

**INDEPENDENT AUDITOR'S REPORT****To the Members of Edelweiss Asset Reconstruction Company Limited****Report on the Financial Statements**

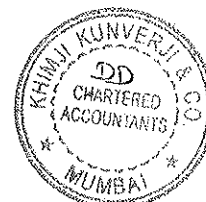
- 1 We have audited the accompanying financial statements of **Edelweiss Asset Reconstruction Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements





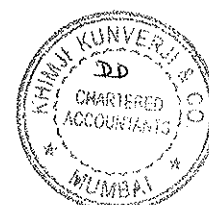
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its Profit and its cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order
- 8 As required by section 143(3) of the Act, we further report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
 - e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
 - g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:



Khimji Kunverji & Co

(Registered)

Chartered Accountants



- (i) The Company does not have any pending litigations which would impact its financial position
- (ii) The Company does not have any long-term contracts including derivative contracts for which there existed any foreseeable losses
- (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

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

Hasmukh B Dedhia
Partner (F - 33494)

Place: Mumbai
Date: May 9, 2016

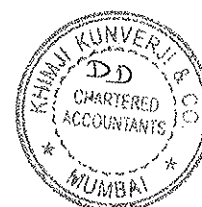
DD



Annexure A referred to in paragraph 7 Our Report of even date to the members of Edelweiss Asset Reconstruction Company Limited on the Financial Statements of the company for the year ended 31st March, 2016

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

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

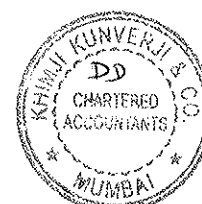




(b) According to the information and explanations given and based on the records of the Company examined by us, there are no dues of Income Tax, Value Added Tax, Service Tax and Cess which have not been deposited on account of any disputes

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

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



Khimji Kunverji & Co

(Registered)

Chartered Accountants



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

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

A handwritten signature in black ink, appearing to read 'Hasmukh B Dedhia'.

Hasmukh B Dedhia
Partner (F - 33494)

DD

Place: Mumbai
Date: May 9, 2016



Annexure B referred to in paragraph 8(f) of Our Report of even date to the members of Edelweiss Asset Reconstruction Company Limited on the Financial Statements of the company for the year ended 31st March, 2016

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

We have audited the internal financial controls over financial reporting of the Company as at 31 March 2016 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Khimji Kunverji & Co

Chartered Accountants

Firm Registration

No.105146W

DD

Hasmukh B Dedhia

Partner (F - 33494)

Place: Mumbai

Date: May 9, 2016

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Balance Sheet

as at 31 March 2016

(Currency: Indian rupees in millions)		As at	As at
	Note	31 March 2016	31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	1,052.63	1,000.00
(b) Reserves and surplus	2.2	1,002.59	532.50
		<u>2,055.22</u>	<u>1,532.50</u>
Non-current liabilities			
(a) Long-term borrowings	2.3	9,604.97	9,410.00
(b) Deferred tax liabilities (Net)	2.11	82.75	-
(c) Long-term provisions	2.4	31.25	49.07
		<u>9,718.97</u>	<u>9,459.07</u>
Current liabilities			
(a) Short-term borrowings	2.5	12,720.98	3,805.59
(b) Trade payables	2.6	8.84	7.35
(c) Other current liabilities	2.7	556.96	354.03
(d) Short-term provisions	2.8	29.83	18.68
		<u>13,316.61</u>	<u>4,185.65</u>
Total		<u>25,090.80</u>	<u>15,177.22</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.9	8.36	7.44
(ii) Intangible assets	2.9	1.39	0.70
(iii) Capital work-in-progress		0.04	-
(b) Non-current investments	2.10	22,283.28	11,772.43
(c) Deferred tax assets (net)	2.11	-	27.55
(d) Long-term loans and advances	2.12	74.90	56.60
		<u>22,367.97</u>	<u>11,864.72</u>
Current assets			
(a) Current investments	2.13	1,345.35	1,967.91
(b) Trade receivables	2.14	689.82	1,050.88
(c) Cash and bank balances	2.15	486.45	132.48
(d) Short-term loans and advances	2.16	198.76	160.35
(e) Other current assets	2.17	2.45	0.88
		<u>2,722.83</u>	<u>3,312.50</u>
Total		<u>25,090.80</u>	<u>15,177.22</u>

Significant accounting policies and notes to the financial statements

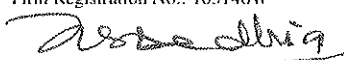
1 & 2

As per our report of even date attached.

For Khinji Kunverji & Co.

Chartered Accountants

Firm Registration No.: 105146W



Hasmukh B Dedhia

Partner (F-33494)

22

Mumbai
09 May 2016

For and on behalf of the Board of Directors



Siby Antony

Managing Director

Mumbai

DIN No.: 00075909

Mehul Gandhi

Chief Financial Officer

Mumbai

09 May 2016



Rashesh Shah

Director

Mumbai

DIN No.: 00008322

Deepak Nautiyal

Company Secretary

Mumbai

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Statement of Profit and Loss


for the year ended 31 March 2016

(Currency: Indian rupees in millions)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Fee income	2.18	3,224.62	1,899.22
Other operating revenue	2.19	479.00	144.43
Total Revenue		3,703.62	2,043.65
Expenses			
Employee benefit expenses	2.20	140.98	125.49
Finance costs	2.21	2,074.13	1,304.87
Depreciation	2.9	3.63	1.84
Other expenses	2.22	795.73	153.35
Total expenses		3,014.47	1,585.55
Profit before tax		689.15	458.10
Tax expense:			
(1) Income tax (includes excess provision for earlier years Rs.12.72 millions-; previous year: Rs.0.45 millions)		129.09	134.83
(2) Deferred tax charge/ (benefit)		110.30	(17.55)
Profit for the year		449.76	340.82
Earnings per equity share (Rs.) (Face value Rs. 10/- per share)	2.23		
Basic and diluted		4.33	3.41
Significant accounting policies and notes to the financial statements	1 & 2		

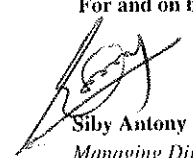
As per our report of even date attached.

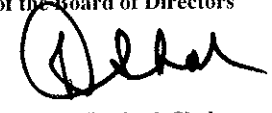
For Khimeji Kunverji & Co.
Chartered Accountants
Firm Registration No.: 105146W

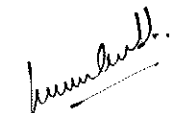

Hasmukh B Dedhia
Partner (F-33494)

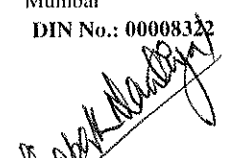
Mumbai
09 May 2016

For and on behalf of the Board of Directors


Siby Antony
Managing Director
Mumbai
DIN No.: 00075909


Rashesh Shih
Director
Mumbai
DIN No.: 00008322


Mehul Gandhi
Chief Financial Officer
Mumbai
09 May 2016


Rajesh Nautiyal
Company Secretary
Mumbai

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Cash Flow Statement

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Profit before taxation	689.15	458.10
Adjustments for		
Depreciation	3.63	1.84
Provision for diminution in value of non-current investments	(12.18)	3.48
Bad debts and advances written off	4.45	4.00
Bad debts written back	(3.00)	-
Reversal of receivables from trusts as per RBI guidelines	54.27	29.39
Reversal of management fees as per RBI guidelines	713.25	52.26
Provision for compensated absences	0.31	0.34
Provision for gratuity	1.41	0.94
Provision for non performing assets	(12.59)	17.92
Profit from investments in security receipts	(421.28)	(120.90)
Interest income	(54.64)	(23.52)
Finance costs	2,073.69	1,299.93
Operating cash flow before working capital changes	3,036.47	1,723.78
Add/(Less): Adjustments for working capital changes		
Increase in trade receivables	(352.19)	(981.16)
(Increase) / Decrease in loans and advances	(38.41)	74.88
Increase / (Decrease) in liabilities and provisions	193.21	(62.52)
(Increase) / Decrease in other current assets	(1.57)	1.54
Cash generated from operations	2,837.51	756.52
Income taxes paid	(148.51)	(194.93)
Net cash generated from operating activities - A	2,689.00	561.59
B Cash flow from investing activities		
Purchase of fixed assets	(5.28)	(9.68)
Investments in security receipts	(11,233.73)	(8,719.05)
Redemption of investments	1,353.15	304.67
Income from investments	421.28	120.90
Interest income on loan	52.19	23.52
Loans given (refer note 2)	(45.24)	-
Net cash used in investing activities - B	(9,457.63)	(8,279.64)
C Cash flow from financing activities		
Proceeds from issue of share capital/share application money	72.95	-
Proceeds from unsecured borrowings (refer note 2)	8,666.40	9,010.84
Proceeds from secured borrowings (refer note 2)	443.95	71.02
Finance costs	(2,060.70)	(1,237.98)
Net cash generated from financing activities - C	7,122.60	7,843.88
Net increase in cash and cash equivalents (A+B+C)	353.97	125.83
Cash and cash equivalent as at the beginning of the year	132.48	6.65
Cash and cash equivalent as at the end of the year (refer note 1)	486.45	132.48

Note:

- 1 Cash and cash equivalents represent cash and balances with banks in current account placed with banks (refer note 2.15 to the financial statements)
- 2 Net figures have been reported on account of volume of transactions.
- 3 The undrawn borrowing facility available for future operating activities and for other capital commitments is Rs.102.67 millions (previous year Rs.384.59 millions)

As per our report of even date attached.

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

DD
Hasmukh B Dedhia
Partner (F-33494)

For and on behalf of the Board of Directors

Siby Antony
Managing Director
Mumbai
DIN No.: 00075909

Rashesh Shah
Director
Mumbai
DIN No.: 00008323

Mehul Gandhi
Chief Financial Officer
Mumbai
09 May 2016

Dharm Vautiyal
Company Secretary
Mumbai

Mumbai
09 May 2016

Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.1 Share capital		
Authorised:		
150,000,000 (Previous year: 100,000,000) equity shares of Rs. 10 each	1,500.00	1,500.00
Issued, subscribed and paid up:		
10,52,63,158 (Previous year: 100,000,000) equity shares of Rs.10 (Previous year: Rs. 10) each, fully paid-up	1,052.63	1,000.00
	1,052.63	1,000.00
Reconciliation of number of shares outstanding:		
Number of shares outstanding at the beginning	10,00,00,000	10,00,00,000
Shares issued during the year	52,63,158	-
Number of shares at the end	10,52,63,158	10,00,00,000
Reconciliation of share capital:		
Share capital at the beginning of the year	1,000.00	1,000.00
Share capital issued during the year	52.63	-
Share capital at the end of the year	1,052.63	1,000.00

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

	As at 31 March 2016		As at 31 March 2015	
Name of the shareholders	Number of shares	% holding	Number of shares	% holding
Edelweiss Custodial Services Limited	4,99,09,148	47.41%	4,99,09,148	49.91%
Alok Tandon	1,42,90,852	13.57%	1,42,90,852	14.29%
Reeta Kuhad	1,40,00,000	13.30%	1,40,00,000	14.00%
Vineet Kashyap	99,00,000	9.41%	99,00,000	9.90%
Aakanksha Management Consultancy & Holding (P) Limited	99,00,000	9.41%	99,00,000	9.90%

Terms/rights attached to equity shares:

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

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

2.2 Reserves and surplus

Securities Premium Account - Opening balance		
Add : Additions during the year	20.32	-
	20.32	-
Debenture Redemption Reserve		
As per last Balance Sheet	1.04	-
Add : Addition during the year	76.63	1.04
	77.67	1.04
Surplus in statement of profit and loss		
Opening balance	531.46	191.68
Add: Profit for the year	449.76	340.82
	981.22	532.50
Amount available for appropriation		
Appropriations:		
Transfer to Debenture Redemption Reserve	76.63	1.04
Closing Balance in Statement of Profit and Loss	904.60	531.46
Closing balance	1,002.59	532.50



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

As at
31 March 2016

As at
31 March 2015

2.3 Long-term borrowings

Secured

Secured Redeemable Non-convertible Debentures
(Coupon rate 10.75% per annum payable annually. Due for redemption in February 2021)

300.00

-

Term loan from banks

840.00

940.00

- Secured by pledge of security receipts
- The rate of interest is 12%-12.75% p.a.
- The repayment schedule is as follows:

Financial Year	Amount (Rs.)
2017-18	357.50
2018-19	420.00
2019-20	62.50
Total	840.00

1,140.00

940.00

Unsecured

Un-secured Redeemable Non-convertible Debentures
(Coupon rate 17% per annum payable annually. Due for redemption in March 2020)

1,500.00

1,500.00

Loans and advances taken

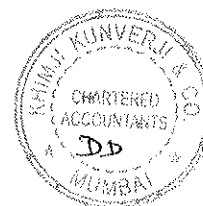
6,964.97

6,970.00

- The rate of interest is 14%-17% p.a.payable annually
- Repayment in 24 months

9,604.97

9,410.00



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity (refer note 2.26)	3.86	1.26
Compensated absences	0.53	0.32
Deferred bonus	1.40	9.44
Others		
Provision for non performing assets	25.46	38.05
	<u>31.25</u>	<u>49.07</u>
2.5 Short-term borrowings		
<u>Secured</u>		
Bank overdraft	259.36	15.41
(Secured by pledge of security receipts)		
<u>Unsecured</u>		
Commercial papers	2,450.00	-
Less: Unamortised discount	<u>(175.00)</u>	-
	2,275.00	-
Loans taken	10,186.62	3,790.18
(Repayable on demand)		
	<u>12,720.98</u>	<u>3,805.59</u>



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (*Continued*)

as at 31 March 2016

(Currency: Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.6 Trade payables		
Trade payables (including from related parties Rs.0.003 millions)	8.84	7.35
	8.84	7.35



Edelweiss Asset Reconstruction Company Limited

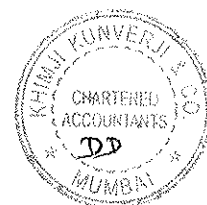
CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.7 Other current liabilities		
Current maturities of Long Term Debt		
Term loan from bank (refer note 2.3)	100.00	50.00
Interest accrued but not due on borrowings	14.47	13.16
Interest accrued and due on borrowings	66.80	62.45
Income received in advance	15.75	16.95
Other Payables		
Accrued salaries and benefits	55.19	53.08
Withholding tax, service tax and other taxes payable	117.03	80.83
Recovery made on behalf of trust	181.96	69.33
Payable to trusts	-	6.60
Others	5.76	1.63
	556.96	354.03
2.8 Short-term provisions		
Provision for employee benefits		
Gratuity (refer note 2.26)	0.50	1.19
Compensated absences	0.22	0.13
Deferred bonus	27.99	16.24
Others		
Provision for taxation (net of advance taxes and taxes deducted at source Rs.45.42 millions; previous year Rs.45.42 millions)	1.12	1.12
	29.83	18.68



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

2.9 Fixed assets

	Gross block				Depreciation and amortization				Net block	
Description of assets	As at 1 April 2015	Additions during the period	Deductions during the period	As at 31 March 2016	As at 1 April 2015	Additions during the period	Deductions during the period	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Tangible assets										
Building	1.78	-	-	1.78	0.04	0.09	-	0.13	1.65	1.74
Vehicles	4.85	1.76	-	6.61	0.65	1.63	-	2.28	4.33	4.20
Office equipment	0.56	0.13	0.04	0.65	0.24	0.19	0.01	0.42	0.23	0.32
Computers	1.97	2.20	-	4.17	0.80	1.22	-	2.02	2.15	1.17
Total A	9.16	4.09	0.04	13.21	1.73	3.13	0.01	4.85	8.36	7.44
Intangible assets										
Computer software	0.91	1.19	-	2.10	0.21	0.50	-	0.71	1.39	0.70
Total B	0.91	1.19	-	2.10	0.21	0.50	-	0.71	1.39	0.70
Grand Total (A+B)	10.07	5.28	0.04	15.31	1.94	3.63	0.01	5.56	9.75	8.14
Previous period	0.40	9.68	0.01	10.07	0.09	1.84	0.00	1.92	8.15	



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

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

	As at 31 Mar 2016			As at 31 Mar 2015		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Other non-current investment						
Available for sale- Investment in Security						
Receipts (Non trade, unquoted)						
EARC Trust SC 2 Series I	1	1,370	0.00	1	1,370	0.00
EARC Trust SC 2 Series II	1	99,000	0.10	1	99,000	0.10
EARC Trust SC 3 Series I	1	11,500	0.01	1	11,500	0.01
EARC Trust SC 3 Series II	1	35,100	0.04	1	35,100	0.04
EARC Trust SC 4 Class B	998	34,875	34.81	998	34,875	34.81
EARC Trust SC 6*	994	11,500	11.43	994	1,80,000	178.93
EARC Trust SC 7*	654	5,500	3.60	695	1,10,000	76.42
EARC Trust SC 8*	585	4,055	2.37	763	81,100	61.91
EARC Trust SC 9	1	3,763	0.00	1	75,250	0.08
EARC Trust SC 10	1	69,000	0.07	1	69,000	0.07
EARC Trust SC 11*	1,000	34,500	34.50	1,000	34,500	34.50
EARC Trust SC 14*	1,000	4,125	4.13	1,000	82,500	82.50
EARC Trust SC 15 Series I	-	-	-	1	1,30,000	0.13
EARC Trust SC 15 Series II	-	-	-	22	45,200	1.00
EARC Trust SC 16	922	7,250	6.69	1,000	7,250	7.25
EARC Trust SC 17	1,000	3,500	3.50	1,000	3,500	3.50
EARC Trust SC 18 Series I**	1,000	47,500	47.50	1,000	47,500	47.50
EARC Trust SC 18 Series II**	1,000	6,000	6.00	1,000	6,000	6.00
EARC Trust SC 19 Series I**	976	28,125	27.44	992	28,125	27.90
EARC Trust SC 19 Series II**	976	2,51,000	244.92	992	2,51,000	248.98
EARC Trust SC 19 Series III**	984	2,37,500	233.63	1,000	2,37,500	237.50
EARC Trust SC 19 Series IV**	984	1,67,000	164.28	1,000	1,67,000	167.00
EARC Trust SC 19 Series V	984	4,71,500	463.83	1,000	4,71,500	471.50
EARC Trust SC 21	795	77,000	61.21	883	77,000	68.00
EARC Trust SC 22**	1,000	40,800	40.80	1,000	40,800	40.80
EARC Trust SC 23 Series I**	1,000	3,17,950	317.95	1,000	3,17,950	317.95
EARC Trust SC 23 Series II	1,000	81,050	81.05	1,000	81,050	81.05
EARC Trust SC 24**	-	-	-	1,000	39,000	39.00
EARC Trust SC 26	1	4,640	0.00	687	4,640	3.19
EARC Trust SC 27 Series II	1	10,000	0.01	1	10,000	0.01
EARC Trust SC 28 Series I	1,000	8,500	8.50	1,000	8,500	8.50
EARC Trust SC 28 Series II	1,000	31,500	31.50	1,000	31,500	31.50
EARC Trust SC 28 Series III	1,000	59,600	59.60	1,000	59,600	59.60
EARC Trust SC 28 Series IV	1,000	4,000	4.00	1,000	4,000	4.00
EARC Trust SC 29	1,000	10,000	10.00	1,000	10,000	10.00
EARC Trust SC 30 series I**	1,000	15,33,500	1,533.50	1,000	15,33,500	1,533.50
EARC Trust SC 30 series II	1,000	7,01,100	701.10	1,000	7,01,100	701.10
EARC Trust SC 31***	1,000	2,20,500	220.50	1,000	2,20,500	220.50
EARC Trust SC 32 Series I	974	44,500	43.35	974	44,500	43.35
EARC Trust SC 32 Series II	1,000	21,365	21.37	1,000	21,365	21.37
EARC Trust SC 33	1,000	1,11,050	111.05	1,000	1,11,050	111.05
EARC Trust SC 34	1,000	44,030	44.03	1,000	44,030	44.03
EARC Trust SC 35 Series I**	1,000	4,86,865	486.87	1,000	4,86,865	486.87
EARC Trust SC 35 Series II**	1,000	2,94,500	294.50	1,000	2,94,500	294.50
EARC Trust SC 36	401	1,500	0.60	800	1,500	1.20
EARC Trust SC 37 Series I**	1,000	4,29,960	429.96	1,000	4,29,960	429.96
EARC Trust SC 37 Series II	1,000	46,040	46.04	1,000	46,040	46.04
EARC Trust SC 38 Series I	993	1,47,500	146.50	998	1,47,500	147.15
EARC Trust SC 38 Series II	993	1,37,500	136.57	998	1,37,500	137.18
EARC Trust SC 38 Series III	993	34,715	34.48	998	34,715	34.63
EARC Trust SC 39	1,000	94,836	94.84	1,000	94,836	94.84
EARC Trust SC 40	1,000	2,03,775	203.78	1,000	2,03,775	203.78
EARC Trust SC 41 Series I	1,000	1,03,500	103.50	1,000	1,03,500	103.50
EARC Trust SC 41 Series II	1,000	70,220	70.22	1,000	70,220	70.22
EARC Trust SC 42	1,000	2,70,000	270.00	1,000	2,70,000	270.00
EARC Trust SC 43	1,000	45,000	45.00	1,000	99,000	99.00
EARC Trust SC 44 Series I	1,000	1,30,625	130.63	1,000	1,30,625	130.63
EARC Trust SC 44 Series II	1,000	7,912	7.91	1,000	7,912	7.91
EARC Trust SC 47	965	3,84,000	370.47	974	3,84,000	373.85
EARC Trust SC 48	1,000	54,250	54.25	1,000	54,250	54.25
EARC Trust SC 49	897	57,250	51.37	979	57,250	56.02
EARC Trust SC 50	1,000	3,65,500	365.50	1,000	3,65,500	365.50
EARC Trust SC 50 SIB	1,000	8,814	8.81	1,000	8,814	8.81
EARC Trust -SC 50-SBT	1,000	70,533	70.53	1,000	70,533	70.53
EARC TRUST- SC 50- LVB	1,000	9,423	9.42	1,000	9,423	9.42
EARC TRUST SC -50 - CBI	1,000	60,590	60.59	1,000	60,590	60.59



Edelweiss Asset Reconstruction Company Limited

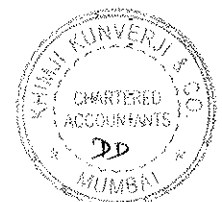
CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

EARC TRUST SC -50 - CBI Series II	1,000	9,695	9.70	1,000	9,695	9.70
EARC Trust SC 50 Andhra Bank	1,000	26,375	26.38	1,000	26,375	26.38
EARC Trust SC 50-Allahabad Bank	1,000	1,77,000	177.00			
EARC Trust SC 52 Series I	1,000	2,43,000	243.00	1,000	2,43,000	243.00
EARC Trust SC 52 Series II	1,000	1,46,500	146.50	1,000	1,46,500	146.50
EARC Trust SC 52 Series III	1,000	1,405	1.41			
EARC Trust SC 53	1,000	65,400	65.40	1,000	65,400	65.40
EARC Trust SC 55	1,000	39,000	39.00	1,000	85,800	85.80
EARC Trust SC 56 Class A	1	10,450	0.01	1,000	10,450	10.45
EARC Trust SC 56 Class B	1,000	22,150	22.15	1,000	22,150	22.15
EARC Trust SC 57 Series I	1	14,400	0.01	1	14,400	0.01
EARC Trust SC 57 Series II	825	12,750	10.52	-	-	-
EARC Trust SC 58	1,000	3,500	3.50			
EARC Trust SC 101	1,000	37,500	37.50	1,000	37,500	37.50
EARC Trust SC 102 Series I	966	19,800	19.13	1,000	26,400	26.40
EARC Trust SC 102 Series II	966	25,500	24.63	1,000	34,000	34.00
EARC Trust SC 102 Series III	966	6,000	5.80	1,000	8,000	8.00
EARC Trust SC 102 Series IV	966	33,705	32.56	1,000	44,940	44.94
EARC Trust SC 102 Series V	966	50,625	48.90	1,000	67,500	67.50
EARC Trust SC 103	1,000	75,000	75.00	1,000	75,000	75.00
EARC Trust SC 104*	550	13,620	7.49	550	90,800	49.94
EARC Trust SC 105 Series I	976	1,50,000	146.44	1,000	1,50,000	150.00
EARC Trust SC 105 Series II	976	60,000	58.58	1,000	60,000	60.00
EARC Trust SC 106 Series I	1,000	1,59,000	159.00	1,000	1,59,000	159.00
EARC Trust SC 106 Series II	1,000	23,162	23.16	1,000	23,162	23.16
EARC Trust SC 107	1,000	1,23,000	123.00	1,000	1,23,000	123.00
EARC Trust SC 108	1,000	1,09,725	109.73	1,000	1,09,725	109.73
EARC Trust SC 109	831	2,71,500	225.70	1,000	2,71,500	271.50
EARC Trust SC 110	1,000	1,65,000	165.00	1,000	1,65,000	165.00
EARC Trust SC 111	1,000	33,030	33.03	1,000	33,030	33.03
EARC Trust SC 112	985	60,000	59.13	1,000	4,00,000	400.00
EARC Trust SC 113	1,000	68,805	68.81	1,000	68,805	68.81
EARC Trust SC 114 Series I	917	3,34,650	307.03	1,000	3,85,575	385.58
EARC Trust SC 114 Series II	917	50,925	46.72	-	-	-
EARC Trust SC 114 Series III	980	4,425	4.34	-	-	-
EARC Trust SC 115	1,000	66,060	66.06	1,000	66,060	66.06
EARC Trust SC 116	1,000	1,12,500	112.50	1,000	1,12,500	112.50
EARC Trust SC 117	938	68,250	64.01	982	68,250	66.99
EARC Trust SC 118	1,000	45,000	45.00	1,000	45,000	45.00
EARC Trust SC 119	888	11,910	10.58	1,000	11,910	11.91
EARC Trust SC 120	1,000	2,31,870	231.87	1,000	2,31,870	231.87
EARC Trust SC 121 Series I	1,000	1,15,560	115.56	1,000	1,15,560	115.56
EARC Trust SC 121 Series II	1,000	11,460	11.46	-	-	-
EARC Trust SC 121 Series III	1,000	600	0.60	-	-	-
EARC Trust SC 121 Series IV	1,000	10,425	10.43	-	-	-
EARC Trust SC 121 Series V	1,000	1,515	1.52	-	-	-
EARC Trust SC 122	1,000	79,035	79.04	1,000	79,035	79.04
EARC Trust SC 123	1,000	37,725	37.73	1,000	37,725	37.73
EARC Trust SC 124 Series I	1,000	2,55,870	255.87	1,000	2,55,870	255.87
EARC Trust SC 124 Series II	1,000	4,935	4.94	-	-	-
EARC Trust SC 124 Series III	1,000	9,330	9.33	-	-	-
EARC Trust SC 124 Series IV	1,000	3,495	3.50	-	-	-
EARC Trust SC 124 Series V	1,000	4,035	4.04	-	-	-
EARC Trust SC 125	1,000	1,37,700	137.70	1,000	1,37,700	137.70
EARC Trust SC 126	989	3,16,875	313.26	1,000	3,16,875	316.88
EARC Trust SC 127	993	1,29,030	128.12	1,000	1,29,030	129.03
EARC Trust SC 128	1,000	26,970	26.97	1,000	26,970	26.97
EARC Trust SC 129	1,000	13,500	13.50	1,000	13,500	13.50
EARC Trust SC 130	1,000	9,025	9.03	1,000	9,025	9.03
EARC Trust SC 131	1,000	1,65,750	165.75	1,000	1,65,750	165.75
EARC Trust SC 132	1,000	1,500	1.50	1,000	1,500	1.50
EARC Trust SC 133	990	48,000	47.52	1,000	48,000	48.00
EARC Trust SC 134	986	1,10,625	109.06	1,000	1,10,625	110.63
EARC Trust SC 135	1,000	7,500	7.50	1,000	7,500	7.50
EARC Trust SC 136	1,000	41,550	41.55	1,000	41,550	41.55
EARC Trust SC 137	1,000	21,180	21.18	-	-	-
EARC Trust SC 138	1,000	1,19,640	119.64	-	-	-
EARC Trust SC 138 Series II	1,000	360	0.36	-	-	-
EARC Trust SC 139	1,000	26,130	26.13	-	-	-
EARC Trust SC 140	1,000	54,000	54.00	-	-	-
EARC Trust SC 141	1,000	1,02,000	102.00	-	-	-
EARC Trust SC 141 Series II	1,000	27,000	27.00	-	-	-
EARC Trust SC 142	1,000	20,475	20.48	-	-	-
EARC Trust SC 143	992	3,69,525	366.41	-	-	-



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

EARC Trust SC 144	1,000	84,750	84.75	-	-	-
EARC Trust SC 145	1,000	1,25,250	125.25	-	-	-
EARC Trust SC 146	986	3,44,850	339.98	-	-	-
EARC Trust SC 147	1,000	24,000	24.00	-	-	-
EARC Trust SC 148	953	14,400	13.72	-	-	-
EARC Trust SC 149	1,000	21,750	21.75	-	-	-
EARC Trust SC 150	1,000	65,625	65.63	-	-	-
EARC Trust SC 151	950	2,13,000	202.40	-	-	-
EARC Trust SC 151 series II	950	97,875	93.00	-	-	-
EARC Trust SC 152	1,000	48,750	48.75	-	-	-
EARC Trust SC 153	1,000	1,39,875	139.88	-	-	-
EARC Trust SC 154	1,000	2,77,800	277.73	-	-	-
EARC Trust SC 155	1,000	64,500	64.50	-	-	-
EARC Trust SC 156	986	12,750	12.57	-	-	-
EARC Trust SC 157	972	41,250	40.08	-	-	-
EARC Trust SC 158	1,000	4,12,500	412.50	-	-	-
EARC Trust SC 159	1,000	5,625	5.63	-	-	-
EARC Trust SC 160	1,000	10,500	10.50	-	-	-
EARC Trust SC 161	997	27,915	27.84	-	-	-
EARC Trust SC 162	1,000	54,000	54.00	-	-	-
EARC Trust SC 163	1,000	24,375	24.38	-	-	-
EARC Trust SC 164	1,000	1,22,550	122.55	-	-	-
EARC Trust SC 165	1,000	15,000	15.00	-	-	-
EARC Trust SC 166	990	32,925	32.60	-	-	-
EARC Trust SC 167	1,000	1,54,650	154.65	-	-	-
EARC Trust SC 168	999	6,50,700	650.28	-	-	-
EARC Trust SC 169	1,000	1,84,110	184.11	-	-	-
EARC Trust SC 170	1,000	22,575	22.58	-	-	-
EARC Trust SC 171	1,000	1,98,150	198.15	-	-	-
EARC Trust SC 172	1,000	46,785	46.79	-	-	-
EARC Trust SC 173	1,000	1,74,015	174.02	-	-	-
EARC Trust SC 174	999	6,52,500	651.93	-	-	-
EARC Trust SC 175	978	2,85,000	278.70	-	-	-
EARC Trust SC 176	1,000	1,14,615	114.62	-	-	-
EARC Trust SC 177	994	3,74,250	371.83	-	-	-
EARC Trust SC 178	1,000	7,500	7.50	-	-	-
EARC Trust SC 179	1,000	68,400	68.40	-	-	-
EARC Trust SC 180	1,000	34,650	34.65	-	-	-
EARC Trust SC 181	1,000	42,630	42.63	-	-	-
EARC Trust SC 182	1,000	18,975	18.98	-	-	-
EARC Trust SC 183	1,000	14,850	14.85	-	-	-
EARC Trust SC 184	997	1,20,075	119.68	-	-	-
EARC Trust SC 185	974	61,500	59.89	-	-	-
EARC Trust SC 186	1,000	1,92,840	192.84	-	-	-
EARC Trust SC 187	1,000	65,850	65.85	-	-	-
EARC Trust SC 188	1,000	78,975	78.98	-	-	-
EARC Trust SC 189	1,000	29,175	29.18	-	-	-
EARC Trust SC 190	1,000	16,500	16.50	-	-	-
EARC Trust SC 191	1,000	40,320	40.32	-	-	-
EARC Trust SC 192	1,000	15,600	15.60	-	-	-
EARC Trust SC 193	1,000	1,52,565	152.57	-	-	-
EARC Trust SC 194	1,000	1,24,350	124.35	-	-	-
EARC Trust SC 195	1,000	4,37,280	437.28	-	-	-
EARC Trust SC 196	1,000	7,44,150	744.15	-	-	-
EARC Trust SC 197	1,000	17,100	17.10	-	-	-
EARC Trust SC 198	1,000	37,500	37.50	-	-	-
EARC Trust SC 199	1,000	2,44,440	244.44	-	-	-
EARC Trust SC 200	1,000	81,210	81.21	-	-	-
EARC Trust SC 201	1,000	63,150	63.15	-	-	-
EARC Trust SC 202	1,000	67,860	67.86	-	-	-
EARC Trust SC 203	1,000	10,66,860	1,066.86	-	-	-
EARC Trust SC 205	1,000	97,500	97.50	-	-	-
EARC Trust SC 206	1,000	84,000	84.00	-	-	-
EARC Trust SC 207	1,000	1,63,020	163.02	-	-	-
EARC Trust SC 208	1,000	48,750	48.75	-	-	-
EARC Trust SC 209	1,000	71,910	71.91	-	-	-
EARC Trust SC 210	1,000	88,575	88.58	-	-	-
EARC Trust SC 211	1,000	60,210	60.21	-	-	-
EARC Trust SC 212	1,000	1,08,105	108.11	-	-	-
EARC Trust SC 213	1,000	51,750	51.75	-	-	-
EARC Trust SC 214	1,000	9,750	9.75	-	-	-
EARC Trust SC 215	1,000	1,56,000	156.00	-	-	-
EARC Trust SC 216	1,000	78,480	78.48	-	-	-
EARC SAF - I Trust Investor Account*	1,000	1,31,857	131.86	1,000	1,31.857	



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

EARC SAF - 1 Trust Seller Account**	1,000	13,143	13.14	1,000	13,143	13.14
EARC SAF 2 Trust	485	55,000	26.67	770	55,000	42.36
EARC SAF 3 Trust	1,000	50,000	50.00	-	-	-
Edelweiss ARF-I Trust Scheme 1 Series I**	650	10,933	7.10	650	10,933	7.10
Edelweiss ARF-I Trust Scheme 1 Series II**	995	11,757	11.69	995	11,757	11.69
Edelweiss ARF-I Trust Scheme 2 Series I	291	11,130	3.24	568	11,130	6.32
Edelweiss ARF-I Trust Scheme 2 Series II	291	1,401	0.41	568	1,401	0.80
Edelweiss ARF-I Trust Scheme 3 Series I	1	13,096	0.01	1	13,096	0.01
Edelweiss ARF-I Trust Scheme 3 Series II	1	4,467	0.00	1	4,467	0.00
Edelweiss ARF-I Trust Scheme 4 Series I	1	1,855	0.00	275	1,855	0.51
Edelweiss ARF-I Trust Scheme 4 Series II	1	11,217	0.01	376	11,217	4.22
Edelweiss ARF-I Trust Scheme 5 Investor Series	347	14,144	4.91	367	14,144	5.19
Edelweiss ARF-I Trust Scheme 5 Co-investor Series*	347	40,400	14.03	367	40,400	14.82
			23,628.63			13,752.52
Diminution in value of non-current investments			-			(12.18)
Less: current portion of long term investments			(1,345.35)			(1,967.91)
			22,283.28			11,772.43
Aggregate of investments						
- At book value			22,283.28			11,772.43

* SR pledged with IDBI Bank against bank overdraft

** SR pledged with Federal Bank against term loan

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



Edelweiss Asset Reconstruction Company Limited

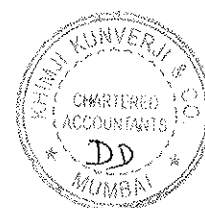
CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.11 Deferred tax		
Deferred tax assets		
Disallowances under section 43B of the Income Tax Act, 1961	11.94	9.89
Provision for non performing assets	8.81	13.17
Provision for diminution in value of current investments	-	4.22
Difference between book and tax depreciation	0.02	0.27
	<u>20.77</u>	<u>27.55</u>
Deferred tax liabilities		
Trust expenses (Net) (being pass through)	(103.52)	-
	<u>(103.52)</u>	<u>-</u>
Deferred tax (liability)/ assets (net)	<u>(82.75)</u>	<u>27.55</u>
2.12 Long-term loans and advances		
Unsecured		
Other loans and advances		
- Advance tax and tax deducted at source (net of provision for taxation Rs.285.00 millions; previous year: Rs.155.90 millions)	74.90	56.60
	<u>74.90</u>	<u>56.60</u>



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.13 Current Investment		
Current portion of non-current investment (non trade, unquoted)		
Available for sale- Investment in Security Receipts	1,345.35	1,967.91
	<u>1,345.35</u>	<u>1,967.91</u>
Aggregate of investments		
- At book value	<u>1,345.35</u>	<u>1,967.91</u>
2.14 Trade receivables		
<u>Unsecured, considered good</u>		
Trade receivables outstanding for a period less than six months	669.09	284.96
Trade receivables outstanding for a period exceeding six months	786.23	818.18
Less: Reversal as per RBI guidelines	<u>(765.50)</u>	<u>(52.26)</u>
	<u>689.82</u>	<u>1,050.88</u>
2.15 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.03	0.01
Balances with banks		
- in current accounts	486.37	132.47
- Bank deposits with more than 12 months maturity	0.05	-
	<u>486.45</u>	<u>132.48</u>



Edelweiss Asset Reconstruction Company Limited

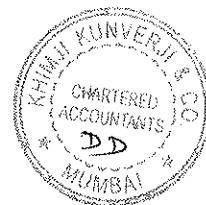
CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency: Indian rupees in millions)

	As at 31 March 2016	As at 31 March 2015
2.16 Short-term loans and advances		
Secured		
Loans given		
- considered good	102.07	44.24
- considered non performing	24.58	37.17
	<u>126.65</u>	<u>81.41</u>
Loans and advances to trusts	147.09	102.81
Less: Reversal as per RBI guidelines	<u>(83.63)</u>	<u>(29.36)</u>
	63.46	73.45
- Prepaid expenses	0.28	0.21
- Loans and advances to employees	0.45	0.08
- Advances recoverable in cash or in kind or for value to be received	7.92	5.20
	<u>72.11</u>	<u>78.94</u>
	<u>198.76</u>	<u>160.35</u>
2.17 Other current assets		
Accrued interest on loans given	2.45	0.88
	<u>2.45</u>	<u>0.88</u>



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

2.18 Fee income

Management and other fees

For the year ended
31 March 2016

For the year ended
31 March 2015

3,224.62

1,899.22

3,224.62

1,899.22

2.19 Other operating revenue

Interest income

54.64

23.52

Bad debts written back

3.00

-

Profit from investments in security receipts

421.28

120.90

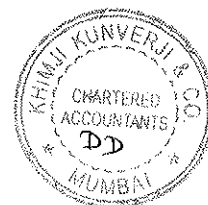
Income from sale of bid documents

0.08

0.01

479.00

144.43



Edelweiss Asset Reconstruction Company Limited

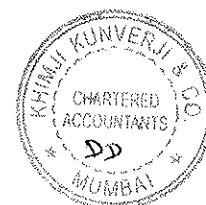
CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.20 Employee benefit expenses		
Salaries and wages	135.37	121.06
Contribution to provident and other funds	3.08	1.73
Staff welfare expenses	2.53	2.70
	<u>140.98</u>	<u>125.49</u>
2.21 Finance costs		
Interest on debentures	258.44	3.49
Interest on term loan	120.09	111.20
Interest on bank overdraft	18.50	41.04
Interest on loan	1,667.79	1,143.07
Interest - others	0.44	4.94
Discount on commercial paper	7.33	-
Financial and bank charges	1.54	1.13
	<u>2,074.13</u>	<u>1,304.87</u>



Edelweiss Asset Reconstruction Company Limited

CIN-U67100MH2007PLC174759

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

For the year ended
31 March 2016

For the year ended
31 March 2015

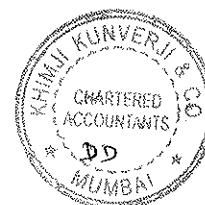
2.22 Other expenses

Advertisement and business promotion	2.90	-
Auditors' remuneration (refer note below)	0.47	0.32
Bad debts and advances written off	4.45	4.00
Reversal of receivables from trusts as per RBI guidelines	54.27	29.39
Reversal of management fees as per RBI guidelines	713.25	52.26
Communication expenses	1.31	0.71
Diminution in value of non-current investments	(12.18)	3.48
Directors' sitting fees	0.83	0.82
Donation	4.72	1.25
Electricity charges (refer note 2.29)	1.14	0.88
Insurance	0.22	0.10
Legal and professional fees	15.65	21.98
Office expenses	1.91	1.01
Printing and stationery	0.68	0.49
Provision for non performing assets	(12.59)	17.92
Rates and taxes	0.75	1.04
Rent (refer note 2.29)	11.00	7.99
Repairs and maintenance - others	0.68	0.02
ROC expenses	0.01	3.82
Stamp duty	0.28	3.61
Travelling and conveyance	4.63	1.89
Miscellaneous expenses	1.35	0.37
	<u>795.73</u>	<u>153.35</u>

Note:

Auditors' remuneration:

Statutory Auditor	0.45	0.30
Out of Pocket	0.02	0.02
	<u>0.47</u>	<u>0.32</u>



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements

for the year ended 31 March 2016

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Use of estimates

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

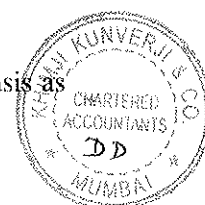
1.3 Revenue recognition

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

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

Such unrecognised fee is recognised only on realisation.

2. Upside sharing: Share in excess realization over acquisition price is accounted for as per terms of the relevant trust deed/offer document. For acquisitions on or after 1st April, 2014, upside income is recognized only after full redemption of Security Receipts
3. Other fee income is recognized on accrual basis as per contractual terms.
4. Income by way of yield on Security Receipt is accounted for as and when the same is realized. For acquisitions on or after 1st April, 2014, yield is recognised only after the full redemption of the entire principal amount of Security Receipts.
5. Interest income
 - a. Interest on bank deposits / permitted investments is accounted for on accrual basis as per the terms of the deposits / instruments



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.3 Revenue recognition (Continued)

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

Such interest income is recognised only on realisation.

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

1.4 Investments

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

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



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.5 Fixed assets and depreciation

Tangible fixed assets

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

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

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

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

Intangible fixed assets

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

1.6 Employee benefits

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

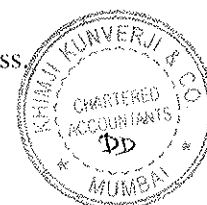
Gratuity

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

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

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

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



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.6 Employee benefits (Continued)

Compensated absences

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

1.7 Expenses incurred by the Company on behalf of the trust

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

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

i.If the expenses remains unrealised after the expiry of 180 days from the end of planning period, wherever applicable or from the date of recognition, in other cases.

ii.If Net Assets Value (NAV) of the Security Receipts falls below 50% of the face value of Security Receipts.

1.8 Taxation

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

Income tax

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

Deferred taxation

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



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.9 Impairment of assets

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

1.10 Earnings per share

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

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

1.11 Provisions and contingencies

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

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

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



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

2.23 Earnings per share

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

	2016	2015
a) Shareholders earnings (as per statement of profit and loss)	449.76	340.82
b) Calculation of weighted average number of equity shares of Rs 10 each:		
– Number of shares at the beginning of the year	100,000,000	100,000,000
– Shares issued during the year	52,63,158	-
Total number of equity shares outstanding at the end of the year	105,263,158	100,000,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	103,835,616	100,000,000
Number of dilutive potential equity shares	-	-
c) Basic earnings per share of face value of Rs.10 (in rupees)	4.33	3.41
d) Diluted earnings per share of face value of Rs.10 (in rupees)	4.33	3.41

2.24 Related Parties

(A) Names of related parties

1. Enterprises which exercise significant influence over the Company:

Edelweiss Custodial Services Limited

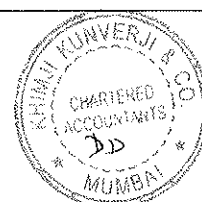
Edelweiss Financial Services Limited

2. Key managerial personnel

Siby Antony

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

Particulars	Enterprises which exercise significant influence	Individuals/ Relatives of individuals exercising significant influence over company	Key managerial personnel
Capital account transactions			
Loan taken			
Edelweiss Financial Services Limited	0.50		
	(-)		



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

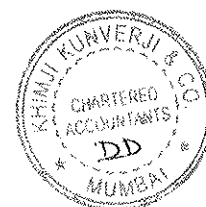
(Currency: Indian rupees in millions)

2.24 Related Parties (Continued)

Loan repaid		
		0.50
Edelweiss Financial Services Limited		(-)
Current account transactions		
Amounts taken		
Edelweiss Financial Services Limited		72.73
		(0.23)
Amounts repaid		
Edelweiss Financial Services Limited		72.78
		(0.23)
Cost reimbursements paid		
Edelweiss Financial Services Limited		0.29
	(0.21)	
Remuneration		
Siby Antony		9.19
		(7.00)
Balances with related parties		
Trade receivables		0.003
Edelweiss Financial Services Limited	(-)	
Trade payables		
Edelweiss Financial Services Limited	(0.30)	
Bonus Payable		
Siby Antony		23.00
		(21.00)

Note :

1. The details of related party relationship identified by the management of the company.
2. There have been no write-off or write-back in case of any related party.
3. Amounts in brackets represent previous year numbers



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

2.25 Details of dues to micro, small and medium enterprises

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

2.26 Employee benefit - gratuity

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

Statement of profit and loss

Net employee benefit expenses (recognized in employee cost)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	0.63	0.41
Interest on defined benefit obligation	0.23	0.14
Expected return on plan assets	-	-
Actuarial (gain) /losses	0.55	0.34
Total included in 'Employee benefit expenses'	1.41	0.89

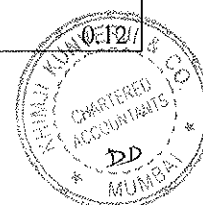
Balance sheet

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

	As at 31 March 2016	As at 31 March 2015
Liability at the beginning of the year	2.45	1.50
Transfer in/ (out)	0.50	0.06
Interest cost	0.23	0.14
Current service cost	0.63	0.41
Benefits paid	-	-
Actuarial (gain)/loss on obligations	0.55	0.34
Liability at the end of the year	4.36	2.45

Amount recognised in the Balance sheet

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Liability at the end of the year	4.36	2.45	1.50	0.12
Fair value of plan assets at the end of the year	-	-	-	-
Amount in balance sheet	4.36	2.45	1.50	



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

2.26 Employee benefit – gratuity (Continued)

Experience adjustments:

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
On Plan Liabilities: (Gain)/Loss	0.53	0.20	0.14	0.02
On Plan Assets: Gain / (Loss)	-	-	-	-
Estimated contribution for the next year	-	-	-	-

Principle actuarial assumptions at the balance sheet date:

	As at 31 March 2016	As at 31 March 2015
Discount rate	7.40%	7.80%
Salary escalation	7.00%	7.00%
Employees' attrition rate (based on categories)	13% - 25%	13% - 25%

2.27 Segment reporting

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

2.28 Additional Disclosures

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

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

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



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

2.28 Additional Disclosures (Continued)

Name	Address	Acquisition Price	Percentage to total acquisition price
Non Sponsors			
Stressed Assets Stabilisation Fund (SASF)	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005	160	0.06%
IFCI	IFCI Tower, 61 Nehru Place, New Delhi 110019	7,219.80	2.61%
Andhra Bank	Mezzanine Floor Andhra Bank Buildings, Sultan Bazaar, Koti, Hyderabad – 500095	2,291.90	0.83%
Bank of Baroda	C-26, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	4,454.20	1.61%
Punjab National Bank	7 Bhikaji Cama Palace New Delhi 110006	7,935.50	2.87%
Central Bank of India	12th Floor, Chander Mukhi, Nariman Point, Mumbai – 400 021	28,744.20	10.38%
Kotak Bank	Kotak Infinity, 2 nd Floor, Building No 21, Infinity Park General A.K. Vaidya Marg, Malad (E) Mumbai 400097	40.00	0.01%
Dena Bank	Dena Corporate Centre C-10, G Block Bandra Kurla Complex, Bandra (E), Mumbai – 400051	1,004.80	0.36%
Lakshmi Vilas Bank Limited	Zonal Office, “ Sterling Centre , 2 nd Floor, Andheri Kurla Road Chakala, Andheri (E) Mumbai 400093.	1,248.46	0.45%
IIBI Limited	19, Netaji Subhas Road Kolkatta 700001	229.15	0.08%
Federal Bank	Aluva, Alwaye-683101, Kerala	3,859.29	1.39%
IDBI	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	1,715.78	0.62%
Corporation bank	Corporate office, Mangaladevi Temple Road, Pandeshwar, MANGALORE - 575 001 Karnataka, India	1,285.60	0.46%
The Catholic Syrian Bank Ltd	CSB Bhavan, Head Office: P.B No. 502, St. Mary's College Road, Thrissur - 680 020, Kerala, India.	100.00	0.04%
ICICI Bank	Landmark, Race Course Circle, Vadodara- 390 007	1,119.10	0.40%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

2.28 Additional Disclosures (Continued)

Name	Address	Acquisition Price	Percentage to total acquisition price
Axis Bank	Trishul, 3 rd Floor, Opp. Samarhreshwar Temple, Law Garden, Ellisbridge, Ahmedabad-380006	210.00	0.08%
Indian Bank	254-260, Avvai Shanmugam Salai Royapettah, Chennai 600014	12,443.70	4.50%
Oman International Bank SAOG	201, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-21	340.00	0.12%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre, Cuffe Parade, Mumbai-400005	18,227.20	6.59%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (E), Mumbai	24,571.30	8.88%
UCO Bank	10, Biplabi, Trailokya Maharaj Sarani, Kolkata 700001	4,014.70	1.45%
Karur Vysya Bank	Central Office, Erode Road, Karur, Tamil Nadu 639 002	967.00	0.35%
Canara Bank	112, J C Road, Head Office, Bangalore 560 002	8,074.40	2.92%
Yes Bank Limited	9th Floor, Nehru Centre, Discovery of India, Worli, Mumbai- 400018	2,679.00	0.97%
Tourism Finance Corporation of India	13th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019	145.00	0.05%
IDFC	KRM Tower, 8th Floor, No: 1, Harrington Road, Chetpet, Chennai - 600 031	886.00	0.32%
HDFC Ltd	Ramon House, 169, Backbay Reclamation, H.T. Parekh Marg, Churchgate, Mumbai 400 020	110.20	0.04%
State Bank of India	State Bank Bhavan, Madam Cama Road, Nariman Point, Mumbai-400 021	62,679.00	22.64%
Oriental Bank of Commerce	Plot No.5, First Floor, Sector-32, Institutional Area, Gurgaon-122001	3,841.00	1.39%
Bank of Maharashtra	1501, Lokmangal, Shivajinagar Pune 411005	2,549.50	0.92%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

2.28 Additional Disclosures (Continued)

Name	Address	Acquisition Price	Percentage to total acquisition price
State Bank of Mysore	State Bank of Mysore Kempegowda Road, Bangalore – 560 254	6,941.40	2.51%
State Bank of Hyderabad	Hybank Towers Gun foundry, Hyderabad . 500001, Andhra Pradesh	5,700.40	2.06%
State Bank of Patiala	State Bank of Patiala The Mall, Patiala 147 002 India	10,604.80	3.83%
State Bank of Bikaner & Jaipur	State Bank of Bikaner and Jaipur, Head Office, Tilak Marg, Jaipur – 302005	4,083.14	1.48%
State Bank of Travancore	P.B. No. 34, Poojapura, Thiruvananthapuram - 695012	8,745.76	3.16%
South Indian Bank	South Indian Bank Ltd., T.B Road, Mission Quarters, Thrissur-680001, Kerala, India.	1,323.78	0.48%
Indian Overseas Bank	Indian Overseas Bank, Central Office 762, Anna Salai, P.B.No.3765 Chennai-600 002.	12,121.20	4.38%
Syndicate Bank	Syndicate Bank Post Box No.1, Manipal-576 119	6,833.30	2.47%
Karnataka Bank	Karnataka Bank Limited, Post Box No. 599.Mahaveera Circle, Kankanady,Mangaluru-575 002	250.00	0.09%
HSBC	The Hongkong and Shanghai Banking Corporation of India, 52 / 60 Mahatma Gandhi Road, Fort, Mumbai 400 001	142.00	0.05%
L & T Infrastructure Finance Company Ltd.	Mount Poonamalle Road, Manapakkam Channai -600 089	1,560.00	0.56%
Barclays Bank	801/808, Ceejay House, Dr Annie Besant Road, Worli, Mumbai – 400018	40.00	0.01%
Sicom	SICOM LIMITED Solitaire Corporate Park Building No. 4, 6th floor, Guru Hargovindji Road (Andheri Ghatkopar Link Road), Chakala, Andheri (East) Mumbai - 400 093	224.70	0.08%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

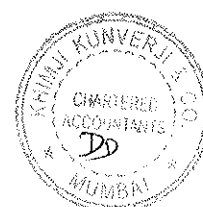
(Currency: Indian rupees in millions)

2.28 Additional Disclosures (Continued)

Name	Address	Acquisition Price	Percentage to total acquisition price
DBS	12 Marina Boulevard Tower 3 Marina Bay Financial Centre Singapore 018982	1,100.00	0.40%
UBI	239, Union Bank Bhavan, Ground Floor, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400021	842.00	0.30%
HDFC Bank	HDFC Bank House , Senapati Bapat Marg, Lower Parel (West) Mumbai-400 013	2,600.00	0.94%
IIFCL	8th Floor, Hindustan Times Building 18 & 20, Kasturba Gandhi Marg New Delhi-110 001	1,136.80	0.41%
Indusind Bank	8th Floor, Tower 1, One India Bulls Centre, 841 S B Marg, Elphinstone Road, Mumbai – 400013	85.00	0.03%
Allahabad Bank	Allahabad Bank Head Office, 2, N. S. Road, Kolkata -700 001	5,436.70	1.96%
J&K Bank	The Jammu & Kashmir Bank Ltd. Corporate Headquarters, M.A Road Srinagar, J&K , India	401.40	0.15%
United Bank of India	11 Hemant Basu Sarani Kolkata - 700001	3,477.50	1.26%
Sub Total (B)		276,795.66	100.00%
Grand Total (A+B)		276,795.66	100.00%

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

Industry	No. of Cases	Acquisition Price	Percentage to total acquisition price
Sponsors			
None	-	-	-
Sub Total (A)	-	-	-
Non Sponsors			
Auto & Auto Ancillary	15	6,514.60	2.35%
Cement	2	21,583.50	7.80%
Chemical	15	894.70	0.32%
Educational Institutes	13	1,929.00	0.70%
Engineering	9	2,364.00	0.85%
FMCG	6	4,846.00	1.75%



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

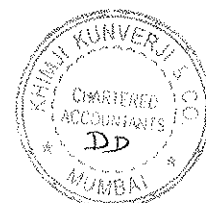
2.28 Additional Disclosures (Continued)

Industry	No. of Cases	Acquisition Price	Percentage to total acquisition price
Food Processing	63	12,105.55	4.37%
Gems & Jewellery	9	2,765.50	1.00%
Hospitality & Entertainment	18	11,764.00	4.25%
Logistics	7	7,447.20	2.69%
Metals & Mining	66	40,784.00	14.73%
Others	95	7,454.28	2.69%
Packaging	7	1,061.50	0.38%
Paper	5	1,354.00	0.49%
Pharmaceutical	34	14,766.03	5.33%
Port	1	16,753.80	6.05%
Power & Infrastructure	46	36,390.38	13.15%
Printing	2	1,024.20	0.37%
Real Estate	24	23,771.44	8.59%
Shipping	2	20,243.94	7.31%
Telecommunications & Technology	39	13,632.49	4.93%
Textile	64	27,345.55	9.88%
Sub Total (B)	542	276,795.66	100.00%
Grand Total (A+B)	542	276,795.66	

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

d) Other additional disclosures:

Particulars	Amount
Value of financial assets acquired during the year	73,393.60
Value of financial assets realised during the year	6,501.19
Value of financial assets outstanding for realisation at end of year	2,65,983.48
Value of Security Receipts redeemed partially during the year	1,938.87
Value of Security Receipts redeemed fully during the year	808.95
Value of Security Receipts pending for redemption at end of year	271,301.83
Value of Security Receipts not redeemed as a result of non-realisation of the financial asset	88.86
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

- e) The company's Owned Fund aggregating to Rs.2055 million as on March 31, 2016 is in compliance with Para 5 of the Guidelines which requires minimum owned funds to be not less than fifteen percent of the total financial assets acquired or to be acquired by the Company (whether held in the Trust set up by the Company or in the books of account of the Company) OR Rs.1000 millions, whichever is less. In the opinion of the management, Capital adequacy ratio of 15% (in terms of para 9 of the Guidelines) is not applicable where Owned funds exceed Rs.1000 million. The Company has written to the Reserve Bank of India requesting for suitable clarification on the matter. In terms of provisions of the Guidelines, the Capital Adequacy ratio of the Company as at March 31, 2016 works out to 14.44% (Previous Year 20.64%)
- f) In terms of the requirements of RBI circular no. DNBS (PD) CC. No. 41/ SCRC / 26.03.001/ 2014-2015, w.e.f. 5 August 2014,

The company has acquired 4 assets in FY 15-16 for which the acquisition price (i.e. Rs.16395 millions, EARC investment Rs.2459 millions) was more than total dues outstanding (i.e. Rs.15921 millions) as on the date of acquisition. These assets had high collaterals and/or cash-flows which justified the prices paid for these assets. The brief description of the assets is as under:-

- **Real estate:-**Two of the four assets are from Real estate sector whose underlying assets are big real estate project. On completion, these projects will have the potential to realise all the dues and future interest.
- **Port:-** It is an operating Port asset with regular cash-flows and EBITDA. We expect to realise full dues along with future interests.
- **Cement:-**The asset is from Cement industry with an operating plant of 6.25 MTPA capacity and having regular cash-flows. We expect to realise all the dues along with future interests.

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

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



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

2.29 Cost sharing

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

2.30 Capital commitments and contingent liability

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

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

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

2.31 Long term contracts

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

2.32 Loans and Advances

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

2.33 Foreign currency

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

2.34 Corporate social responsibility

- a) Gross amount required to be spent by the company during the year is Rs.4.86 millions.
- b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	4.72	-	4.72



Edelweiss Asset Reconstruction Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees in millions)

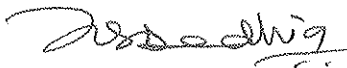
2.35 Prior year comparatives

Previous year figures have been regrouped and reclassified wherever necessary.

As per our report of even date attached.

For Khimji Kunverji & Co.

Firm Registration No.: 105146W



Hasmukh B Dedhia

Partner (F-33494)

For and on behalf of the Board of Directors



Siby Antony

Managing Director

Mumbai

DIN No.: 00075909



Rashesh Shah

Director

Mumbai

DINS No.: 00008322

DD



Mehul Gandhi

Chief Financial Officer

Mumbai

09 May 2016



Deepak Nautiyal

Company Secretary

Mumbai

Mumbai

09 May 2016