: Indian rupees in millions)

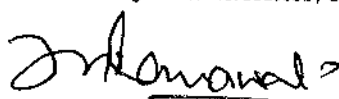
Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Interest income	23	541.68	248.95
Fee and commission income	24	10,005.87	8,429.91
Net gain on fair value changes (including Treasury income)	25	3,113.24	(1,010.33)
Total Revenue from operations		13,660.79	7,668.53
Other income	26	7.97	24.99
Total Income		13,668.76	7,693.52
Expenses			
Finance costs	27	5,919.56	4,233.86
Impairment on financial instruments	28	292.89	1.33
Employee benefits expense	29	383.76	352.78
Depreciation, amortisation and impairment	9	16.99	17.22
Other expenses	30	297.33	297.25
Total expenses		6,910.53	4,902.44
Profit / (Loss) before tax		6,758.23	2,791.08
Tax expenses:			
Current tax	31	1,662.44	611.90
Deferred tax	31	745.59	377.53
Profit/ (Loss) for the year		4,350.20	1,801.65
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans (OCI)		(0.71)	(0.03)
Tax effect on Remeasurement gain / loss on defined benefit plans (OCI)		0.25	0.01
Other Comprehensive Income		(0.46)	(0.02)
Total Comprehensive Income		4,349.74	1,801.63
Earnings per equity share (Face value of ₹ 10 each):			
(1) Basic		20.66	8.56
(2) Diluted		16.53	6.85

The accompanying notes are an integral part of the financial statements

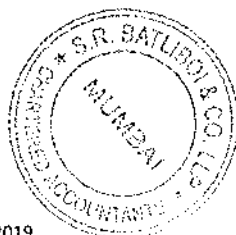
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For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 301003E / E300005

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited



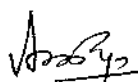
per Jitendra H. Ranawat
Partner
Membership Number: 103380



Mumbai
May 13, 2019

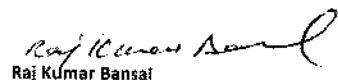


Siby Antony
Chairman & Whole Time Director
DIN :00075909

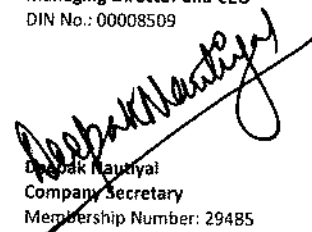


Ashwani Kumar
Chief Financial Officer

Mumbai
May 13, 2019



Raj Kumar Bansal
Managing Director and CEO
DIN No.: 00008509



Deepak Nautiyal
Company Secretary
Membership Number: 29485

Edelweiss Asset Reconstruction Company Limited
CIN:U67100MH2007PLC174759

Balance Sheet as at March 31, 2019

Particulars	Note No.	(Currency: Indian rupees in millions)		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Financial assets				
(a) Cash and cash equivalents	2	375.63	54.97	208.99
(b) Bank balances other than cash and cash equivalents	3	215.05	223.65	189.88
(c) Trade receivables	4	4,174.05	3,395.83	3,032.58
(d) Loans	5	2,399.39	2,474.73	285.17
(e) Investments	6	61,094.17	48,147.87	39,616.01
(f) Other financial assets	7	50.00	50.00	50.00
		68,308.29	54,347.05	43,382.63
Non-financial assets				
(a) Current tax assets (net)	8	-	116.00	94.45
(b) Property, Plant and Equipment	9	8.07	8.87	12.41
(c) Other Intangible assets	9	7.88	17.78	28.46
(d) Other non- financial assets	10	79.41	278.70	75.98
		95.36	421.35	211.30
TOTAL ASSETS		68,403.65	54,768.40	43,593.93
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
(a) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	11	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	142.09	164.92	15.91
(b) Debt securities	12	42,262.94	26,035.82	17,430.10
(c) Borrowings (other than debt securities)	13	2,483.55	11,750.14	11,469.92
(d) Deposits	14	3,600.00	3,600.00	3,300.00
(e) Other financial liabilities	15	150.13	170.12	148.41
		48,638.71	41,721.00	32,364.34
Non-financial liabilities				
(a) Current tax liabilities (net)	16	28.29	-	-
(b) Provisions	17	18.67	11.73	19.92
(c) Deferred tax liabilities (net)	18	1,779.24	1,033.90	656.38
(d) Other non-financial liabilities	19	589.43	416.58	1,412.82
		2,415.63	1,462.21	2,089.12
EQUITY				
Equity				
(a) Equity share capital	20	2,105.26	2,105.26	2,105.26
(b) Instruments entirely equity in nature	21	332.00	244.00	200.00
(c) Other equity	22	14,912.05	9,235.93	6,835.21
		17,349.31	11,585.19	9,140.47
TOTAL LIABILITIES AND EQUITY		68,403.65	54,768.40	43,593.93

The accompanying notes are an integral part of the financial statements

1

This is the Balance Sheet referred to in our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICA Firm's Registration No. 301003E / E300005

[Signature]

per Jitendra H. Ranawat
Partner
Membership Number: 103380



Mumbai
May 13, 2019

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited

[Signature]
Siby Antony
Chairman & Whole Time Director
DIN :00075909

[Signature]
Raj Kumar Bansal
Managing Director and CEO
DIN :00122506

[Signature]
Ashwani Kumar
Chief Financial Officer

Mumbai
May 13, 2019

[Signature]
Anshu Kautiyal
Company Secretary
Membership Number: 29485

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Statement of Cash Flow for the year ended March 31, 2019

(Currency: Indian rupees in millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Profit before taxation	6,758.23	2,791.08
Adjustments for		
Depreciation, amortisation and impairment	16.99	17.22
Impairment on financial instruments	292.89	1.33
Diminution in the value of trade receivables	4.37	395.82
Write off of security receipts	3,538.49	632.14
Provision for compensated absences	1.24	(0.04)
Provision for gratuity	4.99	4.24
Provision for deferred bonus	-	(12.42)
Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)	2.19	0.42
Profit from investments in security receipts	(2,218.85)	(141.37)
Profit on Sale of Fixed Assets	(0.33)	(0.29)
Interest income on fixed deposits	(47.30)	(15.50)
Fair value changes on financial assets	(7,063.21)	(231.11)
Fair value changes on financial liabilities	2,630.33	750.67
Finance costs	5,919.56	4,233.86
Operating cash flow before working capital changes	9,839.59	8,426.06
Add / (Less): Adjustments for working capital changes		
Increase / (Decrease) in trade payables	(22.83)	149.01
Increase / (Decrease) in other current assets	(19.99)	21.71
(Increase) / Decrease in trade receivables	(782.59)	(759.08)
(Increase) / Decrease in loans given	(217.55)	(2,190.90)
(Increase) / Decrease in other non financial assets	199.29	(202.72)
(Increase) / Decrease in bank balances other than cash & cash equivalents	18.71	(30.45)
Increase / (Decrease) in other non financial liabilities	172.86	(996.24)
Cash generated from operations	9,187.49	4,417.41
Income taxes paid	(1,518.15)	(633.46)
Net cash generated from operating activities - A	7,669.34	3,783.95
B Cash flow from investing activities		
Purchase of fixed assets	(7.15)	(4.45)
Proceeds from Sale of fixed assets	1.19	1.75
Purchase of investments	(21,395.32)	(11,943.34)
Sale of investments	14,192.59	3,151.82
Interest received on fixed deposits	37.19	12.18
Net cash used in investing activities - B	(7,171.53)	(8,782.06)
C Cash flow from financing activities		
Proceeds from issue of share capital/share application money/securities premium	1,412.20	642.67
Proceeds from deposits from group company	18,934.00	8,100.00
Proceeds from loan taken from group company	4,800.00	4,989.26
Repayment of loan taken from group company	(13,049.26)	(5,149.76)
Repayment of deposits from group company	(18,934.00)	(7,800.00)
Proceeds from issuance of debentures	15,704.99	9,475.60
Repayment of debentures	(2,449.45)	(222.73)
Repayment of term loan from banks	(670.00)	(357.50)
Proceeds from term loan from banks	-	750.00
Repayment of bank overdraft (Refer Note 2)	(367.22)	50.39
Proceeds from commercial paper	8,316.78	-
Repayment of commercial paper	(8,500.00)	(2,000.00)
Finance costs	(5,375.21)	(3,633.84)
Net cash generated from financing activities - C	(177.17)	4,844.09
Net increase in cash and cash equivalents (A+B+C)	320.66	(154.02)
Cash and cash equivalent as at the beginning of the year	54.97	208.99
Cash and cash equivalent as at the end of the year (refer note 1)	375.63	54.97



Note:

- 1 Cash and cash equivalents include the following:

Cash on hand	0.00	0.01
Balances with banks-current accounts	375.63	54.96
Cash equivalents	375.63	54.97

- 2 Net figures have been reported on account of volume of transactions.

3. The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 301003E / E300005

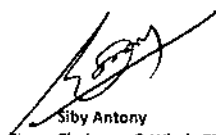
For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited



per Jitendra H. Ranawat
Partner
Membership Number: 103380



Mumbai
May 13, 2019



Siby Antony
Chairman & Whole Time Director
DIN :00075909

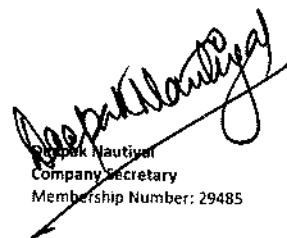


Ashwani Kumar
Chief Financial Officer

Mumbai
May 13, 2019



Raj Kumar Bansal
Managing Director and CEO
DIN :00122506



Anshul Nautiyal
Company Secretary
Membership Number: 29485

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements

(Currency: Indian rupees in millions)

Statement of Changes in Equity for the year ended March 31, 2019**Equity share capital**

Balance at the beginning of the reporting period (April 01, 2017)	Changes in equity share capital	Balance at the beginning of the reporting period (April 01, 2018)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2019)
2,105.26	-	2,105.26	-	2,105.26

Instruments entirely equity in nature

Balance at the beginning of the reporting period (April 01, 2017)	Changes in equity share capital	Balance at the beginning of the reporting period (April 01, 2018)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2019)
200.00	44.00	244.00	88.00	332.00

Other Equity

Particulars	Reserves and Surplus				Total
	Securities Premium Account	Deemed capital contribution	Debenture redemption reserve	Retained earnings	
Balance at April 01, 2017 (Ind AS)	4,041.59	13.33	692.61	2,087.68	6,835.21
Profit or loss	-	-	-	1,801.65	1,801.65
Other comprehensive income	-	-	-	(0.02)	(0.02)
Total Comprehensive Income for the year	-	-	-	1,801.63	1,801.63
Transfers to / from retained earnings	598.67	0.42	1,085.79	(1,085.79)	599.09
Balance at March 31, 2018 (Ind AS)	4,640.26	13.75	1,778.40	2,803.51	9,235.93
Profit or loss	-	-	-	4,350.20	4,350.20
Other comprehensive income	-	-	-	(0.46)	(0.46)
Total Comprehensive Income for the year	-	-	-	4,349.74	4,349.74
Transfers to / from retained earnings	1,324.20	2.18	1,182.78	(1,182.78)	1,326.38
Balance at March 31, 2019 (Ind AS)	5,964.46	15.92	2,961.18	5,970.47	14,912.05



Edelweiss Asset Reconstruction Company Limited

1.0 Notes to Financial Statements:

1.1 Background

Edelweiss Asset Reconstruction Company Limited ('the Company') is registered with Reserve Bank of India w.e.f. October 16, 2009 with Registration no. 13/2009 as a Securitisation and Asset Reconstruction Company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

The Company was incorporated as a Public Company on October 5, 2007 and is engaged in business of acquiring Loan Portfolios, Loan Accounts, Non- Performing Assets (NPA) from the Banks and Financial Institutions and resolving them through appropriate resolution strategies enunciated in SARFAESI. The Company's registered office is at Edelweiss House, Off CST road, Kalina, Mumbai, Maharashtra, India.

The Ultimate Holding Company of the Company is Edelweiss Financial Services Limited ("EFSL").

1.2 Basis of preparation of financial statements

A) Statement of Compliance

The standalone financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2018, the Company prepared its standalone financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 1.8 for information on how the Company adopted Ind AS.

These standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial assets and liabilities measured at fair value through profit and loss (FVTPL) instruments, derivative financial instruments and other financial assets held for trading, which have been measured at fair value.

B) Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

1.3 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 34.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without it being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties

1.4 Significant accounting policies

1.4.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

1.4.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.3 Recognition of Interest

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method or all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in statement of profit and loss.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the amortised cost (net of expected credit loss) of the financial asset.

1.4.4 Financial Instruments

1.4.4.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities, deposits and borrowings when funds reach the Company.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.4.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below:

1.4.4.3 Day 1 profit or loss

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

1.4.5 Measurement categories of financial instruments

1.4.5.1 Financial assets:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.5.1.1 Amortized cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including receipts and payments that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

1.4.5.1.2 Financial assets at fair value through profit or loss

Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis

1.4.5.1.3 Loan commitment

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer during the duration of commitment. Undrawn loan commitments are in the scope of the ECL requirements, as set out in Note 4.8

1.4.5.2 Financial liabilities

All financial liabilities are measured at amortised cost except derivative financial liabilities and financial liabilities designated at fair value through profit and loss.

1.4.5.2.1 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

The Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

1.4.5.2.2 Financial liabilities at fair value through profit or loss

Financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when the following criteria is met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring liabilities or recognising gains or losses on them on a different basis,

Financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss. Interest incurred on financial liabilities designated at FVTPL is accrued in finance cost, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument.

1.4.5.3 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments

1.4.6 Reclassification of financial assets and financial liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities upto and including the year ended March 31, 2019.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.7 Derecognition of financial assets and financial liabilities

1.4.7.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial asset are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCL.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

1.4.7.2 Derecognition of financial assets (other than due to substantial modification of terms and conditions)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

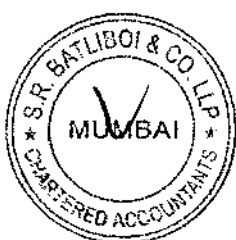
1.4.7.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised in profit or loss.

1.4.8 Impairment of financial assets

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Based on the above process, the Company categorises its financial instruments into Stage 1, Stage 2, and Stage 3 as described below:

- Stage 1:** When loans are first recognised, the company recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and the financial instruments has been reclassified from Stage 2.
- Stage 2:** When a financial instruments has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs. Stage 2 financial instruments also include facilities, where the credit risk has improved and the financial instruments has been reclassified from Stage 3.
- Stage 3:** Financial instruments considered credit-impaired (as outlined in Note 1.5.2.2).The company records an allowance for the LTECLs.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend and the Company's understanding of the specific future financing needs of the debtors.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Company cannot separately identify the expected credit losses on the loan commitment component from those on the financial asset component, the expected credit losses on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses have been recognised as a provision.

1.4.9 Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis.

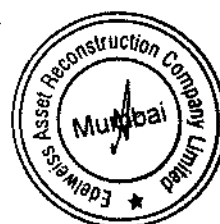
To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

1.4.10 Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss.

1.4.11 Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

The Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.12 Revenue from contract with customer

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from the following sources:

- a. The fee income comprises of management fees. 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. Management fees are calculated and charged as a percentage of the Net Assets Value (NAV) at the lower end of the range of the NAV specified by the Credit Rating Agency.
- b. Redemption incentive and recovery incentive is accounted over the period on cash basis, i.e. as and when received by the Company, based on terms of the relevant trust deeds and offer document issued by the Trust.
- c. Interest on bank deposits is accounted for on accrual basis as per the terms of the deposits.
- d. The above receipts are recognised as revenue excluding GST.

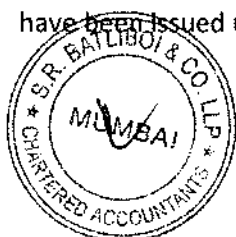
1.4.13 Operating leases

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Contingent rental payable is recognized as an expense in the period in which it is incurred.

1.4.14 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year 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 by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares into equity shares.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.15 Retirement and other employee benefit

Provident fund and national pension scheme

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

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 independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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 in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.16 Share-based payment arrangements

Certain employees of the Company have been granted equity-settled ESOPs by the ultimate parent company (Edelweiss Financial Services Limited). The Company recognizes a cost with respect to the services received from the said employees measured by reference to the fair value of the equity instruments granted by the ultimate parent at the grant date.

The fair value determined at the grant date is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in deemed capital contribution from the ultimate parent. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the deemed capital contribution. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

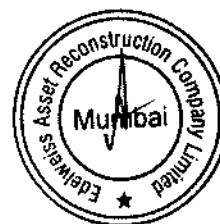
1.4.17 Property, plant and equipment

Property, plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria i.e. it is probable that future economic benefits will flow to the entity and cost can be measured reliably. Repairs and maintenance are recognised in statement of profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. 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 II for calculating the depreciation.



Edelweiss Asset Reconstruction Company Limited
Notes to the financial statements (Continued)

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 01, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.4.18 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors. Amortization methods and useful lives are reviewed periodically including at each financial year end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

Estimate useful life of software is considered as 3 years.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.19 Impairment of non-financial 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 or the recoverable amount of cash generating unit which the asset belongs to 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

1.4.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

1.4.21 Expenses incurred by the Company on behalf of the trust

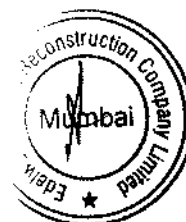
Expenses incurred at pre-acquisition stage are recognised as expenses for the period in which such costs are incurred. If such expenses are contracted to be recovered from the trusts the same are shown as loan to trust in the Balance Sheet and grouped under Loans. These expenses are reimbursed to the Company in terms of the provisions of relevant trust deed and offer document of the trusts.

1.4.22 Provisions and other contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. Detailed disclosures are provided in Note 17.

1.4.23 Income tax expenses

Income tax expense represents the sum of the current tax and deferred tax.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.23.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.4.23.2 Deferred tax

Deferred tax is recognised on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or

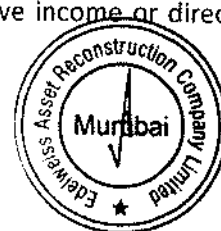
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.4.23.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.4.23.4 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

1.4.24 Undrawn Loan Commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements, as set out in Note 5.2. The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 5.2.

1.4.25 Derivative contracts (Derivative assets / Derivative liability)

Company has designed a risk strategy based to cover exposure on issuance of G-Sec Linked Debentures, by entering into a derivative contracts either to minimize the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee and ensures that risk is fully or partially covered, hence supports to reduce the risk exposure.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately.

1.5 Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities, about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.5.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the standalone financial statements.

1.5.1.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

1.5.1.2 Significant increase in credit risk

As explained in note 4.6, ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 1.5.2.2 for more details.

1.5.2 Sources of key estimation uncertainty

The following are the key assumptions concerning the future, and other sources of key estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.5.2.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs), Company uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature & value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

1.5.2.2 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Probabilities of defaults (PDs) the calculation of which includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss model basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at defaults and loss given defaults (LGDs)

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.5.2.3 Effective interest rate method

The Company's EIR methodology, as explained in Note 1.4.3, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

1.5.2.4 Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has recognised deferred tax assets on carried forward tax losses where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.

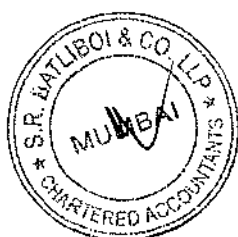
1.5.2.5 Provisions and other contingent liabilities

The company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations.

When the company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies see Note 17 and 36.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.6 Standards issued but not yet effective

1.6.1 Ind AS 116 Leases: Is it not yet effective

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Standalone Financial Statements.

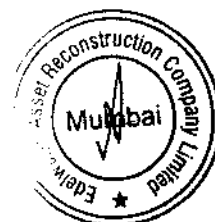
1.6.2 Prepayment Features with Negative Compensation (Amendments to Ind AS 109)

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after April 01, 2019. The application of these amendments is not likely to have a material impact on the Standalone Financial Statements.

1.6.3 Long-term Interests in Associates and Joint Ventures (Amendments to Ind AS 28)

The amendment clarifies that Ind AS 109, including its impairment requirements, applies to long-term interests. Furthermore, in applying Ind AS 109 to long-term interests, an entity does not take into account adjustments to their carrying amount required by Ind AS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with Ind AS 28). These amendments are to be applied retrospectively in accordance with Ind AS 8 for annual reporting periods beginning on or after April 01, 2019. Specific transition provisions apply depending on whether the first-time application of the amendments coincides with that of Ind AS 109.

The application of these amendments is not likely to have a material impact on the Standalone Financial Statements.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.7 Annual Improvements to Ind AS (2018)

1.7.1 Ind AS 12 Income taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after April 01, 2019.

1.7.2 Ind AS 23 Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. These amendments are to be applied for annual periods beginning on or after April 01, 2019.

1.7.3 Ind AS 103 Business Combinations

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. These amendments are to be applied for business combinations in which the date of acquisition is on or after April 01, 2019.

1.7.4 Ind AS 111 Joint Arrangements

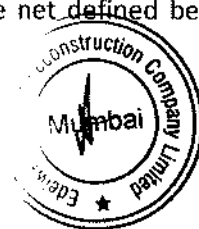
The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation. These amendments are to be applied to transactions in which joint control is obtained on or after April 01, 2019.

The application of all of the above amendments is not likely to have a material impact on the Standalone Financial Statements.

1.7.5 Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19)

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after April 01, 2019.

The application of these amendments is not likely to have a material impact on the Standalone Financial Statements.

1.7.6 Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12)

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a Company; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

1.8 First-time adoption – mandatory exceptions, optional exemptions

1.8.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

1.8.2 Derecognition of financial assets and financial liabilities

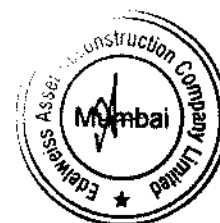
The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 01, 2017 (the transition date).

1.8.3 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

1.8.4 Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 01, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

1.8.5 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

1.8.6 Cumulative translation differences on foreign operations

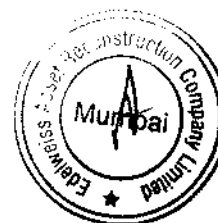
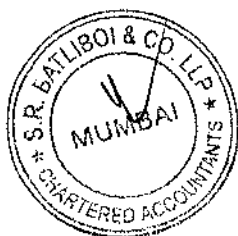
The Company has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

1.8.7 Share-based payments

The Company has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (April 01, 2017).

1.8.8 The reconciliation of Net Profit for the year ended March 31, 2018 as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

(Indian Rupees in Millions)	
Particulars	Year Ended March 31, 2018 (Audited)
Net profit after tax as reported under Indian GAAP	1,783.27
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	
Effective interest rate on financial assets and liabilities (net)	600.98
Expected credit loss provision	(29.49)
Fair valuation of assets and liabilities	(519.56)
ESOP fair value charge	(0.42)
Others	0.46
Tax effect on above adjustments	(33.15)
Net profit as per Ind AS	1,802.09
Other Comprehensive Income after tax as per Ind AS	(0.46)
Total Comprehensive Income as per Ind AS	1,801.63



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

The reconciliation of Equity as at March 31, 2018 and as at March 31, 2017 as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

Particulars	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
Shareholders' Equity as reported under Indian GAAP	10,774.94	8,348.99
Ind AS adjustments increasing / (decreasing) networth as reported under Indian GAAP:		
Effective interest rate on financial assets and liabilities (net)	2,821.49	2,978.47
other adjustment (Please specify the nature of items - Description such as ECL, Fair valuation etc.)		
Expected credit loss provision	(29.49)	(757.96)
Fair valuation of assets and liabilities	(1,000.59)	(1,018.49)
Tax effect on above adjustments	(981.16)	(410.54)
Shareholders' Equity as per Ind AS	11,585.19	9,140.47

Management Fees Income

Under Indian GAAP, as per RBI guidelines recognition of management fees is discontinued and any unrealized fees is reversed, if fees remain unrealized for a period of more than 180 days from the date of its recognition. However under Ind AS, management fees is recognised basis the recognition principles stated in Ind AS 115.

Trade receivables /loans to customer

Under Indian GAAP, the Company has created provision for impairment on receivables / loans to customer as per RBI guidelines based on days past due. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model.

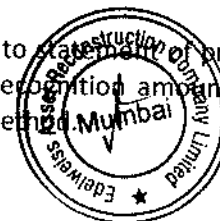
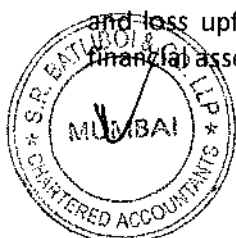
Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Effective Interest Rate

a. Under Indian GAAP, transaction costs charged to customers was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Reclassification of provision of standard / non-performing assets (NPA)

Under Indian GAAP provision for NPA and standard asset were presented under provisions. However, under Ind AS financial assets measured at amortised cost are presented net of provision for expected credit losses.

Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.



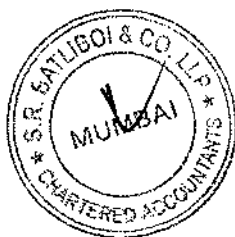
Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
2 Cash and cash equivalents			
Cash on hand	0.00	0.01	0.03
Balances with banks			
- in current accounts	375.63	54.96	208.96
	375.63	54.97	208.99
3 Bank balances other than cash and cash equivalents			
Fixed deposits, held as margin money or security against borrowings, guarantees other commitments	0.32	0.33	0.33
Short term bank deposits with banks			
- Short term deposits with banks	201.29	220.00	189.55
- Accrued interest on fixed deposits	13.44	3.32	-
(other bank deposits with maturity less than 12 months)			
	215.05	223.65	189.88
4.1 Trade receivables			
Receivables considered good - Secured	-	-	-
Receivables considered good - Unsecured	231.21	207.98	243.40
Receivables which have significant increase in credit risk	879.41	1,014.06	601.97
Receivables - Credit impaired	4,221.58	3,327.57	2,945.17
	5,332.20	4,549.61	3,790.54
Less : Expected credit loss	1,158.15	1,153.78	757.96
	4,174.05	3,395.83	3,032.58

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms, including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner, a director or a member.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

4.2 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days

Particulars	Trade receivables days past due	Current	1-90 days	91-180 days	181-360 days	more than 360 days	Total
March 31, 2019	Estimated total gross carrying amount at default	-	169.03	62.18	879.41	4,221.58	5,332.20
	ECL - Simplified approach	-	(20.39)	(25.88)	(132.05)	(979.83)	(1,158.15)
	Net carrying amount	-	148.64	36.30	747.36	3,241.75	4,174.05
March 31, 2018	Estimated total gross carrying amount at default	-	194.88	13.10	1,014.06	3,327.57	4,549.61
	ECL - Simplified approach	-	(1.71)	(0.50)	(71.52)	(1,080.05)	(1,153.78)
	Net carrying amount	-	193.17	12.60	942.54	2,247.52	3,395.83
April 01, 2017	Estimated total gross carrying amount at default	-	227.16	16.24	601.97	2,945.17	3,790.54
	ECL - Simplified approach	-	-	-	(23.15)	(734.81)	(757.96)
	Net carrying amount	-	227.16	16.24	578.82	2,210.36	3,032.58

Reconciliation of ECL on trade receivables:

Particulars	Amount
ECL measured as per simplified approach	-
ECL as on April 1, 2017	757.96
Add/ (less): asset originated or acquired net of recoveries	395.82
ECL as on March 31, 2018	1,153.78
Add/ (less): asset originated or acquired net of recoveries	4.37
ECL as on March 31, 2019	1,158.15



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

5. Loans

	March 31, 2019	March 31, 2018	March 31, 2017
Particulars	Carried at Amortised Cost	Carried at Amortised Cost	Carried at Amortised Cost
Loans			
(i) Term Loans	2,908.83	2,691.28	500.38
Total (A) Gross	2,908.83	2,691.28	500.38
Less: Expected credit loss	509.44	216.55	215.21
Total (A) Net	2,399.39	2,474.73	285.17
B.(i) Secured by tangible assets	2,249.86	1,442.27	203.98
(ii) Unsecured	658.97	1,249.01	296.40
Total (B) Gross	2,908.83	2,691.28	500.38
Less: Expected credit loss	509.44	216.55	215.21
Total (B) Net	2,399.39	2,474.73	285.17
C.I. Loans in India			
(i) Public Sectors	-	-	-
(ii) Others	2,908.83	2,691.28	500.38
Total (C.I) Gross	2,908.83	2,691.28	500.38
Less: Expected credit loss	509.44	216.55	215.21
Total (C.I) Net	2,399.39	2,474.73	285.17
C.II. Loans outside India			
Less: Expected credit loss	-	-	-
Total (C.II) Net	-	-	-
Total: (C I and C II)	2,399.39	2,474.73	285.17



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

5.1 Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based:

Particulars	March 31, 2019				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
Loans measured at amortised cost					
Performing	423.63	41.87	-	-	465.50
Individually Impaired	-	-	2,443.33	-	2,443.33
Total	423.63	41.87	2,443.33	-	2,908.83

Particulars	March 31, 2018				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
Loans measured at amortised cost					
Performing	1,170.25	1,215.78	-	-	2,386.03
Individually Impaired	-	-	305.25	-	305.25
Total	1,170.25	1,215.78	305.25	-	2,691.28

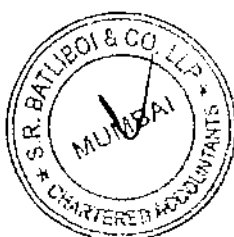
Particulars	April 01, 2017				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
Loans measured at amortised cost					
Performing	103.46	53.07	-	-	156.53
Individually Impaired	-	-	343.85	-	343.85
Total	103.46	53.07	343.85	-	500.38

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

Gross carrying amount reconciliation

Particulars	2018-19				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
Gross carrying amount opening balance	1,170.25	1,215.78	305.25	-	2,691.28
New assets originated or purchased	1,603.40	64.87	793.46	-	2,461.73
Assets derecognised or repaid (excluding write offs)	(2,259.73)	(90.52)	(378.37)	-	(2,728.62)
Interest income during the period	141.22	210.73	132.49	-	484.44
Transfers to 12 Month ECL (Stage 1)	2.05	(0.32)	(1.73)	-	-
Transfers to lifetime ECL (Stage 2)	(35.35)	40.66	(5.31)	-	-
Transfers to lifetime ECL - Credit impaired (Stage 3)	(198.21)	(1,399.33)	1,597.54	-	-
Gross carrying amount closing balance	423.63	41.87	2,443.33	-	2,908.83

Particulars	2017-18				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
Gross carrying amount opening balance	103.46	53.07	343.85	-	500.38
New assets originated or purchased	2,935.39	279.87	200.36	-	3,415.62
Assets derecognised or repaid (excluding write offs)	(804.21)	(220.64)	(442.87)	-	(1,467.72)
Interest income during the period	129.07	13.19	100.74	-	243.00
Transfers to 12 Month ECL (Stage 1)	44.16	(30.37)	(13.29)	-	(0.00)
Transfers to lifetime ECL (Stage 2)	(1,193.05)	1,216.13	(23.08)	-	(0.00)
Transfers to lifetime ECL - Credit impaired (Stage 3)	(44.57)	(94.97)	139.54	-	(0.00)
Gross carrying amount closing balance	1,170.25	1,215.78	305.25	-	2,691.28



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

Reconciliation of ECL Balances

Particulars	2018-19				Total
	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	
ECL amount opening balance	52.95	122.54	61.05	-	216.55
New assets originated or purchased	58.51	7.84	272.75	-	319.10
Assets derecognised or repaid (excluding write offs)	(4.22)	(2.21)	(12.57)	-	(19.00)
Transfers to 12 Month ECL (Stage 1)	0.05	(0.01)	(0.04)	-	-
Transfers to Lifetime ECL (Stage 2)	(1.82)	2.09	(0.27)	-	-
Transfers to Lifetime ECL- Credit Impaired (Stage 3)	(39.64)	(128.10)	167.75	-	-
Recoveries	(7.21)	-	-	-	(7.21)
ECL allowance - closing balance	18.62	2.15	488.87	-	509.64

* Changes in ECL on credit impaired cases is mainly on account of movement in loan outstanding of infrastructure sector as at year end.

Particulars	2017-18				Total
	12 Month ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Purchased or originated as credit impaired (POCI)	
ECL amount opening balance	-	11.49	203.72	-	215.21
New assets originated or purchased	162.17	8.27	2.81	-	173.25
Assets derecognised or repaid (excluding write offs)	-	(0.02)	(83.63)	-	(83.65)
Transfers to 12 Month ECL (Stage 1)	1.10	(0.77)	(0.33)	-	-
Transfers to Lifetime ECL (Stage 2)	(121.41)	122.56	(1.15)	-	(0.00)
Transfers to Lifetime ECL- Credit Impaired (Stage 3)	(8.91)	(18.99)	27.90	-	(0.00)
Recoveries	-	-	(88.27)	-	(88.27)
ECL allowance - closing balance	32.95	122.54	61.05	-	216.55



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

5.2 Credit quality of loan commitments

The table below shows the credit quality and the maximum exposure to credit risk based:

Particulars	March 31, 2019			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Performing	330.00	6.81	-	336.81
Total	330.00	6.81	-	336.81

Particulars	March 31, 2018			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Performing	150.00	22.00	-	172.00
Total	150.00	22.00	-	172.00

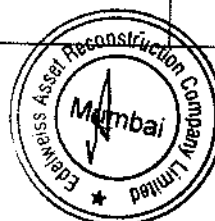
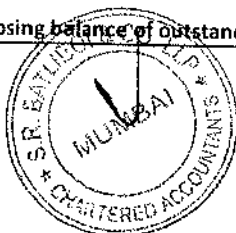
Particulars	April 01, 2017			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Individually impaired	-	-	47.80	47.80
Total	-	-	47.80	47.80

An analysis of changes in the gross carrying amount is as follows:

Gross carrying amount reconciliation

Particulars	2018-19			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Opening balance of outstanding exposure	150.00	22.00	-	172.00
New exposure	336.81	-	-	336.81
Exposure derecognised or matured/lapsed (excluding write-offs)	(150.00)	(22.00)	-	(172.00)
Transfers to lifetime ECL (Stage 2)	(6.81)	6.81	-	-
Closing balance of outstanding exposure	330.00	6.81	-	336.81

Particulars	2017-18			
	12 Month ECL (Stage 1) Individual	Lifetime ECL Not Credit Impaired (Stage 2) Individual	Lifetime ECL Credit Impaired (Stage 3)	Total
Opening balance of outstanding exposure	-	-	47.80	47.80
New exposure	150.00	22.00	-	172.00
Exposure derecognised or matured/lapsed (excluding write-offs)	-	-	(47.80)	(47.80)
Closing balance of outstanding exposure	150.00	22.00	-	172.00



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

6. Investments

As at March 31, 2019

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	Others (6)	Total (7) = (1+5+6)
		Through Other Comprehensive Income (2)	Through Profit & Loss (3)	Designated at fair value through Profit or loss (4)			
(i) Security receipts	-	-	61,094.17	-	61,094.17	-	61,094.17
TOTAL - Gross (A)	-	-	61,094.17	-	61,094.17	-	61,094.17
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	61,094.17	-	61,094.17	-	61,094.17
Total (B)	-	-	61,094.17	-	61,094.17	-	61,094.17
Less: Allowance for impairment loss (C)	-	-	61,094.17	-	61,094.17	-	61,094.17
Total Net (D) = (A) - (C)	-	-	61,094.17	-	61,094.17	-	61,094.17

As at March 31, 2018

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	Others (6)	Total (7) = (1+5+6)
		Through Other Comprehensive Income (2)	Through Profit & Loss (3)	Designated at fair value through Profit or loss (4)			
(i) Security receipts	-	-	48,147.87	-	48,147.87	-	48,147.87
TOTAL - Gross (A)	-	-	48,147.87	-	48,147.87	-	48,147.87
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	48,147.87	-	48,147.87	-	48,147.87
Total (B)	-	-	48,147.87	-	48,147.87	-	48,147.87
Less: Allowance for impairment loss (C)	-	-	48,147.87	-	48,147.87	-	48,147.87
Total Net (D) = (A) - (C)	-	-	48,147.87	-	48,147.87	-	48,147.87

As at April 01, 2017

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	Others (6)	Total (7) = (1+5+6)
		Through Other Comprehensive Income (2)	Through Profit & Loss (3)	Designated at fair value through Profit or loss (4)			
(i) Security receipts	-	-	39,616.01	-	39,616.01	-	39,616.01
TOTAL - Gross (A)	-	-	39,616.01	-	39,616.01	-	39,616.01
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	39,616.01	-	39,616.01	-	39,616.01
Total (B)	-	-	39,616.01	-	39,616.01	-	39,616.01
Less: Allowance for impairment loss (C)	-	-	39,616.01	-	39,616.01	-	39,616.01
Total Net (D) = (A) - (C)	-	-	39,616.01	-	39,616.01	-	39,616.01

6.1 Details of Pledged Investment

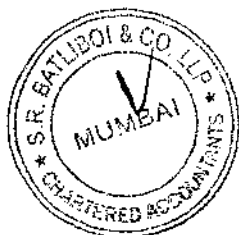
Nature of Pledge	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Pledged with IDBI Bank against bank overdraft *	1,797.31	1,325.99	1,249.42
Pledged with Federal Bank against term loan *	150.06	2,419.99	2,589.39
Pledged with Bank of Maharashtra against term loan **	1,791.60	1,194.35	1,482.54
Pledged with Barclays Bank Plc against secured NCD	5,108.99	-	-
Pledged with HDFC bank against term loan ***	1,749.33	1,459.52	-
Pledged against secured non convertible debentures	15,777.35	14,916.71	5,806.33
Total	26,374.64	21,316.57	11,127.68

* Minimum asset cover of 2 times with rating of RR2 or 1.5 times with rating of RR1 to be maintained

** Minimum asset cover of 2 times with minimum rating of RR2 to be maintained

*** Minimum asset cover of 1.33 times with minimum rating of RR1 to be maintained

6.2 During the year, the company has written-off investment in security receipts amounting to INR 3,538 millions (previous year :INR 632 millions) on account of lower recovery projections in those investments.

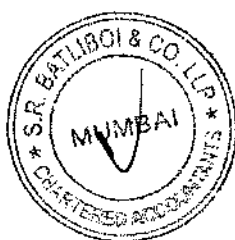


Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
7 Other financial assets			
Security Deposits	50.00	50.00	50.00
	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>
8 Current tax assets (net)			
Advance income taxes	-	116.00	94.45
	<u>-</u>	<u>116.00</u>	<u>94.45</u>



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

9 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment			Net Block
	As at April 01, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 01, 2018	Impairment losses / (reversals)	Charge for the year	As at March 31, 2019
Building *	1.57	-	-	1.57	0.08	-	0.07	0.15
Vehicles	4.74	-	1.47	3.27	1.85	-	0.90	2.01
Office equipment	0.17	0.23	-	0.40	0.06	-	0.10	0.16
Computers	7.74	4.63	0.49	11.88	3.36	-	3.74	6.73
Total	14.21	4.86	1.96	17.11	5.35	-	4.81	9.05
								8.07

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at April 01, 2017	Additions during the year	Disposals during the year	As at March 31, 2018	As at April 01, 2017	Impairment losses / (reversals)	Charge for the year	As at March 31, 2018	As at March 31, 2018
Building *	1.57	-	-	1.57			0.08	-	0.08
Vehicles	5.04	1.12	1.42	4.74			1.85	-	1.85
Office equipment	0.12	0.08	0.03	0.17			0.06	-	0.06
Computers	5.68	2.07	-	7.74			3.36	-	3.36
Total	12.41	3.27	1.45	14.22	0.00	-	5.35	-	5.35
									8.87

Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 01, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 01, 2018	Impairment losses / (reversals)	Charge for the year	As at March 31, 2019	As at March 31, 2019
Software	29.65	2.28	-	31.93	11.87	-	12.18	-	24.05
Total	29.65	2.28	-	31.93	11.87	-	12.18	-	24.05
									7.88

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 01, 2017	Additions during the year	Disposals during the year	As at March 31, 2018	As at April 01, 2017	Impairment losses / (reversals)	Charge for the year	As at March 31, 2018	As at March 31, 2018
Software	28.46	1.19	-	29.65	-	-	11.87	-	11.87
Total	28.46	1.19	-	29.65	-	-	11.87	-	11.87
									17.78

1) No assets have been revalued during the year.

2) No adjustments on account of borrowing costs.

* Charge against Secured Redeemable Non-convertible Debentures.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
10 Other non-financial assets			
(Unsecured Considered good, unless stated otherwise)			
Input tax credit	48.45	31.56	34.04
Other deposits	-	200.00	-
Prepaid expenses	9.18	4.08	2.64
Advance to vendors	21.78	43.06	39.30
	79.41	278.70	75.98
11 Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	142.09	164.92	15.91
	142.09	164.92	15.91



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

12. Debt securities

Particulars	March 31, 2019			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3) *	
Debentures	23,022.20	-	19,240.74	42,262.94
Total (A)	23,022.20	-	19,240.74	42,262.94
(i) Debt securities in India	23,022.20	-	19,240.74	42,262.94
(ii) Debt securities outside India	-	-	-	-
Total (B)	23,022.20	-	19,240.74	42,262.94

Particulars	March 31, 2018			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3) *	
Debentures	13,582.35	-	12,453.47	26,035.82
Total (A)	13,582.35	-	12,453.47	26,035.82
(i) Debt securities in India	13,582.35	-	12,453.47	26,035.82
(ii) Debt securities outside India	-	-	-	-
Total (B)	13,582.35	-	12,453.47	26,035.82

Particulars	April 01, 2017			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3) *	
Debentures	13,360.50	-	4,069.60	17,430.10
Total (A)	13,360.50	-	4,069.60	17,430.10
(i) Debt securities in India	13,360.50	-	4,069.60	17,430.10
(ii) Debt securities outside India	-	-	-	-
Total (B)	13,360.50	-	4,069.60	17,430.10

* The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring liabilities or recognising gains or losses on them on a different basis.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

12.1 Following is the repayment terms of Debt Securities

As at March 31, 2019

Months	Rate of interest							Various (Benchmark Linked) (Refer Note 4)	Total
	2% (Refer Note 1 and 2)	10.75% (Refer Note 2)	11.5% (Refer Note 3)	17% (Unsecured)	8% - 8.99% (Refer Note 4)	9% - 9.99% (Refer Note 4)	10% - 10.99% (Refer Note 4)		
Jun-19	-	-	-	-	-	-	1,300.00	-	1,300.00
Jul-19	-	-	-	-	-	-	4,300.00	-	4,300.00
Sep-19	-	-	-	-	-	-	-	-	-
Oct-19	-	-	-	-	-	-	-	50.00	50.00
Nov-19	-	-	-	-	-	-	-	150.00	150.00
Dec-19	-	-	4,500.00	-	-	-	-	20.00	20.00
Mar-20	-	-	-	1,500.00	-	-	-	-	4,500.00
May-20	-	-	-	-	-	-	-	-	1,500.00
Nov-20	-	-	-	-	-	305.00	-	293.80	598.80
Feb-21	-	300.00	-	-	-	-	-	2,431.70	2,431.70
May-21	-	-	-	-	-	-	-	-	300.00
Jun-21	-	-	-	-	-	-	-	263.00	263.00
Jul-21	-	-	-	-	-	-	-	10.00	10.00
Nov-21	-	-	-	-	-	-	70.00	150.00	220.00
Nov-21	-	-	-	-	-	-	250.00	432.50	682.50
Sep-22	-	-	-	-	-	-	-	1,259.20	1,259.20
Mar-24	-	-	-	-	-	-	-	1,747.20	1,747.20
Sep-24	-	-	-	-	-	-	-	50.00	50.00
Jun-26	-	-	-	-	600.00	-	-	179.90	779.90
Jul-26	-	-	-	-	-	-	295.00	70.00	365.00
Mar-27	3,241.04	-	-	-	-	-	-	660.20	660.20
Apr-27	2,961.02	-	-	-	-	-	-	-	3,241.04
Aug-27	3,708.23	-	-	-	-	-	-	-	2,961.02
Nov-27	975.00	-	-	-	-	-	-	-	3,708.23
Oct-28	3,266.17	-	-	-	-	-	-	-	975.00
Dec-28	-	-	-	-	-	-	-	-	3,266.17
Jan-29	712.87	-	-	-	-	825.00	-	-	825.00
Mar-29	706.00	-	-	-	-	-	-	-	712.87
Total	15,570.32	300.00	4,500.00	1,500.00	600.00	1,130.00	6,215.00	7,767.50	37,582.82



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

12.1 Following is the repayment terms of Debt Securities

As at March 31, 2018

Months	Rate of Interest								Total
	2% (Refer Note 1 and 2)	10.75% (Refer Note 2)	11.5% (Refer Note 3)	17% (Unsecured)	8% - 8.99% (Refer Note 4)	9% - 9.99% (Refer Note 4)	10% - 10.99% (Refer Note 4)	11% - 11.99% (Refer Note 4)	Various (Benchmark linked) (Refer Note 4)
Jun-18	-	-	-	-	-	-	-	-	97.50
Aug-18	-	-	-	-	-	-	97.50	-	-
Sep-18	-	-	-	-	-	-	-	-	380.00
Dec-18	-	-	-	-	-	-	-	-	165.00
Jan-19	-	-	-	-	-	-	-	-	500.00
Jun-19	-	-	-	-	-	-	-	-	160.00
Jul-19	-	-	-	-	-	-	1,300.00	-	-
Sep-19	-	-	-	-	-	-	4,300.00	-	-
Oct-19	-	-	-	-	-	-	-	-	50.00
Nov-19	-	-	-	-	-	-	-	350.00	-
Mar-20	-	-	-	-	-	-	-	-	150.00
May-20	-	-	-	1,500.00	-	-	-	-	20.00
Feb-21	-	300.00	-	-	-	305.00	-	-	-
May-21	-	-	-	-	-	-	-	-	-
Jun-21	-	-	-	-	-	-	-	-	-
Jul-21	-	-	-	-	-	-	70.00	-	10.00
Sep-22	-	-	-	-	-	-	250.00	-	150.00
Sep-24	-	-	-	-	-	-	-	-	432.50
Jun-26	-	-	-	-	600.00	-	-	-	817.00
Jul-26	-	-	-	-	-	-	295.00	-	179.70
Mar-27	3,901.13	-	-	-	-	-	-	-	70.00
Apr-27	2,995.00	-	-	-	-	-	-	-	70.00
Aug-27	3,776.13	-	-	-	-	-	-	-	-
Nov-27	975.00	-	-	-	-	-	-	-	-
Total	11,647.27	300.00	-	1,500.00	600.00	305.00	6,312.50	350.00	3,154.20
									24,168.97



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

12.1 Following is the repayment terms of Debt Securities

As at March 31, 2017

Months	Rate of interest									Total
	2% {Refer Note 1 and 2}	10.75% (Refer Note 2)	11.5% (Refer Note 3)	17% (Unsecured)	8% - 8.99% (Refer Note 4)	9% - 9.99% (Refer Note 4)	10% - 10.99% (Refer Note 4)	11% - 11.99% (Refer Note 4)	Various (Benchmark Linked) (Refer Note 4)	
Jun-18	-	-	-	-	-	-	97.50	-	-	97.50
Aug-18	-	-	-	-	-	-	-	-	-	380.00
Sep-18	-	-	-	-	-	-	-	-	-	165.00
Dec-18	-	-	-	-	-	-	-	-	-	500.00
Jan-19	-	-	-	-	-	-	-	-	-	160.00
Jun-19	-	-	-	-	-	-	1,300.00	-	-	1,300.00
Jul-19	-	-	-	-	-	-	4,300.00	-	-	4,300.00
Sep-19	-	-	-	-	-	-	-	350.00	-	350.00
Oct-19	-	-	-	-	-	-	-	-	-	150.00
Nov-19	-	-	-	-	-	-	-	-	-	150.00
Mar-20	-	-	-	-	-	-	-	-	-	20.00
May-20	-	-	-	1,500.00	-	-	-	-	-	1,500.00
Feb-21	-	300.00	-	-	-	180.00	-	-	-	180.00
May-21	-	-	-	-	-	-	-	-	-	300.00
Jun-21	-	-	-	-	-	-	-	-	-	10.00
Jul-21	-	-	-	-	-	-	70.00	-	-	150.00
Jun-26	-	-	-	-	-	-	250.00	-	-	220.00
Jul-26	-	-	-	-	-	-	295.00	-	-	682.50
Mar-27	4,100.00	-	-	-	-	-	-	-	-	365.00
Total	4,100.00	300.00	-	1,500.00	-	180.00	6,312.50	350.00	-	70.00
										4,100.00
										14,900.00

Notes:

1. 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 from the recoveries in specified acquisitions.
2. Secured by pari passu ranking charge on immovable property and pledge of Security Receipts
3. Secured by pledge of specified Security Receipts and hypothecation over the Escrow Account Assets, Receivables and Others assets related to Escrow
4. Secured by pari-passu charge on immovable property, hypothecation of Security Receipts and unconditional & irrevocable guarantee by Edelweiss Financial Services Limited



Edelweiss Asset Reconstruction Company Limited

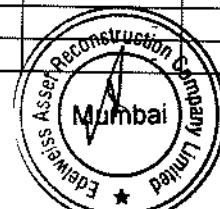
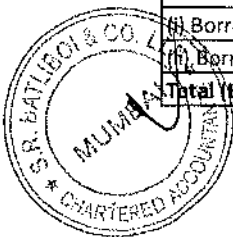
Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

13. Borrowings (other than Debt securities)

Particulars	March 31, 2019			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Secured				
(a) Term loans from banks	566.34	-	-	566.34
(b) Loans from related parties	1,627.84	-	-	1,627.84
(c) Loans repayable on demand from banks	289.37	-	-	289.37
Total (A)	2,483.55	-	-	2,483.55
(i) Borrowings in India	2,483.55	-	-	2,483.55
(ii) Borrowings outside India	-	-	-	-
Total (B)	2,483.55	-	-	2,483.55

Particulars	March 31, 2018			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Secured				
(a) Term loans from banks	1,238.60	-	-	1,238.60
(b) Loans from related parties	9,859.26	-	-	9,859.26
(c) Loans repayable on demand from banks	652.28	-	-	652.28
Total (A)	11,750.14	-	-	11,750.14
(i) Borrowings in India	11,750.14	-	-	11,750.14
(ii) Borrowings outside India	-	-	-	-
Total (B)	11,750.14	-	-	11,750.14

Particulars	April 01, 2017			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Secured				
(a) Term loans from banks	848.85	-	-	848.85
(b) Loans from related parties	10,019.76	-	-	10,019.76
(c) Loans repayable on demand from banks	601.31	-	-	601.31
Total (A)	11,469.92	-	-	11,469.92
(i) Borrowings in India	11,469.92	-	-	11,469.92
(ii) Borrowings outside India	-	-	-	-
Total (B)	11,469.92	-	-	11,469.92



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

13.1 Following is the repayment terms of Borrowings other than debt securities

As at March 31, 2019

Months	Rate of Interest			Total
	14.5% (Refer Note 1)	9% - 9.99% (Refer Note 2)	11% - 11.99% (Refer Note 2)	
Sep-21	1,610.00	-	-	1,610.00
Jan-21	-	62.50	-	62.50
Oct-20	-	62.50	-	62.50
Jul-20	-	62.50	-	62.50
Apr-20	-	62.50	-	62.50
Jan-20	-	62.50	-	62.50
Oct-19	-	62.50	-	62.50
Jul-19	-	62.50	-	62.50
Jun-19	-	-	62.50	62.50
Apr-19	-	62.50	-	62.50
Total	1,610.00	500.00	62.50	2,172.50

As at March 31, 2018

Months	Rate of Interest			Total
	14.5% (Refer Note 1)	9% - 9.99% (Refer Note 2)	11% - 11.99% (Refer Note 2)	
Jan-21	-	62.50	-	62.50
Dec-20	4,870.00	-	-	4,870.00
Oct-20	-	62.50	-	62.50
Jul-20	-	62.50	-	62.50
Apr-20	-	62.50	-	62.50
Jan-20	-	62.50	-	62.50
Dec-19	4,989.26	-	-	4,989.26
Oct-19	-	62.50	-	62.50
Jul-19	-	62.50	-	62.50
Jun-19	-	-	62.50	62.50
Apr-19	-	62.50	-	62.50
Mar-19	-	42.50	62.50	105.00
Jan-19	-	62.50	-	62.50
Dec-18	-	42.50	62.50	105.00
Oct-18	-	62.50	-	62.50
Sep-18	-	42.50	62.50	105.00
Jul-18	-	62.50	-	62.50
Jun-18	-	42.50	62.50	105.00
Apr-18	-	62.50	-	62.50
Total	9,859.26	920.00	312.50	11,091.76

As at March 31, 2017

Months	Rate of Interest			Total
	14.5% (Refer Note 1)	9% - 9.99% (Refer Note 2)	11% - 11.99% (Refer Note 2)	
Jun-17	-	42.50	-	42.50
Sep-17	-	42.50	62.50	105.00
Dec-17	-	42.50	62.50	105.00
Mar-18	5,149.76	42.50	62.50	5,254.76
Jun-18	-	42.50	62.50	105.00
Sep-18	-	42.50	62.50	105.00
Dec-18	-	42.50	62.50	105.00
Mar-19	-	42.50	62.50	105.00
Jun-19	-	-	62.50	62.50
Dec-20	4,870.00	-	-	4,870.00
Total	10,019.76	340.00	500.00	10,859.76

1. Secured by Hypothecation of Security Receipts
2. Secured by pledge of Security Receipts



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

14. Deposits

Particulars	March 31, 2019			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Inter Corporate Deposits (repayable within six months from the date of deposit taken)	3,600.00	-	-	3,600.00
Total	3,600.00	-	-	3,600.00

Particulars	March 31, 2018			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Inter Corporate Deposits (repayable within six months from the date of deposit taken)	3,600.00	-	-	3,600.00
Total	3,600.00	-	-	3,600.00

Particulars	April 01, 2017			
	At Amortised cost (1)	Fair value		Total 4 = (1+2+3)
		At Fair Value through Profit & Loss (2)	Designated at fair value through Profit and loss (3)	
Inter Corporate Deposits (repayable within six months from the date of deposit taken)	3,300.00	-	-	3,300.00
Total	3,300.00	-	-	3,300.00



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements *(Continued)*
(Currency: Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
15 Other financial liabilities			
Accrued salaries and benefits	150.13	170.12	148.41
	150.13	170.12	148.41
16 Current tax liabilities (net)			
Provision for taxation	28.29	-	-
	28.29	-	-
17 Provisions			
Provision for employee benefits			
Gratuity	16.13	10.43	6.16
Compensated leave absences	2.54	1.30	1.34
Deferred bonus	-	-	12.42
	18.67	11.73	19.92

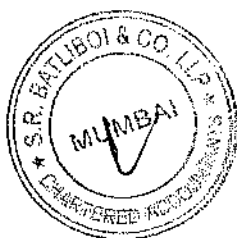


Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
18 Deferred tax liabilities (net)			
Deferred tax assets			
<u>Loans</u>			
Provision for non-performing, restructured and doubtful advances - ECL provision	95.88	5.78	35.39
Difference between book and tax depreciation (including intangibles)	0.89	-	-
Fair valuation of investments and stock-in-trade - loss in valuation	-	537.45	352.48
<u>Employee benefit obligations</u>			
Disallowances under section 43B of the Income Tax Act, 1961	8.88	8.21	11.55
<u>Unused tax credit</u>			
MAT credit entitlement (current)	99.88	-	-
ESOP cost	4.80	4.80	4.61
Others	-	-	-
	210.33	556.25	404.03
Deferred tax liabilities			
<u>Property, plant and equipment and intangibles</u>			
Difference between book and tax depreciation (including intangibles)	-	1.89	4.41
<u>Investments and other financial instruments</u>			
Unrealised Gain On Derivatives	-	-	-
Fair valuation of investments	1,011.57	-	-
<u>Borrowings</u>			
Unamortised loan origination costs - EIR on borrowings	-	-	-
Others	978.00	1,588.26	1,056.00
	1,989.57	1,590.15	1,060.41
	1,779.24	1,033.90	656.38
19 Other non-financial liabilities			
Unearned Revenue	482.42	116.93	375.48
Other advances from customers	0.91	0.00	993.88
Others	106.09	299.65	43.46
	589.43	416.58	1,412.82



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018
20 Equity share capital		
Authorised:		
500,000,000 (Previous year: 500,000,000) Equity Shares of Rs. 10 each	5,000.00	5,000.00
Issued, Subscribed and Paid up:	5,000.00	5,000.00
210,526,316 (Previous year: 210,526,316) equity shares of Re.10 each, fully paid-up	2,105.26	2,105.26
	<u>2,105.26</u>	<u>2,105.26</u>

a. Movement in share capital:

	March 31, 2019		March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	21,05,26,316	2,105.26	21,05,26,316	2,105.26
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>21,05,26,316</u>	<u>2,105.26</u>	<u>21,05,26,316</u>	<u>2,105.26</u>

b. 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.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Holding company				
Edelweiss Financial Services Limited	2,08,17,286	9.89	2,08,17,286	9.89
Fellow subsidiaries				
Edelweiss Custodial Services Limited	5,44,59,148	25.87	5,44,59,148	25.87
Edelweiss Commodities Services Limited	2,09,64,082	9.96	2,09,64,082	9.96
Ecap Equities Limited	2,09,64,082	9.96	2,09,64,082	9.96
Edelweiss Finvest Private Limited	1,52,54,550	7.25	1,52,54,550	7.25
Edelweiss Securities Limited	1,44,50,000	6.86	1,44,50,000	6.86
Edelcap Securities Limited	1,05,64,536	5.02	1,05,64,536	5.02
	<u>15,74,73,684</u>	<u>74.81</u>	<u>15,74,73,684</u>	<u>74.81</u>

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shareholders				
Edelweiss Custodial Services Limited	5,44,59,148	25.87	5,44,59,148	25.87
Reeta Kuhad	2,12,00,000	10.07	2,12,00,000	10.07
Edelweiss Commodities Services Limited	2,09,64,082	9.96	2,09,64,082	9.96
Ecap Equities Limited	2,09,64,082	9.96	2,09,64,082	9.96
Edelweiss Financial Services Limited	2,08,17,286	9.89	2,08,17,286	9.89
Edelweiss Finvest Private Limited	1,52,54,550	7.25	1,52,54,550	7.25
Edelweiss Securities Limited	1,44,50,000	6.86	1,44,50,000	6.86
Edelcap Securities Limited	1,05,64,536	5.02	1,05,64,536	5.02
	<u>17,86,73,684</u>	<u>84.88</u>	<u>17,86,73,684</u>	<u>84.88</u>

21 Instruments entirely equity in nature

Authorised:		
250,000,000 (Previous year: 250,000,000) Preference Shares of Rs. 10 each	2,500.00	2,500.00
Issued, Subscribed and Paid up:		
33,200,000 (Previous year: 24,400,000) 0.001% Compulsorily convertible non-cumulative preference shares of Rs. 10 each, fully paid up	332.00	244.00
	<u>332.00</u>	<u>244.00</u>
Terms/rights attached to Compulsorily Convertible preference shares:		

During the year, the Company offered, issued and allotted 4,400,000 - 0.001% Non - Cumulative, Participating, Compulsorily Convertible Preference Shares (CCPS) of Rs.10/- each at a premium of Rs.146.3864/- each on July 02, 2018 and 4,400,000 - 0.001% Non - Cumulative, Participating, Compulsorily Convertible Preference Shares (CCPS) of Rs.10/- each at a premium of Rs.154.5682/- each on September 29, 2018 (Previous year: 4,400,000 - 0.001% Non - Cumulative, Participating, Compulsorily Convertible Preference Shares (CCPS) of Rs.10/- each at a premium of Rs.136.0625/- each on June 09, 2017) 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 5,26,31,579 Equity Shares of the Company no later than the fourth anniversary from the date of issue of the CCPS. 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.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018
22 Other Equity		
Securities Premium Account		
Opening Balance	4,640.26	4,041.59
Add : Additions during the year on issue of Preference Shares	1,324.20	598.67
Closing Balance	5,964.46	4,640.26
Debenture Redemption Reserve		
Opening Balance	1,778.40	692.61
Add : Additions during the year	1,182.78	1,085.79
Closing Balance	2,961.18	1,778.40
Deemed capital contribution - ESOP		
Opening Balance	13.75	13.33
Add : Additions during the year	2.18	0.42
Closing Balance	15.93	13.75
Retained Earnings		
Opening Balance	2,803.52	2,087.68
Add: Profit for the year	4,350.20	1,801.65
Add: Other comprehensive income for the year	(0.46)	(0.02)
Amount available for appropriation	7,153.26	3,889.31
Appropriations:		
Dividend on Preference Shares*	0.00	0.00
Dividend distribution tax*	0.00	0.00
Transfer to Debenture Redemption Reserve	1,182.78	1,085.79
Closing Balance	5,970.48	2,803.52
	14,912.05	9,235.93

*Dividend on Preference Shares amount of Rs.3,200 (Previous year : Rs.2,400) & Dividend distribution tax of Rs.694 (Previous year : Rs.502).

Securities premium account

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

Retained Earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

23. Interest income

Particulars	For the year ended March 31, 2019			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans	-	494.38	-	494.38
Interest on deposits with Banks	-	47.30	-	47.30
Total	-	541.68	-	541.68

Particulars	For the year March 31, 2018			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans	-	233.45	-	233.45
Interest on deposits with Banks	-	15.50	-	15.50
Total	-	248.95	-	248.95



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

	for the year ended March 31, 2019	for the year ended March 31, 2018
24 Fee income		
Advisory and other fees	10,005.87	8,429.91
	10,005.87	8,429.91
Revenue from contract with customers		
Disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:		
Particulars	Fees and commission income	Fees and commission income
Service transferred at a point in time	-	-
Service transferred over time	-	-
Fees	8,567.85	7,812.78
Incentives	1,338.02	617.13
Total revenue from contract with customers	10,005.87	8,429.91
25 Net gain on fair value changes (including treasury income)		
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments		
Fair value gain/(loss)	894.39	(1,151.70)
	894.39	(1,151.70)
(B) Others		
Profit from Investment in security receipts	2,218.85	141.37
	2,218.85	141.37
Total Net gain/(loss) on fair value changes (C) = (A+B)	3,113.24	(1,010.33)
Fair value changes:		
- Realised	1,327.40	141.37
- Unrealised	1,785.84	(1,151.70)
Total Net gain/loss on fair value changes (D)	3,113.24	(1,010.33)
26 Other income		
Miscellaneous income	7.97	24.99
	7.97	24.99



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

27. Finance Costs

Particulars	For the year ended March 31, 2019		
	On Financial liabilities designated at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on debt securities	2,352.32	1,803.81	4,156.13
Interest on borrowings	-	1,168.17	1,168.17
Interest on deposits	-	513.86	513.86
Other interest expense	-	81.40	81.40
Total	2,352.32	3,567.24	5,919.56

Particulars	For the year ended March 31, 2018		
	On Financial liabilities designated at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on debt securities	1,052.24	1,473.52	2,525.76
Interest on borrowings	-	1,547.03	1,547.03
Interest on deposits	-	122.62	122.62
Other interest expense	-	38.45	38.45
Total	1,052.24	3,181.62	4,233.86

28. Impairment on financial instruments

Particulars	For the year ended March 31, 2019		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	-	292.89	292.89
Total	-	292.89	292.89

Particulars	For the year ended March 31, 2018		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	-	1.33	1.33
Total	-	1.33	1.33



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

	for the year ended March 31, 2019	for the year ended 31 March 2018
29 Employee benefit expenses		
Salaries and wages	365.19	331.79
Contribution to provident and other funds (refer note 33)	10.26	6.34
Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)	2.19	0.42
Staff welfare expenses	6.12	14.23
	383.76	352.78

The Ultimate Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans in force. Based on such ESOP schemes, parent entity has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

30 Other expenses		
Advertisement and business promotion	2.78	1.83
Auditors' remuneration (refer note (a) below)	6.59	3.25
Communication	0.53	0.61
Directors' sitting fees	1.63	1.32
Insurance	0.68	0.61
Legal and professional fees	108.73	136.72
Printing and stationery	1.78	1.80
Rates and taxes	0.63	0.57
Rent	28.70	26.40
Repairs and maintenance	6.91	5.13
Electricity charges	0.08	1.26
Corporate social responsibility -Donation (refer note (b) below)	33.85	18.90
Rating support fees	-	0.20
Office expenses	72.18	71.50
ROC Expenses	0.20	0.18
Stamp duty	4.15	4.22
Travelling and conveyance	11.02	7.74
Miscellaneous expenses	16.89	15.01
	297.33	297.25



Note (a):**Auditors' remuneration:**

As Auditor

Other services

Towards reimbursement of expenses

6.50	3.25
-	-
0.09	-
6.59	3.25

Note (b):**Details of CSR Expenditure**

a) Gross amount required to be spent by the company during the year

33.85 18.90

Sr. No. Amount spent during the year ended March 31, 2019

(i) Construction/acquisition of any asset
(ii) On purposes other than (i) above

Paid	Yet to be paid	Total
-	-	-
33.85	-	33.85

Sr. No. Amount spent during the year ended March 31, 2018

(i) Construction/acquisition of any asset
(ii) On purposes other than (i) above

Paid	Yet to be paid	Total
-	-	-
18.90	-	18.90



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

31. Income Tax

The components of income tax expense for the years ended 31 March 2019 and 2018 are:

Particulars	2018-19	2017-18
Current tax	1,633.10	611.90
Adjustment in respect of current income tax of prior years	29.35	-
Deferred tax relating to origination and reversal of temporary differences	745.59	377.53
Total tax charge	2,408.04	989.43
Current tax	1,662.45	611.90
Deferred tax	745.59	377.53

Reconciliation of total tax charge (for standalone financial statements)

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is, as follows:

Particulars		2018-19	2017-18
Accounting profit before tax as per financial statements		6,758.23	2,791.08
Tax rate (in percentage)		34.94%	34.94%
Income tax expense calculated based on this tax rate		2,361.60	975.31
Adjustment in respect of current income tax of prior years		29.35	-
Effect of non-deductible expenses:	B		
Penalties	B1	9.59	-
50% of CSR Expenditure disallowance	B2	5.91	3.30
Others	C	1.60	10.82
Tax charge for the year recorded in P&L		2,408.04	989.43
Effective Income Tax Rate		35.20%	35.45%

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2018-19)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Deferred taxes in relation to:								
Investments in Security Receipts	537.45	(1,549.03)	-	-	-	-	(1,549.03)	(1,011.57)
Trade Receivables	(979.48)	911.39	-	-	-	-	911.39	(68.09)
Share of Loss in Securitisation Trusts	(608.77)	(301.15)	-	-	-	-	(301.15)	(909.92)
ECL on Loans	12.24	90.11	-	-	-	-	90.11	102.35
ESOP cost	4.80	-	-	-	-	-	-	4.80
Minimum Alternate Tax credit	-	99.88	-	-	-	-	99.88	99.88
Others	(0.14)	3.45	-	-	-	-	3.45	3.31
Total	(1,033.89)	(745.35)	-	-	-	-	(745.35)	(1,779.23)



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Particulars	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2017-18)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Deferred taxes in relation to:								
Investments in Security Receipts	352.48	184.98	-	-	-	-	184.98	537.46
Trade Receivables	(767.65)	(211.83)	-	-	-	-	(211.83)	(979.48)
Share of Loss in Securitisation Trusts	(288.36)	(320.41)	-	-	-	-	(320.41)	(608.77)
ECL on Loans	35.39	(23.15)	-	-	-	-	(23.15)	12.24
ESOP cost	4.61	0.19	-	-	-	-	0.19	4.80
Others	7.14	(7.29)	-	-	-	-	(7.29)	(0.15)
Total	(656.38)	(377.52)	-	-	-	-	(377.52)	(1,033.85)

Break-up of recognition of current tax	March 31, 2019	March 31, 2018
In P&L	1,633.10	611.90
In OCI	-	-
Total	1,633.10	611.90



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

32. Earnings per share

Particulars	for the year ended March 31, 2019	for the year ended March 31, 2018
(a) Shareholders earnings (as per statement of profit and loss)	4,349.74	1,801.63
(b) Calculation of weighted average number of equity shares of Rs 10 each:		
- Number of shares at the beginning of the year	210.53	210.53
- Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	210.53	210.53
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	210.53	210.53
Number of dilutive potential equity shares	52.63	52.63
(c) Basic earnings per share of face value of Rs.10 (in rupees)	20.66	8.56
(d) Diluted earnings per share of face value of Rs.10 (in rupees)	16.53	6.85

Dilutive shares for computation of Earnings per share pertain to 33,200,000 (Previous year: 24,400,000) 0.001% compulsorily convertible preference shares. Refer note 21.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

33. Retirement Benefit Plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of Rs.10.26 million (Previous year: Rs.6.34 million) is recognised as expenses and included in "Employee benefit expense" – Note 29 in the statement of Profit and loss.

B) Defined benefit plan (Gratuity):

The following tables summarize the components of the net benefit expenses recognised in the statement of profit and loss and the funded and unfunded status and amount recognised in the balance sheet for the gratuity benefit plan.

1: Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2019	March 31, 2018	April 01, 2017
Present value of DBO at start of the year	10.43	6.16	4.36
Service Cost	-	-	-
a. Current Service Cost	-	-	-
b. Past Service Cost	3.26	1.87	1.25
c. Loss/ (Gain) from Settlement	-	1.55	-
Interest Cost	0.84	-	-
Benefits Paid	(0.23)	0.45	0.39
Re-measurements	-	-	-
a. Actuarial Loss/ (Gain) from changes in demographic assumptions	-	-	-
b. Actuarial Loss/ (Gain) from changes in financial assumptions	0.22	(0.22)	0.16
c. Actuarial Loss/ (Gain) from experience over the past year	0.49	0.24	(0.90)
Effect of acquisition/ (divestiture)	-	-	-
Changes in foreign exchange rates	-	-	-
Transfer In/ (Out)	-	-	-
Present value of DBO at end of the year	16.13	10.43	6.17

2: Reconciliation of Fair Value of Plan Assets

	March 31, 2019	March 31, 2018	April 01, 2017
Fair Value of Plan Assets at start of the year	-	-	-
Contributions by Employer	0.23	-	-
Benefits Paid	(0.23)	-	-
Interest income on Plan Assets	-	-	-
Re-measurements	-	-	-
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-	-
Effect of acquisition/ (divestiture)	-	-	-
Changes in foreign exchange rates	-	-	-
Transfer In/ (Out)	-	-	-
Fair Value of Plan Assets at end of the year	-	-	-
Actual Return on Plan Assets	-	-	-
Expected Employer Contributions for the coming year	-	-	-

3: Expenses recognised in the Profit and Loss Account

	March 31, 2019	March 31, 2018	April 01, 2017
Service Cost	-	-	-
a. Current Service Cost	-	-	-
b. Past Service Cost	3.26	1.87	1.25
c. Loss/ (Gain) from Settlement	-	1.55	-
Net Interest on net defined benefit liability/ (asset)	0.84	0.45	0.39
Changes in foreign exchange rates	-	-	-
Employer Expenses/ (Income)	4.10	3.87	1.64

4: Net Liability/ (Asset) recognised in the Balance Sheet

	March 31, 2019	March 31, 2018	April 01, 2017
Present Value of DBO	16.13	10.43	6.16
Fair Value of Plan Assets	-	-	-
Liability/ (Asset) recognised in the Balance Sheet	16.13	10.43	6.16
Funded Status [Surplus/ (Deficit)]	(16.13)	(10.43)	(6.16)
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	0.49	0.24	(0.90)



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

5: Actuarial Assumptions

	March 31, 2019	March 31, 2018	April 01, 2017
Salary Growth Rate (% p.a.)			
Discount Rate (% p.a.)	7%	7%	7%
Withdrawal Rate (% p.a.)	7%	7.30%	6.80%
Senior			
Middle	13%	13%	13%
Junior	18%	18%	18%
Mortality	25%	25%	25%
Interest Rate on Net DBO/ (Asset) (% p.a.)	IALM 2012-14 (Ultimate)	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected Weighted Average Remaining Working Life (years)	7.30%	6.80%	7.40%
	4	3	4

6: Movement in Other Comprehensive Income

	March 31, 2019	March 31, 2018	April 01, 2017
Balance at start of year (Loss)/ Gain			
Re-measurements on DBO	-	-	-
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	-	-
b. Actuarial (Loss)/ Gain from changes in financial assumptions	-	-	-
c. Actuarial (Loss)/ Gain from experience over the past year	(0.22)	0.22	(0.16)
Re-measurements on Plan Assets	(0.49)	(0.24)	0.90
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-	-
Balance at end of year (Loss)/ Gain+	(0.71)	(0.02)	0.74

7: Sensitivity Analysis

DBO increases/ (decreases) by	March 31, 2019	March 31, 2018	April 01, 2017
1% Increase in Salary Growth Rate	0.75	0.42	0.25
1% Decrease in Salary Growth Rate	(0.69)	(0.39)	(0.22)
1% Increase in Discount Rate	(0.68)	(0.38)	(0.22)
1% Decrease in Discount Rate	0.76	0.43	0.25
1% Increase in Withdrawal Rate	(0.11)	(0.06)	(0.06)
1% Decrease in Withdrawal Rate	0.12	0.06	0.06
Mortality (increase in expected lifetime by 1 year)	-	-	-
Mortality (increase in expected lifetime by 3 years)	-	-	-

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

8: Movement in Surplus/ (Deficit)

	March 31, 2019	March 31, 2018	April 01, 2017
Surplus/ (Deficit) at start of year			
Net (Acquisition)/ Divestiture	(10.43)	(6.16)	(4.36)
Net Transfer (In)/ Out	-	-	-
Movement during the year	(1.12)	(0.38)	(0.91)
Current Service Cost	-	-	-
Past Service Cost	(3.26)	(1.87)	(1.25)
Net interest on net DBO	-	(1.55)	-
Changes in Foreign Exchange Rates	(0.84)	(0.45)	(0.39)
Re-measurements	-	-	-
Contributions	(0.71)	(0.03)	0.75
Surplus/ (Deficit) at end of year	0.23	-	-
	(16.13)	(10.43)	(6.16)

9: Other Disclosures

Description of ALM Policy

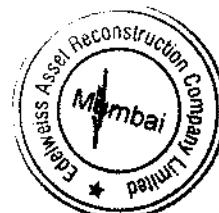
As the plan is unfunded, an ALM policy is not applicable.

Description of funding arrangements and funding policy that affect future contributions

The plan is unfunded and the status is unlikely to change over the next few years.

Maturity profile

The average expected remaining lifetime of the plan members is 4 years (March 31, 2018: 3 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

34. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	March 31, 2019			March 31, 2018			April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	375.63	-	375.63	54.97	-	54.97	208.99	-	208.99
Other bank balances	214.73	0.32	215.05	223.32	0.33	223.65	189.55	0.33	189.88
Trade receivables	3,542.72	631.33	4,174.05	1,988.96	1,406.87	3,395.83	2,194.66	837.92	3,032.58
Loans	1,967.22	432.17	2,399.39	2,442.33	32.40	2,474.73	285.17	-	285.17
Investments	13,762.32	47,331.85	61,094.17	10,091.69	38,056.18	48,147.87	2,168.33	37,447.68	39,616.01
Other financial assets	-	50.00	50.00	-	50.00	50.00	-	50.00	50.00
	19,862.62	48,445.67	68,308.29	14,801.27	39,545.78	54,347.05	5,046.70	38,335.93	43,382.63
Non-financial assets									
Current tax assets (net)	-	-	-	-	116.00	116.00	-	94.45	94.45
Property, plant and equipment	-	8.07	8.07	-	8.87	8.87	-	12.41	12.41
Other intangible assets	-	7.88	7.88	-	17.78	17.78	-	28.46	28.46
Other non-financial assets	79.41	-	79.41	278.70	-	278.70	75.98	-	75.98
	79.41	15.95	95.36	278.70	142.65	421.35	75.98	135.32	211.30
Total assets	19,942.03	48,461.62	68,403.65	15,079.97	39,688.43	54,768.40	5,122.68	38,471.25	43,593.93

Particulars	March 31, 2019			March 31, 2018			April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities									
Trade payables	142.09	-	142.09	164.92	-	164.92	15.91	-	15.91
Debt securities	13,062.39	29,200.55	42,262.94	2,109.13	23,926.69	26,035.82	2,563.50	14,866.60	17,430.10
Borrowing (other than debt securities)	623.55	1,860.00	2,483.55	1,328.38	10,421.76	11,750.14	6,117.42	5,352.50	11,469.92
Deposits	3,600.00	-	3,600.00	3,600.00	-	3,600.00	3,300.00	-	3,300.00
Other financial liabilities	150.13	-	150.13	170.12	-	170.12	148.41	-	148.41
	17,578.16	31,060.55	48,638.71	7,372.55	34,348.45	41,721.00	12,145.24	20,219.10	32,364.34
Non-financial liabilities									
Current tax liabilities (net)	28.29	-	28.29	-	-	-	-	-	-
Provisions	-	18.67	18.67	-	11.73	11.73	12.42	7.50	19.92
Deferred tax liabilities (net)	-	1,779.24	1,779.24	-	1,033.90	1,033.90	-	656.38	656.38
Other non-financial liabilities	589.43	-	589.43	416.58	-	416.58	1,412.82	-	1,412.82
	617.72	1,797.91	2,415.63	416.58	1,045.63	1,462.21	1,425.23	663.88	2,089.11
Total liabilities	18,195.88	32,858.46	51,054.34	7,789.13	35,394.08	43,183.21	13,570.47	20,882.98	34,453.45



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

35. Change in liabilities arising from financing activities

Particulars	April 01, 2018	Cash flows	Changes in fair values	Exchange differences	Interest Accrued but not Due*	March 31, 2019
Debt securities	26,035.82	13,413.65	2,630.33	-	183.14	42,262.94
Borrowings other than debt securities	11,750.14	(9,286.48)	-	-	19.89	2,483.55
Deposits	3,600.00	-	-	-	-	3,600.00
Other financial liabilities	170.12	(19.99)	-	-	-	150.13
Total liabilities from financing activities	41,556.08	4,107.18	2,630.33	-	203.03	48,496.62

Particulars	April 01, 2017	Cash flows	Changes in fair values	Exchange differences	Interest Accrued but not Due*	March 31, 2018
Debt securities	17,430.10	7,268.97	750.67	-	586.08	26,035.82
Borrowings other than debt securities	11,469.92	282.39	-	-	(2.16)	11,750.14
Deposits	3,300.00	300.00	-	-	-	3,600.00
Other financial liabilities	148.41	21.71	-	-	-	170.12
Total liabilities from financing activities	32,348.43	7,873.07	750.67	-	583.91	41,556.08

* Includes interest accrued but not due on borrowing & amortisation of processing fees.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

36. Contingent liabilities, commitments and lease arrangements

36.1. Legal claims

There are no legal claims against the company.

36.2. Operating lease commitments - Company as a lessee

The company has entered into commercial leases for premises and equipment for 5 years. Future minimum lease payments under non-cancellable operating leases as at 31 March are, as follows:

Particulars	March 31, 2019	March 31, 2018
Within one year	26.40	26.40
After one year but not more than five years	-	-
More than five years	-	-
Total	26.40	26.40

36.3. Contingent liabilities and assets

Particulars	March 31, 2019	March 31, 2018
Claims against the Company not acknowledged as debt*	0.28	0.82

* on account of disputed tax liability.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

37. Related Party Disclosures

A) Where control exists:

Holding Company : Edelweiss Financial Services Limited (w.e.f. 16th September 2016)

B) Other Related Parties:

Fellow subsidiaries

Sr. No. Name of Entity

- 1 Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)
- 2 EFSL Comtrade Limited (erstwhile Edel Commodities Limited)
- 3 Ecap Equities Limited
- 4 Edel Commodities Limited
- 5 Edelweiss Tokio Life Insurance Company Limited
- 6 Edelweiss Alternative Asset Advisors Limited
- 7 Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Business Services Limited)
- 8 Edelweiss Global Wealth Management Limited
- 9 Edelweiss Finance & Investments Limited
- 10 Edelgive Foundation
- 11 Edelweiss Agri Value Chain Limited (Formerly Edelweiss Integrated Commodity Ltd)
- 12 ECL Finance Limited
- 13 Edelweiss Multi Strategy Funds Management Pvt Ltd
- 14 Edel Finance Company Ltd
- 15 Eternity Business Centre Limited
- 16 Edelweiss Broking Limited
- 17 Edelweiss Securities Limited
- 18 Edelweiss Custodial Services Limited

C) Asset Reconstruction trusts- controlled by the company

Sr. No. Name of Entity

- 1 EARC SAF 1 TRUST INVESTOR ACCOUNT
- 2 EARC SAF-2 TRUST
- 3 EARC SAF-3 TRUST
- 4 EARC TRUST SC - 6
- 5 EARC TRUST SC - 7
- 6 EARC TRUST SC - 9
- 7 EARC TRUST SC - 102
- 8 EARC TRUST SC - 109
- 9 EARC TRUST SC - 112
- 10 EARC TRUST SC - 130
- 11 EARC TRUST SC - 223
- 12 EARC TRUST SC - 229
- 13 EARC TRUST SC - 238
- 14 EARC TRUST SC - 245
- 15 EARC TRUST SC - 251
- 16 EARC TRUST SC - 262
- 17 EARC TRUST SC - 263
- 18 EARC TRUST SC - 266
- 19 EARC TRUST SC - 283
- 20 EARC TRUST SC - 293
- 21 EARC TRUST SC - 297
- 22 EARC TRUST SC - 298
- 23 EARC TRUST SC - 306

Sr. No. Name of Entity

- 24 EARC TRUST SC - 308
- 25 EARC TRUST SC - 314
- 26 EARC TRUST SC - 318
- 27 EARC TRUST SC - 321
- 28 EARC TRUST SC - 325
- 29 EARC TRUST SC - 329
- 30 EARC TRUST SC - 331
- 31 EARC TRUST SC - 332
- 32 EARC TRUST SC - 334
- 33 EARC TRUST SC - 342
- 34 EARC TRUST SC - 344
- 35 EARC TRUST SC - 347
- 36 EARC TRUST SC - 348
- 37 EARC TRUST SC - 349
- 38 EARC TRUST SC - 350
- 39 EARC TRUST SC - 351
- 40 EARC TRUST SC - 352
- 41 EARC TRUST SC - 354
- 42 EARC TRUST SC - 357
- 43 EARC TRUST SC - 360
- 44 EARC TRUST SC - 361
- 45 EARC TRUST SC - 363
- 46 EARC TRUST SC - 370

D) Key Management Personnel

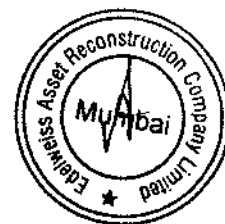
Mr. Siby Antony
Mr. Raj Kumar Bansal
Mr. Kasaragod Ashok Kini
Mr. Pudugramam Narayanaswamy Venkatachalam
Mr. Sudeshkumar Ganpatrai Gulati
Mr. Taruvai Subbayya Krishnamurthy
Mr. Venkataraman Janakiraman



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

Sr. No.	Nature of Transaction	Related Party Name	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
(E)	Transactions with related parties as stated above			
1	Short term loans including ICD taken from	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	18,934.00	8,100.00
2	Short term loans including ICD repaid to	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) Edel Commodities Trading Limited	23,923.26 -	7,960.50 -
3	Long term Loan taken from	ECap Equities Limited	4,800.00	-
4	Long term loans taken repaid to	Edel Commodities Trading Limited ECap Equities Limited	4,870.00 3,190.00	- -
5	Non-convertible debentures issued to	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) ECap Equities Limited	1,462.00 -	3,511.00 450.00
6	Non-convertible debentures Redeemed to	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	376.30	127.42
7	KMP remuneration	Mr. Siby Antony* Mr. Raj Kumar Bansal* Mr. Kasaragod Ashok Kini Mr. Pudugramam Narayanaswamy Venkatachalam Mr. Sudeshkumar Ganpatrai Gulati Mr. Taruvai Subbaya Krishnamurthy Mr. Venkataraman Janakiraman	30.42 17.47 0.25 0.35 1.03 - -	38.71 - 0.30 0.05 0.77 0.11 0.09
8	Income received from	ECL Finance Limited	120.72	141.50
9	Rating & Corporate Guarantee support fees paid to	Edelweiss Financial Services Limited	13.94	13.82
10	Interest expense on long term loan from	EFSL Comtrade Limited (erstwhile Edel Commodities Limited) Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) ECap Equities Limited	351.16 - 213.66	706.15 725.61 -
11	Interest expense on short term loan including ICD to	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	976.71	122.62
12	Interest expense on debentures	Edelweiss Tokio Life Insurance Company Limited Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) ECap Equities Limited	32.25 255.00 1,005.75 25.23	32.25 255.00 480.72 8.04
13	Rent Expense to	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) ECap Equities Limited	26.40 1.16	26.40 -
14	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Business Services Limited) Edelweiss Financial Services Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited	- 62.02 4.15 101.08 1.93	1.26 66.42 0.67 - 40.26



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

Sr. No.	Nature of Transaction	Related Party Name	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
15	Transfer of gratuity liability on account of employee transfer from	ECL Finance Limited	0.31	-
		Edelweiss Alternative Asset Advisors Limited	0.35	0.26
		Edelweiss Broking Limited	0.00	-
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	-	0.26
		Edelweiss Finance & Investments Limited	-	0.01
		Edelweiss Global Wealth Management Limited	-	0.06
		Edelweiss Financial Services Limited	-	0.70
		Edel Commodities Limited	-	0.04
		Edelweiss Business Services Limited	0.53	-
16	Transfer of gratuity liability on account of employee transfer to	Edelweiss Alternative Asset Advisors Limited	0.07	0.95
		Edelweiss Business Services Limited	-	0.00
17	Contribution towards corporate social responsibility	Edelgive Foundation	33.85	18.90
18	Management fees & other fees	Asset Reconstruction trusts - managed by the Company as trustee	187.34	171.95
19	Profit from investments in security receipts	Asset Reconstruction trusts - managed by the Company as trustee	125.86	130.30
20	Interest Income	Asset Reconstruction trusts - managed by the Company as trustee	8.39	14.00
21	Investment in Security Receipts	Asset Reconstruction trusts - managed by the Company as trustee	6,743.85	2,036.75
22	Redemption of Security Receipts	Asset Reconstruction trusts - managed by the Company as trustee	1,456.40	1,465.61
23	Loans and advances given/(repaid) (Net)	Asset Reconstruction trusts - managed by the Company as trustee	21.08	32.15
24	Sale of Security Receipts	Edelweiss Tokio Life Insurance Company Limited	252.16	-
		Edelweiss GI Investment Asset	39.44	-
		ECL Finance Limited	66.31	-
25	Purchase of Fixed Asset from	Edelweiss Agri Value Chain Ltd	0.03	-
		Edelweiss Alternative Asset Advisors Limited	0.14	-
		Edelweiss Broking Ltd.	0.02	-
		Edelweiss Business Services Ltd	0.12	-
		Edelweiss Housing Finance Limited	0.02	-
		Edelweiss Investment Adviser Limited	0.00	-
		Edelweiss Retail Finance Limited	0.02	-
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	0.04	-
		Edelweiss Securities Ltd	0.01	-
26	Sale of Fixed Asset to	Edelweiss Alternative Asset Advisors Limited	0.98	-
		Edelweiss Asset Mgmt. Ltd.	0.09	-
		Edelweiss Broking Limited	0.02	-
		Edelweiss Insurance Brokers Limited	0.03	-
		Edelweiss Rural & Corporate Services Limited	-	-
		EBSL (Formerly Edelweiss Commodities Services Ltd)	0.02	-
		Edelweiss Securities Limited	0.04	-



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Sr. No.	Nature of Transaction	Related Party Name	From April 01, 2018 to March 31, 2019	From April 01, 2017 to March 31, 2018
F)	Transactions with related parties as stated above			
27	Interest expense accrued and not due on borrowings from	Edelweiss Tokio Life Insurance Company Limited	3.36	3.27
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	53.74	-
		ECap Equities Limited	2.65	-
28	Receivable from	Edelweiss Financial Services Limited	0.94	0.01
		Edel Commodities Limited	0.38	0.00
		Edelweiss Alternative Asset Advisors Limited	-	0.00
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	-	0.00
		Edelweiss Finance & Investments Limited	-	0.00
		Edelweiss Agri Value Chain Limited (Formerly Edelweiss Integrated Commodity Management Limited)	-	0.03
		Edelweiss Securities Limited	-	-
		ECL Finance Limited	102.58	31.27
29	Payable to	Edelweiss Multi Strategy Funds Management pvt Ltd	-	0.07
		Edelweiss Alternative Asset Advisors Limited	0.17	43.48
		Edel Finance Company Ltd	-	0.00
		ECL Finance Limited	-	0.19
		Edelweiss Custodial Services Limited	0.20	-
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	7.59	7.13
		ECap Equities Limited	0.65	-
		Edelweiss Financial Services Limited	16.13	16.27
		Edelweiss Business Services Limited (Formerly Edelweiss Web Services Limited)	28.20	36.01
30	Non-convertible debentures held by	Edelweiss Tokio Life Insurance Company Limited	300.00	300.00
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	1,500.00	1,500.00
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	3,960.18	4,840.62
		ECap Equities Limited	178.00	256.00
31	Short term loan including ICD payable to	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	3,600.00	3,600.00
32	Long term loan payable to	EFSL Comtrade Limited (erstwhile Edel Commodities Limited)	-	4,870.00
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	-	4,989.26
		ECap Equities Limited	1,610.00	-
33	Deposits	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	50.00	50.00
34	Management fees & other fees	Asset Reconstruction trusts - managed by the Company as trustee	137.60	9.08
35	Investment in Security Receipts	Asset Reconstruction trusts - managed by the Company as trustee	8,691.25	2,936.18
36	Loans and advances given/(repaid) (Net)	Asset Reconstruction trusts - managed by the Company as trustee	65.23	44.13

* Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

G. Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Group and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits	49.52	40.03
Post-employment pension (defined contribution)	-	-
Termination benefits	-	-
Total	49.52	40.03

H. Transactions with key management personnel of the Company

The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

The following table provides the total amount of transactions, which have been entered into with key management personnel for the relevant financial year:

March 31, 2019	Amount of Transaction
Key management personnel of the Company	49.52

March 31, 2018	Amount of Transaction
Key management personnel of the Company	40.03



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

38. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have

Regulatory capital

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Common Equity Tier1 (CET1) capital	17,341.43	11,567.42	9,112.01
Other Tier 2 capital instruments	-	-	-
Total capital	17,341.43	11,567.42	9,112.01
Risk weighted assets	67,804.94	54,471.60	43,166.19
CET1 capital ratio	25.58%	21.24%	21.11%
Total capital ratio	25.58%	21.24%	21.11%

CET 1 capital consists of, share capital, security premium and retained earnings including current year profit.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

39. Fair value measurement

39.1 Valuation Principles

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

39.2 Valuation framework

The Company has an established control framework for the measurement of fair values. This framework includes a Control function, which is independent of front office management and reports to the Chief Financial Officer, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- a review and approval process for new models and changes to models;
- quarterly calibration and back-testing of models against observed market transactions;
- analysis and investigation of significant daily valuation movements; and
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous month, by senior member of management.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

39.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Investments				
Security receipts	-	-	61,094.17	61,094.17
Total financial assets measured at fair value on a recurring basis	-	-	61,094.17	61,094.17

Particulars	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Non Convertible Debentures (designated at FVTPL)	-	-	19,240.75	19,240.75
Total financial liabilities measured at fair value on a recurring basis	-	-	19,240.75	19,240.75

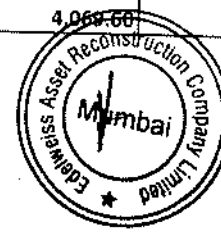
Particulars	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Security receipts	-	-	48,147.87	48,147.87
Total financial assets measured at fair value on a recurring basis	-	-	48,147.87	48,147.87

Particulars	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments (Liabilities):				
Non Convertible Debentures (designated at FVTPL)	-	-	12,453.47	12,453.47
Total financial liabilities measured at fair value on a recurring basis	-	-	12,453.47	12,453.47

Particulars	April 01, 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Security receipts	-	-	39,616.01	39,616.01
Total financial assets measured at fair value on a recurring basis	-	-	39,616.01	39,616.01

Particulars	April 01, 2017			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Non Convertible Debentures (designated at FVTPL)	-	-	4,069.60	4,069.60
Total financial liabilities measured at fair value on a recurring basis	-	-	4,069.60	4,069.60

The carrying value of financial instruments at each reporting date approximates fair value.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

39.4 Movement in level 3 financial instruments measured at fair value

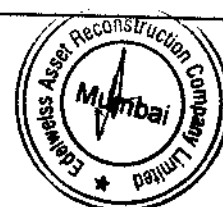
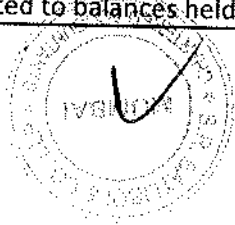
The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Financial assets	Investments in security receipts
At April 1, 2018	
Investments	48,147.87
Redemption/Write-offs	21,395.32
Gains for the year(2018-19) recognised in profit or loss	(15,512.24)
At March 31, 2019	7,063.22
Unrealised gains related to balances held at the end of year	61,094.17
	4,416.16

Financial liabilities	Debt Securities
At April 1, 2018	
Issuances	12,453.47
Settlements	4,720.00
Losses for the year(2018-19) recognised in profit or loss	(796.95)
At March 31, 2019	2,864.23
Unrealised losses related to balances held at the end of the year	19,240.75
	2,630.33

Financial assets	Investments in security receipts
At April 1, 2017	
Investments	39,616.01
Redemption	11,943.34
Gains for the year(2017-18) recognised in profit or loss	(3,642.59)
At March 31, 2018	231.11
Unrealised losses related to balances held at the end of the year	48,147.87
	(401.03)

Financial liabilities	Debt Securities
At April 1, 2017	
Issuances	4,069.60
Settlements	7,770.00
Losses for the year (2017-18) recognised in profit or loss	(222.73)
At March 31, 2018	836.60
Unrealised losses related to balances held at the end of the year	12,453.47
	750.67



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

39.5 Unobservable inputs used in measuring fair value categorised within Level 3

Type of Financial Instruments	Fair value of asset as on March 31, 2019	Fair value of liability as on March 31, 2019	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	61,094.17		Discounted projected cash flow	Expected Gross Recoveries*	5,19,432.57	25,971.63	3,250.93	(25,971.63)	(3,106.32)
				Discount rates	12%	0.50%	(715.98)	-0.50%	766.87
			Discounted projected cash flow	Expected Gross Recoveries*	2,20,936.89	11,046.84	1,402.87	(11,046.84)	(1,306.58)
				Discount rates	12.00%	0.50%	(365.00)	-0.50%	403.56
Non - Convertible Debentures		19,240.75							
Total	61,094.17	19,240.75							

Type of Financial Instruments	Fair value of asset as on March 31, 2018	Fair value of liability as on March 31, 2018	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	48,147.87		Discounted projected cash flow	Expected Gross Recoveries*	5,25,014.99	26,250.75	2,498.46	(26,250.75)	(2,409.94)
				Discount rates	12.00%	0.50%	(590.40)	-0.50%	611.00
			Discounted projected cash flow	Expected Gross Recoveries*	1,54,780.04	7,739.00	821.06	(7,739.00)	(793.48)
				Discount rates	12.00%	0.50%	(278.84)	-0.50%	289.45
Non - Convertible Debentures		12,453.47							
Total	48,147.87	12,453.47							

Type of Financial Instruments	Fair value of asset as on April 01, 2017	Fair value of liability as on April 01, 2017	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in security receipts	39,616.01		Discounted projected cash flow	Expected Gross Recoveries*	5,28,871.79	26,443.59	777.36	(26,443.59)	(741.06)
				Discount rates	12.00%	0.50%	(245.65)	-0.50%	255.27
			Discounted projected cash flow	Expected Gross Recoveries*	46,201.01	2,310.05	42.11	(2,310.05)	(38.49)
				Discount rates	12%	0.50%	(13.65)	-0.50%	14.04
Non - Convertible Debentures		4,069.60							
Total	39,616.01	4,069.60							

* Expected Gross Recoveries are pertaining to the overall assets under management of the Company. The cash attributable to the Company's share in expected gross recoveries will be dependant on the Company's investment share and terms of the the SR subscribed.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

39.6 Qualitative analysis of significant unobservable inputs

Discount margin/spreads

Discount margin/spreads represent the discount rates used when calculating the present value of future cash flows. In discounted cash flow models such spreads are added to the benchmark rate when discounting the future expected cash flows. Hence, these spreads reduce the net present value of an asset or increase the value of a liability. They generally reflect the premium an investor expects to achieve over the benchmark interest rate to compensate for the higher risk driven by the uncertainty of the cash flows caused by the credit quality of the asset. They can be implied from market prices and are usually unobservable for illiquid or complex instruments.

Cash Flow

Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature & value of collaterals, manner of resolution and other economic drivers. The timing of expected cash flows is influenced by the nature of collateral and the expected use of the same by market participants. The manner of resolution is determined based on financial position and negotiations with the counterparty.

39.7 Qualitative analysis of significant unobservable inputs

Asset backed securities

These instruments include residential mortgage backed securities (RMBS), commercial mortgage backed securities (CMBS) and other asset-backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. For certain more liquid instruments, the Group uses trade and price data updated for movements in market levels between the observed and the valuation dates. Less liquid instruments are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

40. Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet. The concentrations of risk are determined based on client/country's industry sector. Additional disclosures for credit quality and year-end stage classification are further disclosed in Note 5.

Industry analysis - Risk concentration for March 31, 2019

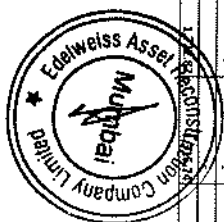
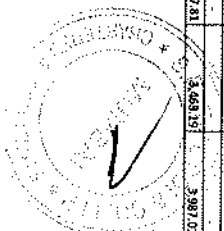
Particulars	Infrastructure	Metal	Cement	Paper and Paper Products	Real Estate	EPC	Chemical	Beverages and Food Processing	Shipping and Ship Building	Textile	Auto	Engineering	Others	Financial Services Total
Financial assets														
Cash and cash equivalent and other bank balances	-	-	-	-	-	-	-	-	-	-	-	-	-	590.68
Financial assets carried at fair value through profit and loss	23,103.14	16,844.95	1,086.02	5,361.13	4,145.91	1,449.75	1,826.79	1,348.33	557.29	2,004.06	1,471.67	486.90	1,296.42	61,994.17
Fair value gain/(loss) included above	3,513.36	2,690.92	299.97	444.93	104.62	(390.53)	96.24	135.38	(302.96)	1294.15	(155.92)	126.62	(120.31)	6,244.83
Trade and other receivables	897.06	971.75	232.15	59.98	510.04	396.29	212.28	74.15	1,224.37	274.97	293.54	119.72	111.65	5,332.20
ECL on Trade receivable	(1,006.81)	(1,006.12)	(23.80)	(6.48)	(63.97)	(44.84)	(23.45)	(8.18)	(671.68)	(31.26)	(34.39)	(20.69)	(14.40)	(1,158.15)
Loans	1,324.94	814	-	72.50	191.69	(48.84)	32.41	32.41	-	-	49.93	-	9.89	2,508.85
ECL on loans	(360.23)	(0.48)	-	(2.86)	(12.56)	-	-	(6.48)	-	-	(9.99)	-	-	(509.44)
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00
Total	25,458.12	17,818.64	1,302.31	5,479.08	4,771.48	1,802.21	2,015.43	1,440.03	1,108.99	2,197.71	1,770.80	585.99	1,405.06	64,308.29

Industry analysis - Risk concentration for March 31, 2018

Particulars	Infrastructure	Metal	Cement	Paper and Paper Products	Real Estate	EPC	Chemical	Beverages and Food Processing	Shipping and Ship Building	Textile	Auto	Engineering	Others	Financial Services Total
Financial assets														
Cash and cash equivalent and other bank balances	-	-	-	-	-	-	-	-	-	-	-	-	-	278.62
Financial assets carried at fair value through profit and loss	16,550.96	11,060.92	4,711.26	3,785.18	3,522.39	1,897.64	1,470.75	1,120.27	813.66	881.95	879.49	678.27	614.71	46,147.87
Fair value gain/(loss) included above	683.45	908.15	592.16	(445.29)	82.53	60.90	(312.91)	(176.27)	(767.07)	(729.82)	(139.09)	(120.46)	(360.66)	(818.27)
Trade and other receivables	593.55	573.93	711.51	352.66	337.00	296.32	189.52	86.44	918.56	222.67	176.72	104.21	103.29	4,549.61
ECL on Trade receivable	(67.79)	(49.48)	(140.43)	(76.79)	(58.59)	(48.83)	(33.01)	(11.58)	(519.44)	(26.93)	(82.79)	(18.34)	(10.90)	(1,113.78)
Loans	1,383.46	850.00	-	850.00	-	-	70.17	15.00	-	-	43.80	-	0.80	2,691.28
ECL on loans	(135.14)	-	(25.00)	-	-	-	(1.75)	(3.00)	-	-	(1.10)	-	-	(49.96)
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00
Total	18,246.31	11,563.37	6,102.82	4,062.04	3,902.81	2,045.12	1,695.69	1,105.14	1,202.87	1,078.43	1,018.14	784.15	908.49	54,347.05

Industry analysis - Risk concentration for April 01, 2017

Particulars	Infrastructure	Metal	Cement	Paper and Paper Products	Real Estate	EPC	Chemical	Beverages and Food Processing	Shipping and Ship Building	Textile	Auto	Engineering	Others	Financial Services Total
Financial assets														
Cash and cash equivalent and other bank balances	-	-	-	-	-	-	-	-	-	-	-	-	-	398.87
Financial assets carried at fair value through profit and loss	11,740.66	4,355.94	4,356.09	3,421.15	3,688.89	1,659.97	2,098.63	873.28	1,451.79	1,371.90	1,172.99	1,046.56	2,428.17	39,616.01
Fair value gain/(loss) included above	(70.64)	36.37	(10.84)	(59.88)	(8.57)	83.50	121.14	(22.40)	90.52	(477.10)	(77.88)	(339.13)	(265.19)	(1,049.47)
Trade and other receivables	585.61	226.12	341.99	46.62	327.58	343.58	220.24	79.29	694.25	386.41	213.59	179.86	334.36	3,790.54
ECL on Trade receivable	(52.48)	(22.89)	(60.77)	(4.57)	(29.46)	(6.71)	(32.64)	(8.31)	(372.95)	(99.49)	(70.83)	(21.76)	(32.58)	(752.95)
Loans	138.45	-	-	-	-	-	-	75.52	-	-	-	-	0.09	500.28
ECL on loans	(63.71)	-	-	-	-	-	-	(28.55)	-	-	-	-	-	(122.24)
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	(415.23)
Total	12,338.53	4,539.42	4,632.81	3,461.19	3,987.01	1,796.74	2,312.22	981.00	1,770.20	1,371.71	1,006.06	2,776.04	632.24	49,382.63



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

41. Collateral held and other credit enhancements

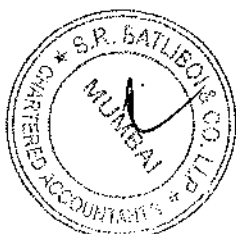
The below tables show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral and the net exposure to credit risk.

March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans:		
Wholesale loans - Secured		
Wholesale loans - Unsecured	2,261.47	Tangible Assets
Trade receivables	647.36	
Total financial assets at amortised cost	5,332.20	Tangible Assets
Financial assets at FVTPL (except equity)*	8,241.03	
	61,094.17	Tangible Assets
Total financial instruments at fair value through profit or loss	61,094.17	
Loan commitments - Secured	69,335.20	
Loan commitments - Unsecured	330.00	Tangible Assets
Other commitments (max exposure)	6.81	
Total	336.81	
	69,672.01	

March 31, 2018	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans:		
Wholesale loans - Secured		
Wholesale loans - Unsecured	1,442.27	Tangible Assets
Trade receivables	1,249.01	
Total financial assets at amortised cost	4,549.61	Tangible Assets
Financial assets at FVTPL (except equity)*	7,240.89	
	48,147.87	Tangible Assets
Total financial instruments at fair value through profit or loss	48,147.87	
Loan commitments - Secured	55,388.76	
Loan commitments - Unsecured	22.00	Tangible Assets
Other commitments (max exposure)	150.00	
Total	172.00	
	55,560.76	

April 01, 2017	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans:		
Wholesale loans - Secured		
Wholesale loans - Unsecured	203.97	Tangible Assets
Trade receivables	296.40	
Total financial assets at amortised cost	3,790.54	Tangible Assets
Financial assets at FVTPL (except equity)*	4,290.91	
	39,616.01	Tangible Assets
Total financial instruments at fair value through profit or loss	39,616.01	
Loan commitments - Secured	43,906.92	
Other commitments (max exposure)	47.80	Tangible Assets
Total	47.80	
	43,954.72	

*Financial assets at FVTPL (except equity) and trade receivables comprises of Investment in Security Receipts and fees receivables respectively. Investments in security receipts are made into the security receipts issued by the Trusts and Trusts in turn have used these proceeds to acquire financial assets from banks/Financial institutions which are secured by collateral, such as Land & Building, Plant & Machinery, Book debts, Inventory and other working capital items, Shares and Others. Loans including commitments are secured by way of tangible assets such as Land & Building, Plant & Machinery, Book debts, Inventory and other working capital items, Shares and Others.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios.

March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	2,443.33	488.67	1,954.67	12,760.81
Total financial assets at amortised cost	2,443.33	488.67	1,954.67	12,760.81
Loan commitments	-	-	-	-
Total	2,443.33	488.67	1,954.67	12,760.81

March 31, 2018	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	305.25	61.05	244.20	289.30
Total financial assets at amortised cost	305.25	61.05	244.20	289.30
Loan commitments	-	-	-	-
Total	305.25	61.05	244.20	289.30

April 01, 2017	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
Financial assets				
Loans:				
Wholesale loans	343.85	203.72	140.13	979.90
Total financial assets at amortised cost	343.85	203.72	140.13	979.90
Loan commitments	47.80	-	47.80	-
Total	391.65	203.72	187.93	979.90



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

42. Liquidity risk and funding management

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. To avoid such a scenario, Edelweiss has ensured maintenance of a Liquidity Cushion in the form of Fixed Deposits, Cash, Credit Lines etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. A liquidity cushion amounting to 10-12% of the borrowings is sought to be maintained through such assets. These would be to take care of immediate obligations while continuing to honour our commitments as a going concern. There are available lines of credit from banks which are drawable on notice which further augment the available sources of funds.

42. 1. Analysis of non-derivative financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial liabilities as at 31 March. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at March 31, 2019	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Trade payables	142.09	-	-	-	-	142.09
Debt securities (Group)	690.74	635.04	1,980.84	1,465.53	6,798.07	11,570.22
Debt securities (Non-Group)	5,487.75	5,954.95	5,702.11	12,324.55	21,155.85	50,625.21
Borrowings (other than debt securities) (Group)	-	-	233.45	1,961.13	-	2,194.58
Borrowings (other than debt securities) (Non-Group)	143.69	78.16	427.59	259.62	-	909.06
Deposits - Group	-	3,838.02	-	-	-	3,838.02
Other financial liabilities	150.13	-	-	-	-	150.13
Total undiscounted non-derivative financial liabilities	6,614.40	10,506.17	8,343.99	16,010.83	27,953.92	69,429.31

As at March 31, 2018	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Trade payables	164.92	-	-	-	-	164.92
Debt securities (Group)	323.19	323.19	933.63	3,899.31	8,548.39	14,027.71
Debt securities (Non-Group)	779.57	1,830.15	1,968.50	9,499.31	15,785.76	29,863.29
Borrowings (other than debt securities) (Group)	-	-	1,429.59	11,640.51	-	13,070.10
Borrowings (other than debt securities) (Non-Group)	213.68	127.69	1,104.71	606.15	-	2,052.23
Deposits - Group	-	3,857.42	-	-	-	3,857.42
Other financial liabilities	170.12	-	-	-	-	170.12
Total undiscounted non-derivative financial liabilities	1,651.48	6,138.45	5,436.43	25,645.28	24,334.15	63,205.79

As at April 01, 2017	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
Trade payables	15.91	-	-	-	-	15.91
Debt securities (Group)	26.26	26.26	339.77	2,449.67	2,625.82	5,467.78
Debt securities (Non-Group)	147.11	567.19	2,058.08	9,562.31	4,575.73	16,910.42
Borrowings (other than debt securities) (Group)	-	-	6,600.58	5,574.22	-	12,174.80
Borrowings (other than debt securities) (Non-Group)	85.33	70.85	926.68	518.39	-	1,601.25
Deposits - Group	3,366.86	-	-	-	-	3,366.86
Other financial liabilities	148.41	-	-	-	-	148.41
Total undiscounted non-derivative financial liabilities	3,789.88	664.30	9,925.11	18,104.59	7,201.55	39,685.43



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

42. 2. Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial assets as at 31 March.

	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
As at March 31, 2019						
Cash and cash equivalent and other bank balances	590.36	-	-	0.32	-	590.68
Trade receivables	2,481.91	454.90	1,196.31	1,617.97	-	5,751.09
Loans	1,778.68	425.08	371.87	242.39	362.70	3,180.72
Investments at fair value through profit or loss	3,267.16	1,604.90	4,022.55	13,444.41	18,501.55	40,840.57
Investments at fair value through profit or loss pledged as collateral	12,104.47	2,083.43	1,822.18	7,773.95	30,144.29	53,928.32
Other financial assets	-	-	-	50.00	-	50.00
Total	20,222.58	4,568.31	7,412.91	23,129.04	49,008.54	1,04,341.38

	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
As at March 31, 2018						
Cash and cash equivalent and other bank balances	54.97	223.32	-	0.33	-	278.62
Trade receivables	582.56	582.56	1,165.12	2,759.17	-	5,089.41
Loans	1,560.68	128.91	319.46	881.93	-	2,890.98
Investments at fair value through profit or loss	3,240.29	3,240.29	6,480.58	13,004.57	15,534.35	41,500.08
Investments at fair value through profit or loss pledged as collateral	1,812.32	1,812.32	3,624.63	7,210.82	27,343.76	41,803.85
Other financial assets	-	-	-	50.00	-	50.00
Total	7,250.82	5,987.40	11,589.79	23,906.82	42,878.11	91,612.94

	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
As at April 01, 2017						
Cash and cash equivalent and other bank balances	398.55	-	-	-	0.33	398.88
Trade receivables	203.62	203.62	407.23	2,506.60	1,014.60	4,335.67
Loans	278.05	74.08	148.16	-	-	500.29
Investments at fair value through profit or loss	641.87	641.87	1,283.74	6,892.03	29,394.09	38,853.60
Investments at fair value through profit or loss pledged as collateral	321.33	321.33	642.66	3,169.91	10,501.13	14,956.36
Other financial assets	-	-	-	-	50.00	50.00
Total	1,843.42	1,240.90	2,481.79	12,568.54	40,960.15	59,094.80

42.3. The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments.

	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
As at March 31, 2019						
Undrawn loan commitments	336.81	-	-	-	-	336.81
Total	336.81	-	-	-	-	336.81

	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
As at March 31, 2018						
Undrawn loan commitments	172.00	-	-	-	-	172.00
Total	172.00	-	-	-	-	172.00

	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Greater than 3 Years	Total
As at April 01, 2017						
Undrawn loan commitments	47.80	-	-	-	-	47.80
Total	47.80	-	-	-	-	47.80



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

42.4. Financial assets available to support future funding

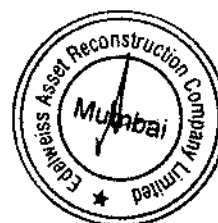
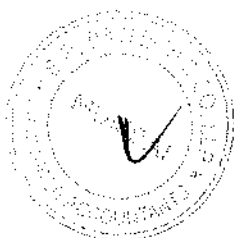
March 31, 2019	Pledge as collateral	Hypothecation	Available as collateral	Unavailable as collateral*	Total carrying amount
Cash and cash equivalent including bank balance	-	-	375.63	215.05	590.68
Trade receivables	-	-	4,174.05	-	4,174.05
loans	-	-	2,399.39	-	2,399.39
Investments	26,374.64	1,610.00	33,109.53	-	61,094.17
Other financial assets	-	-	50.00	-	50.00
Property, plant and equipment	1.42	-	-	6.65	8.07
Other non financial assets	-	-	87.29	-	87.29
Total assets	26,376.06	1,610.00	40,195.89	221.70	68,403.65

March 31, 2018	Pledge as collateral	Hypothecation	Available as collateral	Unavailable as collateral*	Total carrying amount
Cash and cash equivalent including bank balance	-	-	278.29	0.33	278.62
Trade receivables	-	-	3,395.83	-	3,395.83
loans	-	-	2,474.73	-	2,474.73
Investments	21,316.57	9,859.26	16,972.04	-	48,147.86
Other financial assets	-	-	50.00	-	50.00
Property, plant and equipment	1.49	-	-	7.38	8.87
Other non financial assets	-	-	296.48	-	296.48
Total assets	21,318.06	9,859.26	23,467.37	7.71	54,652.40

April 01, 2017	Pledge as collateral	Hypothecation	Available as collateral	Unavailable as collateral*	Total carrying amount
Cash and cash equivalent including bank balance	-	-	398.55	0.32	398.87
Stock in trade	-	-	-	-	-
Trade receivables	-	-	3,032.58	-	3,032.58
loans	-	-	285.17	-	285.17
Investments	11,127.67	10,019.76	18,468.58	-	39,616.01
Other financial assets	-	-	50.00	-	50.00
Property, plant and equipment	1.57	-	-	10.84	12.41
Other non financial assets	-	-	104.44	-	104.44
Total assets	11,129.24	10,019.76	22,339.32	11.16	43,499.48

* Represents assets which are not pledged, however the asset has been created for specific purpose and hence it is restricted from using to secure funding for legal or other reason

Refer terms of pledge mentioned in Note 6.1



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

43. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate financial liabilities held at March 31, 2019.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Currency of borrowing	2018-19					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25	(2.32)	-	25	2.32	-

Currency of borrowing	2017-18					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25	(2.19)	-	25	2.19	-



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees in millions)

44. Unconsol SPE

An entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The following tables show the carrying amount of the company's recorded interest in its balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities.

Particulars	March 31, 2019		March 31, 2018		April 01, 2017	
	Securitisation trusts	Maximum exposure	Securitisation trusts	Maximum exposure	Securitisation trusts	Maximum exposure
Loans	629.43	629.43	328.03	328.03	296.31	296.31
Trade Receivables	5,332.20	5,332.20	4,549.61	4,549.61	3,790.54	3,790.54
Investment in Security Receipts	61,094.17	61,094.17	48,147.87	48,147.87	39,616.01	39,616.01
Total Assets	67,055.80	67,055.80	53,025.51	53,025.51	43,702.86	43,702.86
Negative market value of derivatives	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
Off-balance sheet exposure	-	-	-	-	-	-
Size of the structured entity	4,61,338.58	4,61,338.58	4,35,798.69	4,35,798.69	3,82,687.91	3,82,687.91
Income from the structured entity	20,512.56	20,512.56	7,456.43	7,456.43	NA	NA

The following tables show the details of the unconsolidated structured entities, which are not disclosed in the above table (e.g., because it does not have an interest in the entity at the reporting date)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from those structure entities		
Management Fees	48.71	0.20
Incentives	64.26	-
Interest Income	0.94	0.02
Profit on realisation of financial Asset	89.76	14.42
Carrying amount of assets transferred to those structured entities during the period	-	-



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

45. 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	For the Year Ended March 31, 2019 Acquisition Price	For the Year Ended March 31, 2018 Acquisition Price	For the Year Ended March 31, 2017 Acquisition Price
Sponsors				
None		Nil	Nil	Nil
Sub Total (A)		Nil	Nil	Nil

Name	Address	For the Year Ended March 31, 2019 Acquisition Price	For the Year Ended March 31, 2018 Acquisition Price	For the Year Ended March 31, 2017 Acquisition Price
Non Sponsors				
Stressed Assets Stabilisation Fund (SASF)	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	160.00	160.00	160.00
IFCI	IFCI Tower, 61 Nehru Place, New Delhi 110019	13,174.30	13,174.30	10,945.70
Andhra Bank	82-83 8th Floor, Maker , 8F Cuffe Parade. Mumbai-400005	4,856.30	3,661.20	2,431.90
Bank of Baroda	C-26, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	19,448.71	4,454.20	4,454.20
Punjab National Bank	Treasury Division, H.O., C-9, G- Block, 6th Floor, Bandra Kurla Complex, Mumbai-400051	19,935.50	17,446.20	15,978.00
Central Bank of India	5th Floor, Chander Mukhi, Nariman Point, Mumbai – 400 021	31,826.40	29,111.20	28,744.20
Dena Bank	Dena Corporate Centre, C-10, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	2,433.50	1,317.90	1,317.90
Kotak Mahindra Bank	6th Floor, 12BKC, Plot No C 12, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400051	372.00	372.00	40.00

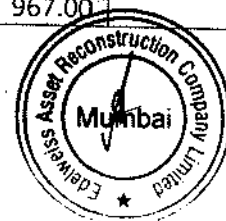


Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Name	Address	For the Year Ended March 31, 2019 Acquisition Price	For the Year Ended March 31, 2018 Acquisition Price	For the Year Ended March 31, 2017 Acquisition Price
Lakshmi Vilas Bank	LVB HOUSE", CORPROATE OFFICE, 4/1, SARDAR PATEL ROAD, GUINDY, CHENNAI - 600 032	2,004.76	2,004.76	1,248.4
IIBI	19, Netaji Subhas Road, Kolkatta 700001	229.15	229.15	229.1
Federal Bank	Loan Collection and Recovery Dept, Federal Towers, P O Box # 103, Aluva 683 101, Kerala	3,859.29	3,859.29	3,859.2
IDBI	Deputy General Manager, Strategic & Associate Investment Cell, 17th floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	2,759.28	2,759.28	2,755.4
Corporation bank	Corporate office, Mangaladevi Temple Road, Pandeshwar, MANGALORE - 575 001 Karnataka, India	1,285.60	1,285.60	1,285.6
The Catholic Syrian Bank Limited	Asset Recovery Dept; Catholic Syrian Bank Ltd, CSB Bhavan, Head Office: St. Mary's College Road, Thrissur - 680 020, Kerala, India	100.00	100.00	100.0
ICICI Bank Limited	ICICI Bank Limited, ICICI Bank Towers, Bandra Kurla Complex, Mumbai - 400 051	29,268.20	27,495.20	25,588.1
Axis Bank Limited	Axis Bank Ltd., Axis House, 4th Floor, C-2, Wadia International Center, P. B. Marg, Worli, Mumbai - 400025	24,371.10	22,900.00	22,900.0
Indian Bank	254-260, Avvai Shanmugam Salai Royapettah, Chennai 600014	12,783.80	12,783.80	12,783.8
Oman International Bank SAOG	201, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-21	340.00	340.00	340.00
EXIM Bank	Centre One Building, Floor 21, World Trade Centre, Cuffe Parade, Mumbai-400005	18,569.20	18,569.20	18,569.20
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (E), Mumbai	30,688.33	27,148.90	24,592.30
UCO Bank	Treasury Branch, 3rd Flr, UCO Bank Bldg, 359, D. N. Road, Fort, Mumbai- 400001	11,119.50	11,119.50	7,422.20
Karur Vysya Bank	Central Office, Erode Road, Karur, Tamil Nadu 639 002	967.00	967.00	967.00

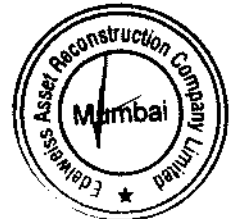


Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Name	Address	For the Year Ended March 31, 2019 Acquisition Price	For the Year Ended March 31, 2018 Acquisition Price	For the Year Ended March 31, 2017 Acquisition Price
Canara Bank	Recovery & legal Section, Mumbai Circle Office, B Wing, 2nd Floor, C-14, G Block. BKC Bandra East. Mumbai-400051	9,669.10	9,344.00	8,074.4
Yes Bank Limited	Yes Bank Tower, 26th floor, Indianbulls Finance Center, SB Marg, Elphinston Road. Mumbai-400013	4,839.00	4,839.00	2,679.0
Tourism Finance Corporation of India	13th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019	145.00	145.00	145.0
IDFC	Naman Chambers , C32 G Block, Bandra Kurla Complex. Bandra East. Mumbai-400051	29,612.00	23,386.00	23,386.0
HDFC Limited	Treasury Operations (TROPS), Lodha - I Think Techno Campus, Building - Alpha, 4th Floor - Office, Near Kanjur Marg Railway Station,	6,960.20	110.20	110.2
State Bank of India	Securities Services Branch, 2nd Floor, State Bank Of India Main Branch Building, Mumbai Samachar Marg, Fort, Mumbai 400001	86,145.10	76,025.08	65,426.5
Oriental Bank of Commerce	Plot No.5, First Floor, Sector-32, Institutional Area, Gurgaon-122001	7,750.80	5,582.20	4,901.0
Bank of Maharashtra	Treasury & International Banking Division , Apeejay House , 1st Floor, 130 V B Gandhi Marg. Fort. Mumbai	3,002.80	3,002.80	2,549.5
State Bank of Mysore	Securities Services Branch, 2nd Floor, State Bank Of India Main Branch Building, Mumbai Samachar Marg, Fort, Mumbai 400001 State Bank of Mysore Kempegowda Road, Bangalore – 560 254	7,131.40	7,131.40	7,131.4
State Bank of Hyderabad	Securities Services Branch, 2nd Floor, State Bank Of India Main Branch Building, Mumbai Samachar Marg, Fort, Mumbai 400001 State Bank of Mysore Kempegowda Road, Bangalore – 560 254	5,989.80	5,989.80	5,989.80



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Name	Address	For the Year Ended March 31, 2019 Acquisition Price	For the Year Ended March 31, 2018 Acquisition Price	For the Year Ended March 31, 2017 Acquisition Price
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	10,604.80	10,604.80
State Bank of Bikaner and 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	4,083.14	4,083.14
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	8,745.76	8,745.76
South Indian Bank	South Indian Bank Ltd., T.B Road, Mission Quarters, Thrissur-680001, Kerala, India.	1,323.78	1,323.78	1,323.78
Indian Overseas Bank	Indian Overseas Bank, Treasury Department, Central Office, 763, Anna Salai, Chennai-600 002.	29,779.29	27,272.99	14,997.00
Syndicate Bank	Treasury & International Banking Department, Maker Tower "E", 2nd Floor, Cuffe Parade, Colaba, Mumbai - 400 005	9,179.30	9,179.30	8,958.30
Karnataka Bank	Karnataka Bank Limited, Post Box No. 599, Mahaveera Circle, Kankanady, Mangaluru-575 002	480.00	480.00	250.00
HSBC Limited	The Hongkong and Shanghai Banking Corporation of India, 52 / 60 Mahatma Gandhi Road, Fort, Mumbai 400 001	2,152.00	1,400.00	1,400.00
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	4,599.40	4,599.40



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Name	Address	For the Year Ended March 31, 2019 Acquisition Price	For the Year Ended March 31, 2018 Acquisition Price	For the Year Ended March 31, 2017 Acquisition Price
Barclays Bank	801/808, Ceejay House, Dr Annie Besant Road, Worli, Mumbai – 400018	40.00	40.00	40.00
Sicom	SICOM LIMITED, Solitaire Corporate Park Building No. 4, 6th floor, Guru Hargovindji Road (Andheri Ghatkopar Link Road), Chakala, Andheri (East), Mumbai - 400 093	724.7	224.70	224.70
DBS Bank	Ground Floor, Express Tower, Nariman Point, Mumbai - 400 029	1,900.00	1,100.00	1,100.00
Union Bank of India	239, 3rd Floor Union Bank Bhavan, Vidhan, Bhavan Marg, Nariman Point, Mumbai – 400021	6,061.6	3,231.60	2,073.80
HDFC Bank Limited	HDFC Bank House , Senapati Bapat Marg, Lower Parel (West) Mumbai- 400 013	4,259.10	4,259.10	2,600.00
IIFCL	8th Floor, Hindustan Times Building, 18 & 20, Kasturba Gandhi Marg, New Delhi-110 001	5,711.50	5,711.50	1,136.80
Indusind Bank	8th Floor, Tower 1, One India Bulls Centre, 841 S B Marg, Elphinstone Road, Mumbai – 400013	3,023.00	3,023.00	1,985.00
Allahabad Bank	Allahabad Bank Head Office, 2, N. S. Road, Kolkata -700 001	9,284.40	9,284.40	5,756.70
Jammu & Kashmir Bank	The Jammu & Kashmir Bank Ltd., Corporate Headquarters, M.A Road, Srinagar, J&K , India, Pin code -190 001	10,750.00	10,646.70	1,469.70
United Bank of India	Head office, United tower ,11 Hemant Basu Sarani, Kolkata - 700001	9,661.1	8,383.10	6,737.50
ECL Finance Ltd	Edelweiss House, 10th Floor, Off C.S.T. Road, Kalina - 400098	13,478.60	7,650.00	5,050.00
SIDBI	Samrudhi Venture Park, Upper Ground Floor, MIDC Road, MIDC Industrial Area, Marol, Andheri(E), Mumbai - 400093	276.58	276.58	276.58
Capital First	One India Bulls Center, Tower 2A & 2B, 10th Floor, S B Marg, Lower Parel West. Mumbai-400013	1,000.00	1,000.00	1,000.00

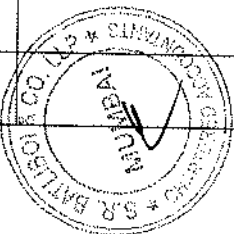


Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Name	Address	For the Year Ended March 31, 2019 Acquisition Price	For the Year Ended March 31, 2018 Acquisition Price	For the Year Ended March 31, 2017 Acquisition Price
L&T Finance Limited	L&T Finance Ltd, 3rd Floor, Brindavan, CST Road, Kalina Santacruz East, Mumbai 400 098	760.60	760.60	760.60
PTC Financial Services Limited	7th Floor, Telephone Exchange Building, New Delhi, Delhi-110066	346.20	346.20	-
Punjab & Sindh Bank	IBD Kolkata, 14/15, Old Court House Street, Kolkata - 700001	1,103.50	452.90	-
Bajaj Finance Limited	Mumbai-Pune Road, Akurdi, Pune - 411035	850.00	850.00	-
Tata Capital Financial Services Ltd	1201, Tower A, Peninsula Business Park, GK Marg. Lower Parel. Mumbai-400013	13.50	13.50	13.50
ABHYUDAYA CO-OP BANK LTD	K.K.Tower, G D Ambekar Marg, Parel Village, Parmanand Wadi, Parel, Mumbai, Maharashtra 400012	4,000.00	-	-
Credit Agricole	Hoechst House, 11th, Floors, Nariman Point, Mumbai, Maharashtra 400021	540.00	-	-
Edelweiss Finvest Pvt Ltd	Edelweiss House, Off C.S.T. Road, Kalina – 400098	1,228.12	-	-
PNB Housing Finance Ltd	PNB Housing Finance Ltd. Address: 9th Floor, Antriksh Bhavan, 22 Kasturba Gandhi Marg, New Delhi 110001	127.00	-	-
Rabobank International (CCRB)	449, Tulsi Pipe Rd, Lower Parel, Mumbai, Maharashtra 400013	299.20	-	-
Reliance Commercial Finance Ltd	Reliance Centre, 6th Floor, South Wing, Off Western Express High, Santacruz East, Mumbai 400055	300.00	-	-
Standard Chartered Bank	Raheja Towers, Unit # 3, Plot No. C-30, G Block Rd, G Block BKC, Bandra East, Mumbai, Maharashtra 400051	295.50	-	-
Vijaya Bank	Vikas Centre, S. V. Road, Near Santacruz Bus Depot, Santacruz West, Mumbai, Maharashtra 400054	484.80	-	-
The Royal Bank of Scotland Plc	Plot No. 12/14, Ground Floor, Brady House, Veer Nariman Road, Fort, Mumbai – 400001	290.30	-	-
Magma Housing Finance Ltd	Development House, 24 Park Street, Kolkata -700016	208.38	-	-
Sub Total (B)		539,762.26	462,370.60	392,292.33
Grand Total (A+B)		539,762.26	462,370.60	392,292.33



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

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

Industry	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
	Acquisition Price	Percentage to total acquisition price	Acquisition Price	Percentage to total acquisition price	Acquisition Price	Percentage to total acquisition price
Sponsors						
None	-	-	-	-	-	-
Sub Total (A)	-	-	-	-	-	-
Non Sponsors						
Auto	12,334.10	2.29%	11,455.50	2.48%	14,095.50	3.59%
Vehicles, Vehicle Parts and Transport Equipment's	12,334.10	2.29%	11,455.50	2.48%	14,095.50	3.59%
Beverages and Food Processing	16,176.40	3.00%	15,351.20	3.32%	10,953.65	2.79%
Beverages and Tobacco	4,953.70	0.92%	4,953.70	1.07%	1,606.00	0.41%
Food Processing - Milk and Milk Products	1,573.50	0.29%	1,388.30	0.30%	1,388.45	0.35%
Food Processing - Others	4,743.30	0.88%	4,103.30	0.89%	3,413.30	0.87%
Food Processing - Sugar	4,905.90	0.91%	4,905.90	1.06%	4,545.90	1.16%
Cement	36,693.00	6.80%	32,814.70	7.10%	32,665.68	8.33%
Cement and Cement Products	36,693.00	6.80%	32,814.70	7.10%	32,665.68	8.33%
Chemical	23,134.40	4.29%	22,662.20	4.90%	21,293.63	5.43%
Chemicals and Chemical Products - Drugs and Pharmaceuticals	21,250.80	3.94%	20,778.60	4.49%	18,979.23	4.84%
Chemicals and Chemical Products - Fertilizers	140.00	0.03%	140.00	0.03%	140.00	0.04%
Chemicals and Chemical Products - Others	1,399.00	0.26%	1,399.00	0.30%	1,154.80	0.29%
Chemicals and Chemical Products - Petro-chemicals	344.60	0.06%	344.60	0.07%	1,019.60	0.26%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Industry	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
	Acquisition Price	Percentage to total acquisition price	Acquisition Price	Acquisition Price	Percentage to total acquisition price	Acquisition Price
Engineering	9,285.90	1.72%	9,285.90	2.01%	19,151.60	4.88%
Engineering - Electronics/Electricals	5,541.90	1.03%	5,541.90	1.20%	5,541.90	1.41%
Engineering - Machinery/Equipment	3,744.00	0.69%	3,744.00	0.81%	13,609.70	3.47%
EPC	16,340.42	3.03%	15,724.30	3.40%	12,738.80	3.25%
EPC	16,340.42	3.03%	15,724.30	3.40%	12,738.80	3.25%
Infrastructure	1,62,009.50	30.01%	1,34,402.90	29.07%	1,00,560.67	25.63%
Infrastructure - Educational Institution	1,694.00	0.31%	1,694.00	0.37%	1,449.00	0.37%
Infrastructure - Electricity Gen/Trans/Dist	69,582.30	12.89%	61,317.40	13.26%	28,078.38	7.16%
Infrastructure - Hospitals	1,495.30	0.28%	1,490.30	0.32%	5,825.80	1.49%
Infrastructure - Hotels	17,400.60	3.22%	17,228.60	3.73%	10,415.40	2.66%
Vehicles, Vehicle Parts and Transport Equipments					1,800.00	0.46%
Infrastructure - Ports	18,326.80	3.40%	18,326.80	3.96%	18,476.80	4.71%
Infrastructure - Roads and Bridges	2,034.00	0.38%	2,018.00	0.44%	4,122.00	1.05%
Infrastructure - Social and Commercial Infrastructure	20,120.40	3.73%	19,560.40	4.23%	18,330.30	4.67%
Infrastructure - Solid Waste Management	469.30	0.09%	469.30	0.10%	469.30	0.12%
Infrastructure - Telecommunications	30,876.80	5.72%	12,288.10	2.66%	11,583.69	2.95%
Infrastructure - Water and Sanitation	10.00	0.00%	10.00	0.00%	10.00	0.00%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Industry	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
	Acquisition Price	Percentage to total acquisition price	Acquisition Price	Acquisition Price	Percentage to total acquisition price	Acquisition Price
Metal	1,17,355.11	21.74%	88,513.50	19.14%	39,017.30	9.95%
Basic Metal & Metal Products - Other Metal & Metal Products	10,348.60	1.92%	10,348.60	2.24%	9,197.90	2.34%
Basic Metal and Metal Products - Iron and Steel	1,07,006.51	19.82%	78,164.90	16.91%	29,819.40	7.60%
Others	22,059.01	4.09%	19,186.50	4.15%	35,421.78	9.03%
Financial Institutions	38.50	0.01%	38.50	0.01%	38.50	0.01%
FMCG	1,766.30	0.33%	1,766.30	0.38%	3,634.90	0.93%
Gems and Jewellery	2,745.50	0.51%	2,745.50	0.59%	2,745.50	0.70%
Glass and Glassware	1,490.50	0.28%	1,490.50	0.32%	1,490.50	0.38%
Leather and Leather Garments	98.40	0.02%	98.40	0.02%	98.40	0.03%
Mining and Quarrying	2,858.10	0.53%	2,858.10	0.62%	16,222.00	4.14%
Others	5,823.63	1.08%	3,784.50	0.82%	5,506.48	1.40%
Retail Assets	230.00	0.04%	230.00	0.05%		
Retail Portfolio	208.38	0.04%				
Rubber, Plastic and their Products	1,332.00	0.25%	1,332.00	0.29%	168.40	0.04%
Service - Educational Institution	625.00	0.12%				
Technology	4,758.90	0.88%	4,758.90	1.03%	5,433.30	1.39%
Wood and Wood Products	83.80	0.02%	83.80	0.02%	83.80	0.02%
Paper and Paper Products	34,898.12	6.47%	30,693.00	6.64%	25,343.00	6.46%
Paper and Paper Products	34,898.12	6.47%	30,693.00	6.64%	25,343.00	6.46%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Industry	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
	Acquisition Price	Percentage to total acquisition price	Acquisition Price	Acquisition Price	Percentage to total acquisition price	Acquisition Price
Real Estate	37,964.60	7.03%	32,294.60	6.98%	32,064.24	8.17%
Real Estate	37,964.60	7.03%	32,294.60	6.98%	32,064.24	8.17%
Shipping and Ship Building	22,186.10	4.11%	22,186.10	4.80%	19,721.04	5.03%
Shipping and Ship Building	22,186.10	4.11%	22,186.10	4.80%	19,721.04	5.03%
Textile	29,325.70	5.43%	27,800.30	6.01%	29,265.45	7.46%
Textiles - Cotton	13,807.40	2.56%	12,717.40	2.75%	13,162.45	3.36%
Textiles - Man made	15,518.30	2.88%	15,082.90	3.26%	16,103.00	4.10%
Sub Total (B)	5,39,762.26	100.00%	4,62,370.60	100.00%	3,92,292.33	100.00%
Grand Total (B)	5,39,762.26	100.00%	4,62,370.60	100.00%	3,92,292.33	100.00%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

c) Other additional disclosures:

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Value of financial assets acquired during the year	77,391.66	70,078.27	115,496.68
Value of financial assets realised during the year	68,950.59	24,572.95	9,896.20
Value of financial assets outstanding for realisation at end of year	361,423.86	405,489.77	371,583.96
Value of Security Receipts redeemed partially during the year	490,094.43	16,772.31	3,546.05
Value of Security Receipts redeemed fully during the year	265,168.42	176.07	565.39
Value of Security Receipts pending for redemption at end of year	464,235.86	435,976.07	382,687.07
Value of Security Receipts not redeemed as a result of non-realisation of the financial asset	351.53	88.97	88.86
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-	-	-

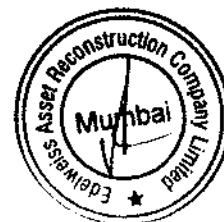
d) In terms of the requirements of RBI circular no. DNBS (PD) CC. No. 41/ SCRC / 26.03.001/ 2014-2015, w.e.f. 5 August 2014,

- details of assets where acquisition value is more than book value.

For the year ended March 31, 2019: Nil

For the year ended March 31, 2018:

The company has acquired assets of Adhunik Power and Natural Resources Limited (APNRL) from Bank of India for which the acquisition price (i.e. Rs 1,036.20 mio, EARC investment of Rs 155.43 mio) was more than total dues outstanding (i.e Rs 897.82 mio) as on the date of acquisition. APNRL is the only independent power producer in state of Jharkhand. It is operating 540 MW fully operational power plant with considerable tied-up capacity and availability of coal. With improving market scenario in power industry and coal being made available, the asset is expected to realize all the dues along with future interest.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

For the year ended March 31, 2017: Nil

- Details of assets disposed off during the year at a discount of more than 20% of valuation as on previous year end and reasons thereof:

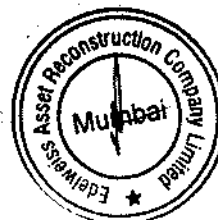
For the year ended March 31, 2019:

During the year Company has written off assets acquired after 5th August 2014, under below trusts on account of lower recovery projections in the underlying assets:

Trust Name	Value of Financial Assets before write off	Financial Assets written Off
EARC Trust SC - 50 CBI	1,396.14	1,047.10
EARC Trust - SC 115	403.21	302.41
EARC Trust - SC 167	1,017.69	763.26

For the year ended March 31, 2018: Nil

For the year ended March 31, 2017: Nil



Edelweiss Asset Reconstruction Company Limited

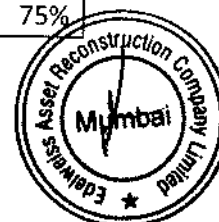
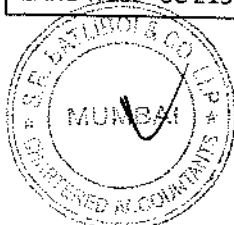
Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

- Details of assets where the value of SRs has declined more than 20% below the acquisition value:

For the year ended March 31, 2019:

Trust Name	Acquisition Value (Rs in Millions)	NAV as at March 31, 2019
EARC Trust SC - 106	1,214.40	25%
EARC Trust SC - 103	500.00	60%
EARC Trust SC - 105	1,400.00	55%
EARC Trust SC - 110	1,100.00	50%
EARC Trust - SC - 111	220.20	50%
EARC Trust SC - 113	458.70	50%
EARC Trust SC - 50 CBI	1,405.70	10%
EARC Trust - SC 115	440.40	15%
EARC Trust - SC 118	300.00	50%
EARC Trust - SC 124	1,895.80	70%
EARC Trust - SC 121	951.40	50%
EARC Trust - SC 123	251.50	50%
EARC Trust - SC 125	918.00	60%
EARC Trust - SC 136	277.00	50%
EARC Trust - SC 50 Allahabad	1,180.00	25%
EARC Trust - SC 137	141.20	50%
EARC Trust - SC 140	360.00	65%
EARC Trust - SC 138	800.00	35%
EARC Trust - SC 142	136.50	60%
EARC Trust - SC 148	96.00	50%
EARC Trust - SC 156	85.00	60%
EARC Trust - SC 159	37.50	75%
EARC Trust - SC 157	275.00	75%
EARC Trust - SC 160	70.00	25%
EARC Trust - SC 165	100.00	25%
EARC Trust - SC 167	1,031.00	15%
EARC Trust - SC 169	1,227.40	75%
EARC Trust - SC 175	1,900.00	75%
EARC Trust - SC 184	800.50	75%
EARC Trust - SC 186	1,285.60	75%
EARC Trust - SC 192	104.00	50%
EARC Trust - SC 209	479.40	30%
EARC Trust - SC 205	650.00	25%
EARC Trust - SC 206	560.00	50%
EARC Trust - SC 215	1,040.00	75%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

Trust Name	Acquisition Value (Rs. in Millions)	NAV as at March 31, 2019
EARC Trust - SC 213	345.00	40%
EARC Trust - SC 229	300.00	75%
EARC Trust - SC 236	2,637.80	75%
EARC Trust - SC 235	10.44	50%
EARC Trust - SC 234	11.00	35%
EARC Trust - SC 252	2,400.00	0%
EARC Trust - SC 255	2.16	50%
EARC Trust - SC 258	3,800.00	45%
EARC Trust - SC 265	860.00	75%
EARC Trust - SC 261	57.10	25%
EARC Trust - SC 259	17.72	50%
EARC Trust SC 294	0.14	50%
EARC Trust SC 295	17.40	35%
EARC Trust - SC 59	59.20	40%
EARC Trust SC 303	3.80	35%
EARC Trust SC 296	3.82	50%
EARC Trust SC 65	129.90	40%
EARC Trust SC 335	28.72	50%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

For the year ended March 31, 2018:

Trust Name	Acquisition Value (in million)	NAV as at 31 Mar 18
EARC Trust - SC 50 Allahabad	1,180.00	75%
EARC Trust - SC 115	440.40	75%
EARC Trust - SC 160	70.00	75%
EARC Trust - SC 165	100.00	75%
EARC Trust - SC 167	1,031.00	75%
Total	2,821.40	

For the year ended March 31, 2017: Nil

46. Segment Information

The Company is in the business of acquisition and resolution of non - performing assets. All other activities of the Company revolve around the main business. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

47. Events after Reporting Date

There have been no events after the reporting date that require disclosure in this financial statement.



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

48. Previous year figures have been regrouped and reclassified wherever necessary

As per our report of even date attached.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 301003E / E300005

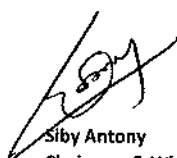


per Jitendra H. Ranawat
Partner
Membership Number: 103380



Mumbai
May 13, 2019

For and on behalf of the Board of Directors of
Edelweiss Asset Reconstruction Company Limited

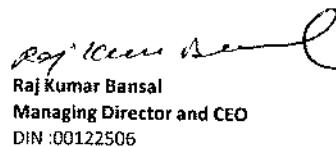


Siby Antony
Chairman & Whole Time Director
DIN :00075909

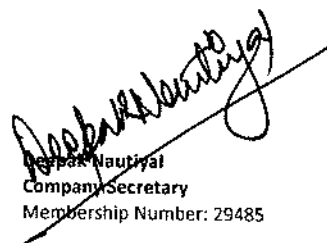


Ashwani Kumar
Chief Financial Officer

Mumbai
May 13, 2019



Raj Kumar Bansal
Managing Director and CEO
DIN :00122506



Deepak Nautiyal
Company Secretary
Membership Number: 29485