

ANNUAL REPORT 2013-2014

asREC
(India) Limited



Reconstructing for Better Future...

BOARD OF DIRECTORS

V.K. Shunglu - Chairman
Mukund M. Chitale
Prof. (Dr.) N.L. Mitra

STATUTORY AUDITORS

Chandabhoy & Jassobhoy

INTERNAL AUDITORS

Gokhale & Sathe

BANKERS

Axis Bank Limited
Bank of India
Canara Bank

REGISTRAR & SHARE TRANSFER AGENT

Satellite Corporate Services Pvt. Ltd.

REGISTERED OFFICE

Solitaire Corporate Park,
Building No.2, Unit No.201-202A & 200-202B,
Gr. Floor, Andheri Ghatkopar Link Rd.,
Chakala, Andheri (E),
Mumbai 400 093.

CONTACT DETAILS :

Tel No. : (91-22) 6138 7000
Fax No. : (91-22) 61387010
Email : asrec@asrec.co.in
Website : www.asrecindia.co.in

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NOTICE

Notice is hereby given that the tenth Annual General Meeting of the members of the Company will be held on Tuesday, September 02, 2014 at 12.15 noon at the Registered Office of the Company at Unit No. 201, 202A, Ground floor, Building No. 2, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (E), Mumbai – 400093 to transact the following business:

I. Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on March 31, 2014 and the Profit and Loss Account and Cash flow Statement for the year ended March 31, 2014 and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year 2013 -14 as recommended by the Board of Directors.
3. To authorize the Board of Directors to fix the remuneration of Statutory Auditors to be appointed by the Comptroller and Auditor-General of India for the financial year ending March, 2015.

II. Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Prof. (Dr.) N.L. Mitra (holding DIN 00018514), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri. Vijay Krishna Shunglu (holding DIN 00032683), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri. Mukund Manohar Chitale (holding DIN 00101004), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri. B. A. Prabhakar (holding DIN 02101808), who was appointed as an Independent Additional Director of the Company by the Board of Directors in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013 and also other applicable Sections under Companies Act 2013 i.e. Sections 149, 150 and 152] and Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st August, 2019.”

8. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions Sections 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), approval of the Reserve Bank of India (RBI) under the provisions of the SARFAESI Act, 2002, the Rules and Regulations made thereunder, including the applicable RBI Guidelines, and subject to the requisite approval of the Central Government (if any), the consent of the Company be and is hereby accorded to appoint Shri Dhananjay Kumar Jain (Holding DIN 06940533) as Managing Director & CEO, who was appointed as an Additional Director and as the Managing Director & CEO of the Company in the meeting held on July 15, 2014 w.e.f. the date of RBI approval for the period of five years on the Board of the Company, who shall exercise such powers as may be delegated by the Board from time to time on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri Dhananjay Kumar Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of Shri Dhananjay Kumar Jain as Managing Director of the Company, the Company has inadequate profits or no profits, the remuneration payable to Shri Dhananjay Kumar Jain shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013 or any statutory modification thereof.

RESOLVED FURTHER THAT pursuant to the Articles of Association of the Company, Shri Dhananjay Kumar Jain shall not retire by rotation.

RESOLVED FURTHER THAT Smt. Naina Hemant Kurane, Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, things and sign, to file necessary forms with the Ministry of Corporate affairs and to comply with all the other statutory requirements as may be required in this regard from time to time.”

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The proxy form should be deposited at the Registered Office of the Company at least forty-eight hours before the time for the holding of the meeting.
3. Register of Members and Share Transfer Book shall remain closed from August 19, 2014 to September 02, 2014 (both days inclusive).
4. The amount of dividend for the year 2013-14 lying unpaid in the unpaid dividend account will be transferred to the Investors Education and Protection Fund as per the provisions of section 125 of the Companies Act, 2013. Members, who will not be able to encash their cheques/pay-orders/dividend warrants for the year 2013-14, are thereafter requested to lodge their claim with the company immediately. It may be noted that once the unclaimed dividend is transferred to the Investors Education and Protection Fund, as above, no claim shall be entertained in respect thereof.
5. The dividend, if declared, will be paid on or after September 08, 2014 to the members so entitled, whose names appear in the register of members as on September 02, 2014 being the date of Annual General Meeting of the company. In respect of shares held in electronic form, the dividend will be paid to those beneficial owners whose name appears in the statement furnished by the depositories for the purpose.
6. Members are requested to notify immediately any change of address:
 - (i) to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - (ii) to the Company and to its Share Transfer Agents in respect of their physical share folios, if any.

By the Order of the Board
For **ASREC (India) Limited**



Naina Hemant Kurane
Company Secretary

Place: Mumbai

Date: August 07, 2014

Registered Office

Unit No. 201, 202A, Ground floor,
Building No. 2,
Solitaire Corporate Park,
Andheri Ghatkopar Link Road,
Andheri (E), Mumbai – 400 093

Explanatory Statement Pursuant to section 102 (2) of the Companies Act, 2013**Item No. 4**

Prof (Dr.) N. L. Mitra is an Independent Director of the Company. He joined the Board of Directors of the Company in March 2004. Prof (Dr.) N. L. Mitra is a member of Audit Committee and Resolution Committee, of the Board of Directors of the Company.

Prof (Dr.) N. L. Mitra, a retired Vice Chancellor of National Law University of Jodhpur, has received Master's Degree in Commerce, Master in Law, Ph. D and Certificate in Human Rights from Strasbourg, France.

He has vast experience in research and legal reforms in financial system. He was a member of Legal Advisory Committee of SEBI, Consultant of Governor of RBI on financial and Banking Sector Reform, member of Standing Technical Advisory Committee on Financial Regulation of RBI, Chairman/member of various National Committee on Financial Sector Law Reform such as Fiscal Discipline, Bankruptcy, Financial Fraud, Investor's Protection etc.

He is also on the Board of FM Advisory Services Pvt. Ltd and Fox Mandal Services Pvt. Ltd.

Prof (Dr.) N. L. Mitra does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Prof (Dr.) N. L. Mitra retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Prof (Dr.) N. L. Mitra being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Prof (Dr.) N. L. Mitra as a candidate for the office of Director of the Company.

In the opinion of the Board, Prof (Dr.) N. L. Mitra fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Prof (Dr.) N. L. Mitra as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Prof (Dr.) N. L. Mitra as an Independent Director, for the approval by the shareholders of the Company.

Except Prof (Dr.) N. L. Mitra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4

Item No. 5

Shri Vijay Krishna Shunglu is a Chairman and Independent Director of the Company. He joined the Board of Directors of the Company in March 2004. Shri Vijay Krishna Shunglu is a member of Audit Committee, Valuation Resolution, Recruitment Committee and Resolution Committee, of the Board of Directors of the Company.

Shri Vijay Krishna Shunglu, a Retired Comptroller & Auditor General of India, is the Chairman of the Company. He received his B.A. (Honours) in Economics from St. Stephens College, University of Delhi in 1959 and M.A. in History from University of Delhi in 1961 and was conferred the John Kandusch Award by INTOSAI in 1998.

He joined Indian Administrative Services (IAS), the premier civil service responsible for public administration at the Provincial and Central level. He served to various provincial and Union Government as Permanent Secretary and held senior position in Finance, Planning, Taxation, Industry, Energy, Health & Family Welfare and Industry & Company Affairs and demitted office as Comptroller and Auditor General of India on 15th March, 2002.

He represented Govt of India at International Bodies likes Asian Development Bank, IMF/World Bank, International Organization of the Supreme Audit Institutions, Asian Organization of the Supreme Audit Institutions, ASOSAI, etc.

He is also on the Board of Delhi Safe Deposit.

Shri Vijay Krishna Shunglu does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Vijay Krishna Shunglu is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Vijay Krishna Shunglu being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Vijay Krishna Shunglu as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Vijay Krishna Shunglu fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Vijay Krishna Shunglu as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Vijay Krishna Shunglu as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Vijay Krishna Shunglu, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Shri Mukund Manohar Chitale is an Independent Director of the Company. He joined the Board of Directors of the Company in March 2004. Shri Mukund Manohar Chitale is a member of Audit Committee, Valuation Committee and Recruitment Committee, of the Board of Directors of the Company.

Shri Mukund Manohar Chitale, a practicing Chartered Accountant for the last 30 years, is a partner of Mukund M Chitale & Co. He has done graduation in Commerce and Fellow member of Chartered Accountant. He was President of The Institute of Chartered Accountants of India in 1997-98. He was recognized as a teacher for postgraduate course by Mumbai University.

He is on the Board of Larsen & Toubro Ltd., Larsen & Toubro Infotech Ltd, Larsen & Toubro General Insurance Company Limited, ONGC Petro Additions Limited, ONGC Mangalore Petrochemicals Limited, Ram Ratna Wires Ltd, Essel Propack Limited, Itz-Cash Card Limited and Principal PNB Asset Management Company Pvt. Ltd.

He was member on various committees like The International Auditing Practices Committee of the international Federation of Accountants, Working group on Restructuring of Weak Public Sector Banks appointed by RBI (Verma Committee) and member of Dr. Dave Committee for Collective Investment Schemes appointed by SEBI. He has been appointed as a Governing Council Member of Banking Codes and Standards Board of India w.e.f. March 3, 2006.

Shri Mukund Manohar Chitale does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Mukund Manohar Chitale is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Mukund Manohar Chitale being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Mukund Manohar Chitale as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Mukund Manohar Chitale fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Mukund Manohar Chitale as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Mukund Manohar Chitale as an Independent Director, for the approval by the shareholders of the Company.

Except Shri Mukund Manohar Chitale, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7

Shri B. A. Prabhakar was appointed as Additional Independent Director on the Board of the Company on December 09, 2013 subject to Reserve Bank of India (RBI) approval, subsequently the RBI approval was received on March 19, 2014. However Shri B. A. Prabhakar did not receive approval of Ministry of Finance, since cooling period of one year has not elapsed from his retirement of services from Bank. The Cooling period shall end on August 31, 2014 and he will be eligible to be appointed w.e.f. September 01, 2014.

Shri B. A. Prabhakar is a Chartered Accountant having vast experience of 31 years, working in Bank of Baroda, Bank of India and Andhra Bank in various capacities in India and abroad. Shri B. A. Prabhakar retired as Chairman & Managing Director, Andhra Bank on attaining superannuation.

Shri B. A. Prabhakar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri B. A. Prabhakar being eligible is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st August, 2019. A notice has been received from a member proposing Shri B. A. Prabhakar as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri B. A. Prabhakar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri B. A. Prabhakar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri B. A. Prabhakar as an Independent Director, for the approval by the shareholders of the Company.

Except Shri B. A. Prabhakar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Item No. 8

Shri Dhananjay Kumar Jain is rendering services as President of the Company since January 8, 2014. After the resignation of Shri Epili Narasingh, Managing Director & CEO, Shri Dhananjay Kumar Jain was found suitable for the post of Managing Director & CEO by the Board. The Board of Directors after detailed evaluation appointed Shri Dhananjay Kumar Jain as an Additional Director and as the Managing Director & CEO of the Company in their meeting held on July 15, 2014 w.e.f. the date of approval of RBI.

Shri Dhananjay Kumar Jain has vast experience of 36years in banking sector. Shri Dhananjay Kumar Jain worked in Union Bank of India as an officer from 1977 to 2013. During his service tenure he worked in different departments of Bank like Credit Department, HR department, Industrial Relation Department, NPA Recovery and Legal Services Department and Credit Monitoring and Restructuring Department. He was aptly promoted to the higher post in the Bank and he retired as a General Manager in-charge of NPA Recovery and Legal Services Department.

The appointment of Shri Dhananjay Kumar Jain is appropriate and in the best interest of the Company. He is not a director in any other company registered in India.

The approval of the members is being sought to the terms and conditions for the appointment of Shri Dhananjay Kumar Jain as the Managing Director & CEO and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on July 15, 2014) are keeping in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to important position as that of the Managing Director.

The material terms of appointment and remuneration payable to Shri Dhananjay Kumar Jain are as under:

Remuneration and Terms & Conditions:

Sr.No.	Details	Particulars (In ₹)		
1.	Appointment as MD & CEO for the period	Five years w.e.f. the date of approval of Reserve Bank of India.		
2.	Pay and Allowances	Details	Monthly	Annual
		Basic Salary	1,10,000	13,20,000
		Provident Fund (Company's Contribution)	13,200	1,58,400
		HRA	50,000	6,00,000
		Executive Allowance	1,60,000	19,20,000
		Total	3,33,200	39,98,400
3.	Leave Travel Allowance	₹ 50,000 per annum		
4.	Lunch Coupons	₹ 2,000 per month		
5.	Medical Facility	Reimbursement of medical expenses for self and spouse		
6.	Telephone Facility	Fixed residential line and mobile facility		
7.	Computer facility	At residence with internet connection		
8.	Leave	-8 days of Casual Leave per calendar year; -Privilege Leave accruing @ 1 day for every 11 days service at ASREC; -The unavailed Privilege Leave shall be encashable at the end of every calendar year; Pay and allowances shall be considered for encashment.		
9.	Gratuity	As per Company Rules		
10.	Termination	Contract can be terminated by either side by giving one month notice or one month compensation thereof		

In view of the provisions of Sections 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Ordinary Resolution set out at item no. 8 of the accompanying Notice for the approval of the Members.

Shri Dhananjay Kumar Jain does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Shri Dhananjay Kumar Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

By the Order of the Board
 For **ASREC (India) Limited**



Naina Hemant Kurane
 Company Secretary

Place: Mumbai
 Date: August 07, 2014

Registered Office

Unit No. 201, 202A, Ground floor, Building No. 2,
 Solitaire Corporate Park, Andheri Ghatkopar Link Road,
 Andheri (E), Mumbai – 400 093

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

CIN: U67100MH2003GOI143291

Name of the Company: ASREC (INDIA) LTD

Regd. Office: Unit No. 201, 202A, Ground floor, Building No. 2, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (E), Mumbai – 400 093

Name of the Member (s):

Registered Address:

Email Id:

Folio No./ Client Id:

DP ID:

I /We, being a member (s) of shares of the above named Company, hereby appoint

1.Name:

Address:

Email Id:

Signature:, or falling him

2.Name:

Address:

Email Id:

Signature:, or falling him

3.Name:

Address:

Email Id:

Signature:, or falling him

as my /our proxy to attend and vote (on a poll) for me/us on my/our behalf at the tenth Annual General Meeting of the Company to be held on Tuesday, September 02, 2014 at _____am/pm/noon and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.
- 2.
- 3.

Signed this.....day of2014

Signature of Shareholder

Signature of Proxy Holder (s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

ATTENDANCE SLIP

Name of the Attending Member _____

Member's Folio No. _____ No of shares held _____

Name of Proxy _____

(To be filled in if the Proxy attends instead of the Member)

I hereby record my presence at the tenth Annual General Meeting of ASREC (INDIA) Ltd. Tuesday, September 02, 2014 at _____ am/pm/ noon at Unit No. 201, 202A, Ground floor, Building No. 2, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (E), Mumbai – 400 093.

Members /Proxy Signature

DIRECTOR'S REPORT 2013-14

To,
The Members,

Your Directors have pleasure in presenting the tenth Annual Report of your Company together with the Audited Accounts, Auditors' Report and Report on business and operations of the Company for the financial year ended March 31, 2014.

1. Financial Performance :

An overview of the financial performance of your Company for the Financial Year 2013-14 is as under :

(₹ in Lakh)

Particulars	Current Year (From April 1, 2013 to March 31, 2014)	Previous Year (From April 1, 2012 to March 31, 2013)
Revenue from Operation	1,850.91	2074.19
Other Income	183.56	184.11
Total Income	2,034.47	2258.30
Expenses	815.65	934.27
Profit Before Tax	1218.82	1324.03
Tax Expenses	409.44	426.98
Adjustment of prior periods	23.37	9.02
Profit for the year	786.02	888.03
Earnings per share	0.80	0.91
Appropriations :		
Proposed Dividend	490.00	490.00
Tax on Proposed Dividend	83.28	79.49

Year in Retrospect

- ◆ The Overall financial performance of the Company, despite prevailing difficult economic environment in the country, was satisfactory. Your Company's Income from Operations during the year amounted to ₹ 1851 lakh (₹ 2074 lakh in the previous year), earned Profit Before Tax (PBT) of ₹ 1219 Lakh (₹ 1324 Lakh for the previous year). The reduction in the total income is essentially due to delays in planned recoveries. There have been constant efforts on overall costs reductions which is evident from the remarkable decline in expenses of the Company from 934.27 Lakh to 815.65 Lakh during the year.
- ◆ Net Owned Funds stood at ₹ 12703 Lakh (₹ 12490 Lakh for the previous year).
- ◆ During the year under review, your Company has acquired 45 NPAs having a book value of ₹ 49426.70 Lakh from 13 Banks on both cash and SR basis.
- ◆ Total recoveries are ₹ 8048.98 Lakh during the year ending March 31, 2014 from realization of Financial Assets.

2. Dividend

Your Directors are pleased to recommend a dividend of Re. 0.50 per Equity Share for the financial year ended March 31, 2014 amounting to ₹ 4,90,00,000/-. This recommendation takes into account the need to conserve the resources of the company for its operations.

The payment of the final dividend is subject to the approval of the members which is being sought at the ensuing Annual General Meeting and shall be paid to those members whose names appear in the Register of Members of the Company as on September 02, 2014. The Register of Members and the share transfer books will remain closed from August 19, 2014 to September 02, 2014, both days inclusive. The Annual General Meeting of the Company is scheduled to be held on September 02, 2014.

3. Acquisition of Non Performing Assets

Your Company has actively participated in various Bids/Auction processes conducted by various Banks and Financial Institutions and its success rate as being the highest bidder among the participating ARCs in cash auctions remained high. However, the allotment against these auctions were negligible due to variance between internal undisclosed Benchmark of accounts arrived at by Banks and the value at which acquisition was found viable by ARCs. However, we were successful in acquisitions both on bilateral/auction basis and our efforts have borne good results as evident from notes under Para-1.

During the year under review, your Company has acquired 45 NPAs having a book value of ₹ 49426.70 Lakh from 13 Banks. Thus, overall, the position of acquisition of NPAs by your Company since inception till date works out to 540 NPAs having aggregate book value of around ₹ 335712 Lakh from 33 Banks/Financial Institutions at acquisition price of ₹ 57350 Lakh.

Particulars of acquisition of financial assets from various Banks & FIs as on 31st March, 2014: (₹ In Lakh)

Sr. No.	Name	Outstanding Principal of Assets acquired	Acquisition Price	% of Total Acquisition Price
1	Abhyudaya Co-Op Bank	320.08	210.00	0.37
2	Allahabad Bank	32338.97	2816.00	4.91
3	Andhra Bank	876.00	540.00	0.94
4	Axis Bank	15849.53	3768.80	6.57
5	Bank of Baroda	11427.90	2013.93	3.51
6	Bank of India	39964.60	6170.83	10.76
7	Canara Bank	1994.32	479.31	0.84
8	Central Bank of India	52060.05	5606.85	9.78
9	Corporation Bank	91.21	110.00	0.19
10	Dena Bank	8772.11	1902.50	3.32
11	Federal Bank	872.27	515.00	0.90
12	ICICI Bank Ltd.	1050.10	395.00	0.69
13	IFCI Ltd.	19074.19	2112.00	3.68
14	Indian Bank	1867.00	935.00	1.63
15	Indian Overseas Bank	2562.65	1787.76	3.12
16	Kotak Mahindra Bank	936.37	695.00	1.21
17	Lakshmi Vilas Bank	5878.89	1076.00	1.88
18	Mumbai District Central Co-Op Bank Ltd.	1851.66	751.33	1.31
19	Punjab & Sind Bank	1040.74	329.00	0.57
20	Punjab National Bank	93.62	94.00	0.16
21	Sarswat Bank	336.75	159.00	0.28
22	State Bank of Bikaner & Jaipur	7429.15	470.00	0.82
23	Standard Chartered Bank	1374.00	114.50	0.20
24	State Bank of Hyderabad	36650.46	750.00	1.31
25	State Bank of India	9298.88	1635.00	2.85
26	State Bank of Mysore	5427.72	122.00	0.21
27	The Karad Janata Sahakari Bank Ltd.	465.25	160.00	0.28
28	The Royal Bank of Scotland	3319.20	500.00	0.87
29	The Shamrao Vittal Co-Op. Bank Ltd.	426.91	238.67	0.42
30	The Thane District Co-Op Bank Ltd.	448.10	289.29	0.50
31	UCO Bank	55865.97	14923.00	26.02
32	United Bank of India	15363.29	4730.00	8.25
33	Vijaya Bank	383.63	950.00	1.66
	Total	335712.57	57350.27	100.00

4. Resolution of Assets

During the year under review, your Company has successfully recovered an amount of ₹ 8048.98 Lakh through resolution/recovery.

5. Resolution Agency (RA) Business

During the year under review, your company made aggregate recovery of ₹ 2063.00 lakh in various accounts allotted by different Banks for recovery on commission basis under Resolution Agency Business. Your company could receive claim of commission of ₹ 58.12 lakh from 5 public sector banks. Your company is continuing this fee-based business as it is a steady source of revenue.

6. Rating of Security Receipts (SRs)

As per the guidelines prescribed by the RBI, India Ratings and Research Pvt. Ltd. (Rating Agency) has carried out the Review Ratings of SRs issued by the respective live Trusts as on December 31, 2013, as detailed below:

Sr. No.	Name of the Trust	Acquired from	Review Rating / Rating Range assigned as on 31.12.2013
1	ASREC – PS 01/2007-08 Trust	UBI	NR-5
2	ASREC – PS 02/2007-08 Trust	UCO Bank	NR-5
3	ASREC – PS 03/2007-08 Trust	UCO Bank	NR-6
4	ASREC – PS 04/2007-08 Trust	SBBJ	NR-4
5	ASREC – PS 05/2007-08 Trust	UCO Bank	NR-6
6	ASREC – PS 02/2008-09 Trust	UBI	NR-4
7	ASREC – PS 03/2008-09 Trust	UBI	NR-4
8	ASREC – PS 04/2008-09 Trust	Allahabad Bank	NR-4
9	ASREC – PS 01/2009-10 Trust	UCO Bank	NR-6
10	ASREC – PS 02/2009-10 Trust	UCO Bank	NR-3
11	ASREC – PS 04/2009-10 Trust	UBI	NR-5
12	ASREC – PS 06/2009-10 Trust	Allahabad Bank	NR-2
13	ASREC – PS 01/2012-13 Trust	UBI	NR-2
14	ASREC – PS 02/2012-13 Trust	UBI	NR-2
15	ASREC – PS 03/2012-13 Trust	UBI	NR-3
16	ASREC – PS 04/2012-13 Trust	UBI	NR-3
17	ASREC – PS 05/2012-13 Trust	UBI	NR-2
18	ASREC – PS 06/2012-13 Trust	UBI	NR-2
19	ASREC – PS 07/2012-13 Trust	UBI	NR-4

During the year under review, five new Trusts have been set up, in respect of which Review Ratings of SRs has not been carried out as the same is not due as per RBI Guidelines.

Rating Scale:

- NR1 - Expected Recovery more than 150% of the Acquisition Price
- NR2 - Expected Recovery between 100% to 150% of the Acquisition Price
- NR3 - Expected Recovery between 75% to 100% of the Acquisition Price
- NR4 - Expected Recovery between 50% to 75% of the Acquisition Price
- NR5 - Expected Recovery between 25% to 50% of the Acquisition Price
- NR6 - Expected Recovery between 0% to 25% of the Acquisition Price

7. Net Asset Value:

The Net Asset Value (NAV) of the Security Receipts (SRs) issued by the various live Trusts set up by your Company are as follows:

Sr. No.	Name of the Trust	Face Value per SR (₹)	NAV per SR as on March 31, 2014 (₹)
1	ASREC – PS 01/2007-08 Trust	1,00,000	37,500
2	ASREC – PS 02/2007-08 Trust	1,00,000	37,500
3	ASREC – PS 03/2007-08 Trust	1,00,000	12,500
4	ASREC – PS 04/2007-08 Trust	1,00,000	62,500
5	ASREC – PS 05/2007-08 Trust	1,00,000	12,500
6	ASREC – PS 02/2008-09 Trust	1,00,000	62,500
7	ASREC – PS 03/2008-09 Trust	1,00,000	62,500
8	ASREC – PS 04/2008-09 Trust	1,00,000	62,500
9	ASREC – PS 01/2009-10 Trust	1,00,000	12,500
10	ASREC – PS 02/2009-10 Trust	1,00,000	87,500
11	ASREC – PS 04/2009-10 Trust	1,00,000	37,500
12	ASREC – PS 06/2009-10 Trust	1,00,000	1,00,000
13	ASREC – PS 01/2012-13 Trust	1,00,000	1,00,000
14	ASREC – PS 02/2012-13 Trust	1,00,000	1,00,000
15	ASREC – PS 03/2012-13 Trust	1,00,000	87,500
16	ASREC – PS 04/2012-13 Trust	1,00,000	87,500
17	ASREC – PS 05/2012-13 Trust	1,00,000	1,00,000
18	ASREC – PS 06/2012-13 Trust	1,00,000	1,00,000
19	ASREC – PS 07/2012-13 Trust	1,00,000	62,500
20	ASREC – PS 01/2013-14 Trust	1,00,000	1,00,000
21	ASREC – PS 02/2013-14 Trust	1,00,000	1,00,000
22	ASREC – PS 03/2013-14 Trust	1,00,000	1,00,000
23	ASREC – PS 04/2013-14 Trust	1,00,000	1,00,000
24	ASREC – PS 05/2013-14 Trust	1,00,000	1,00,000

8. Future Outlook:

Bad loans on the books of banks have risen consistently for the last two years, largely on account of slowing economy. High cost of borrowing & delays in securing government approvals have stalled corporate investments, squeezed cash flow, while high inflation & slower hiring have shaken consumer confidence & forced households to cut spending.

Due to these factors, NPA & restructured loans in banking industry have crossed 10% of total advances & according to various reports, are likely to cross 15% in another year. A rising pile of bad loans, huge capital requirements to support growth & meet Basle III requirements, inability of government to fork out funds have compelled the banks to come out with sale of NPA in large number, which may cross 50,000 crore approximately according to one estimate. Recent RBI guidelines permitting banks to reverse excess provision to its P&L account if the sale is for higher value than NBV has brought a major shift in the mindset of both banks and ARCs. Now almost all the sales by banks are happening on SR basis, that also at price near book outstanding and all these sales have been grabbed apparently at very high prices by few ARCs who have been flush with funds.

Though at times, there has been urge to join the race, yet your ARC has been prudent in new acquisitions which have been a judicious mix of cash and SR basis.

The recent changes introduced by RBI/Government of India will bring transparency in sale of NPA by banks and ensure greater participation, resulting in steady flow of NPA for sale in the market. All these changes and few in

the anvil bode well for the future of ARC industry. However, funding remains the major challenge for ARCs as the proportion of such loans in the books of banks has reached record level, even as the resources available to buy these loans are limited. Such sales are expected to increase in the next fiscal.

Despite all the challenges, we are confident that judicious /prudent approach followed by the company will deliver consistent growth in the coming years.

9. Corporate Governance:

Your Company being Unlisted is not governed under Clause 49 of Listing Agreement containing mandatory provisions of Corporate Governance. However, its earnest endeavor has always been to benchmark its Corporate Governance practices with the best in the world.

Corporate Governance is about promoting corporate fairness, transparency, accountability and integrity of the management. It also aims to align as nearly as possible the interests of individuals, corporate and society and enhancing the stakeholders' value. Best results are achieved when companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life.

Good corporate governance practices have always been an integral part of your Company's philosophy and your company is committed to achieving and maintaining the highest standards of corporate governance by separation of the Board's supervisory role from the Executive management and the constitution of Board committees comprising a majority of Independent Directors and chaired by an Independent Director, to oversee critical areas and functions.

A. Directors

Presently, the Board of your company is consisting of three Independent Directors viz. Shri V. K. Shunglu, Chairman, Shri M. M. Chitale and Prof. (Dr.) N. L. Mitra.

During the year, Shri Epili Narasingh was appointed as Managing Director and Chief Executive Officer of the Company with effect from October 25, 2013, after receiving Reserve Bank of India (RBI) approval, Shri K. K. Misra (nominee director – Andhra Bank) and Shri B. A. Prabhakar (Independent) was appointed as Additional Director on September 12, 2013 and December 09, 2013 on the Board of the Company. Shri K. K. Misra (nominee director – Andhra Bank) resigned from the Board on April 30, 2014 due to retirement of his services from Andhra Bank. Shri B. A. Prabhakar could not be appointed on the Board of the Company as he did not receive the approval of Ministry of Finance for his appointment as the Director on the Board of the Company, since cooling period of one year has not elapsed from his retirement of services from Bank, which shall end on August 31, 2014.

Shri Epili Narasingh, MD & CEO resigned from the services of the Company due to his illness, w.e.f. the close of business hours of July 19, 2014. Accordingly Shri D.K. Jain was appointed as Additional Director designated as Managing Director and CEO of the Company in the Board meeting held on July 15, 2014 subject to RBI and shareholders' approval.

Appointments of Nominee Directors representing Sponsor Banks are at approval stage of the concerned Ministry /RBI after which they will be representing their respective Banks on the Board.

The composition of the Directors is in accordance with the RBI guidelines issued for Asset Reconstruction/Securitisation Companies.

According to the Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Shri V. K. Shunglu, Chairman, Shri M. M. Chitale and Prof. (Dr.) N. L. Mitra as Independent Directors for five consecutive years for a term upto 31 March, 2019. Details of the proposal for appointment of Shri V. K. Shunglu, Chairman, Shri M. M. Chitale and Prof. (Dr.) N. L. Mitra are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 10th Annual General Meeting.

As per section 149 & 152 of Companies Act, 2013 Independent Directors are not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013

None of the Directors will retire by rotation in the ensuing Annual General Meeting.

B. Auditors

Statutory Auditors:

M/s. Chandabhoy & Jassoobhoy Chartered Accountants, Mumbai was appointed as Company's Statutory Auditors by the office of the Comptroller and Auditor General of India (CAG) for the financial year 2013-14, who have completed their independent audit of Company's accounts and accounts of various Trusts set up by the company successfully.

Internal Auditors:

M/s. Gokhale & Sathe, Chartered Accountants, Mumbai, Company's Internal Auditors carried out internal audit for the financial year 2013-14.

C. Committee of Directors

The Board of Directors of the Company has constituted various Committees in accordance with the requirements of Reserve Bank of India (RBI) and the Companies Act, 1956. The composition of various Board level Committees are detailed below:

i) Audit Committee

The Audit Committee comprises of the following Directors:

1. Shri V. K. Shunglu, Chairman (Independent Director)
2. Shri Epili Narasingh (MD & CEO)
3. Shri M. M. Chitale, (Independent Director)
4. Prof. (Dr.) N. L. Mitra, (Independent Director)

The Audit Committee is constituted in accordance with the provisions of section 292A of the Companies Act, 1956. The Members of the Committee are qualified and experienced in the fields of finance, accounts, law etc.

ii) Valuation Committee

The Valuation Committee comprises of the following Directors:-

1. Shri V. K. Shunglu, (Chairman)
2. Shri Epili Narasingh, (MD & CEO)
3. Shri Mukund M Chitale, (Director)

The scope of the Valuation Committee envisages deciding the values and acquisition of the various financial assets offered for sale.

iii) Resolution Committee

The Resolution Committee comprises of the following Directors:

1. Shri V. K. Shunglu, (Chairman)
2. Shri Epili Narasingh, (MD & CEO)
3. Prof. (Dr.) N. L. Mitra, (Independent Director)

The scope of the Resolution Committee envisages resolution of various financial assets acquired.

iv) Investment Committee

The Investment Committee comprises of the following Directors / Officials of the Company:

1. Shri Epili Narasingh, MD & CEO;
2. Shri D. K. Jain, President;
3. Shri Ved Prakash Raman, SVP;
4. Shri A. K. Mahajan, CFO;
5. Shri V. R. Gopal, Vice President;
6. Shri Girish Sinha, Vice President.

Shri Angad Roy, AVP will be the Member Secretary.

The scope of the Investment Committee envisages deployment of investible surplus funds of the Company / Trusts formed by the Company.

v) Recruitment Committee

The Recruitment Committee comprises of the following Directors:-

1. Shri V K Shunglu, Chairman;
2. Shri Epili Narasingh, MD & CEO;
3. Shri M. M. Chitale, Director.

The scope of the Recruitment Committee envisages:

- i) Appointment and promotion of employees for grades of Sr. Vice President and President;
- ii) Fixing the No. of employees for grades of Sr. Vice President and President;
- iii) Fixing the remuneration package (CTC) for the employees for grades of Sr. Vice President and President.

For each function of your company, suitable committee at management level has been formed for smooth discharge of various functions of the Company.

D. Meetings of the Board and its Committees

During the financial year 2013-14, Six Board Meetings and two Audit Committee Meetings were held. The various other committees at Board / Management levels are held as per the requirements from time to time.

10. New Companies Act 2013**- The new landscape**

The Ministry of Corporate Affairs (MCA) has notified 295 Sections of the Companies Act 2013 (CA 2013) along with corresponding Rules & forms. The notified sections of the new Companies Act 2013 are effective from 1st April 2014.

Governance and monitoring framework

The Companies Act 2013 Act makes several changes in the governance framework of companies and requires additional measures to be put in place by companies and also aligns itself with certain good international practices. The Companies Act 2013, places sharp prominence on Independent Directors internal audit function and Secretarial Audit functions. Your Company has equipped and initiated the steps towards the implementation of the applicable sections of the Companies Act 2013.

11. Public Deposits

During the period under review, the Company has not accepted any deposits under Section 58A of the Companies Act, 1956.

12. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) shall state that—

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

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

(d) The annual accounts have been prepared on a going concern basis; and

(e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. Other Disclosures

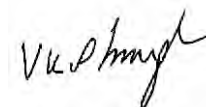
Information required as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has been given in the Annexure forming part of this Report.

Statement required as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 has been given in the Annexure forming part of this Report.

14. Acknowledgements

Your Directors acknowledge the support and guidance received from Reserve Bank of India, Indian Banking Association, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, the Comptroller and Auditor General of India (CAG), Statutory Auditors, Internal Auditors, Sponsors, Shareholders and various Banks/Financial Institutions during the year under report. Your Directors also express their sincere gratitude and appreciation to all the employees for their dedicated support in the operations of the Company.

For and on behalf of the Board



V.K. Shunglu
Chairman

Place : Mumbai
Date : May 14, 2014

ANNEXURE – “A” FORMING PART OF DIRECTORS' REPORT

Particulars required as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

The Company is in the service sector; hence this part of the Disclosures is not applicable.

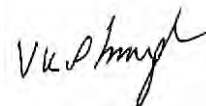
B. Technology Absorption

The Company is in the service sector; hence this part of the Disclosures is not applicable.

C. Foreign Exchange Earnings and Outgo

There has been no foreign exchange earnings and outgo during the period under Report.

For and on behalf of the Board



V.K. Shunglu
Chairman

Place : Mumbai
Date : May 14, 2014

ANNEXURE – “B” FORMING PART OF DIRECTORS' REPORT

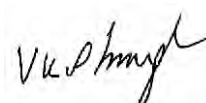
Statement required as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 in respect of employees of ASREC (India) Ltd.

Name, Qualification and Age	Designation	Remuneration received	Experience (in years)	Date of commencement of employment and date of resignation	Last employment
Shri A. K. Choudhary, Bachelor of Technology in Civil Engineering, 64 Years	Managing Director & CEO	₹ 29.71 lakh	40	July 16, 2009 Date of Resignation April 24, 2013	General Manager, Bank of India

Notes:

- Shri A. K. Choudhary resigned as MD & CEO w.e.f April 24, 2013
- Nature of employment: Shri Epili Narasingh is appointed as MD & CEO w.e.f October 25, 2013.

For and on behalf of the Board



V.K. Shunglu
Chairman

Place : Mumbai
Date : May 14, 2014

SHAREHOLDING PATTERN

Sr. No.	Name of Shareholder	No. of shares held	Revised % to total paid up equity capital
1	Allahabad Bank	2,64,99,900	27.04
2	Andhra Bank	2,55,00,000	26.02
3	Bank of India	2,55,00,000	26.02
4	Indian Bank	1,10,00,000	11.22
5	Life Insurance Corporation of India	90,00,000	9.18
6	Deutsche Bank	5,00,000	0.51
7	Specified Undertaking of Unit Trust of India (SUUTI)	100	0.00*
	Total	9,80,00,000	100.00

* Fraction is compensated by fraction of % shares of other investors.

S M Chinoy
B T Nagda
B S Chandrasekar
S P Hansraj
A A Dave
M D Shah

CHANDABHOY & JASSOOBHOY

C H A R T E R E D A C C O U N T A N T S

INDEPENDENT AUDITORS' REPORT

To
The Members of
ASREC (INDIA) LIMITED.

REPORT ON THE FINANCIAL STATEMENT

1. We have audited the accompanying financial statements of ASREC (INDIA) LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 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:
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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
 - 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.
9. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
10. On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of Chandabhoy & Jassoobhoy

Chartered Accountants

Firm Reg. No : 101647W



Ambesh A. Dave

Partner

Membership No. 49289

Place : Mumbai

Date : May 14, 2014

ANNEXURE

Referred to in our report of even date

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We were informed that physical verification of fixed assets was conducted by the management during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and nature of its assets.
- c. During the year, the Company has not disposed off any substantial part of fixed assets.
- ii) As the Company does not have inventories, Clauses 4 (ii) (a to c) of the Order is not applicable.
- iii) According to the information and explanations given to us, the Company has not granted / taken any loans, secured or unsecured to / from any company, firm or other parties that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956. Hence clause 4 (iii) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for purchase of fixed assets and for the sale of services. Further during the course of our audit, we have neither come across nor have been informed of any instances of major weakness in the aforesaid internal control procedures and continuing failure on the part of the management to take corrective action in this regard.
- v) According to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956. In view of above, Clause 4(v) of the Order is not applicable.
- vi) The Company has not accepted any deposit from the public in contravention of section 58A and 58AA of Companies Act, 1956.
- vii) In our opinion, the internal audit function carried out by a firm of Chartered Accountants is commensurate with the size of the Company and nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- ix) a. According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing the statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed statutory dues is outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no statutory dues outstanding on account of any dispute as of 31st March, 2014 except as stated below:

Period	Amount (₹)	Forum, where dispute is pending
A.Y. 2008 - 09	61,60,688/-	ITAT, However the same has been Adjusted by the department Against Refund Due for A.Y. 2007-08
A.Y. 2011 - 12	84,75,370/-	CIT(Appeal)

- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the year covered by our audit or in the immediately preceding financial year.
- xi) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to the financial institutions or banks.
- xii) According to the information and explanations given to us and the records of the Company examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a Chit fund or a Nidhi / Mutual Benefit Fund / Society. Therefore clause 4(xiii) of the Order is not applicable to the Company.
- xiv) According to the information and explanations given to us and based on our examination of books of account, we report that the Company is not dealing or trading in shares, securities and debentures. The Company is investing in Security Receipts and Financial Assets. It has maintained proper records for its investments and investment account is updated in a timely manner. All the investments have been held by the Company in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) The Company has not taken any term loan during the year.
- xvii) According to the information and explanations given to us and based on our examinations of books of account, we report that the Company has not utilized any funds raised on short-term basis for long-term investments.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For and on behalf of **Chandabhoy & Jassoobhoy**

Chartered Accountants

Firm Reg. No : 101647W

Ambesh A. Dave

Partner

Membership No. 49289

Place : Mumbai

Date : May 14, 2014



सत्यमेव जयते

भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय प्रधान निवेशक वाणिज्यिक लेखापरीखा तथा पदेन सदस्य, लेखापरीक्षा बोर्ड -I, मुंबई
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-I, MUMBAI

No.GA/R-I/A/cs/ASREC/13-14/78

**COMMENTS OF THE COMPTROLLER AND AUDITORS GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS
OF ASREC (India) LIMITED FOR THE YEAR ENDED 31 MARCH 2014**

The preparation of financial statements of ASREC (India) Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 14 May 2014.

I, on behalf of the Comptroller and Auditors General of India, have decided not to review the report of the Statutory Auditor on the accounts of ASREC (India) Limited for the year ended 31 March 2014 and as such have no comments to make under Section 619 (4) of the Companies Act, 1956.

For and on behalf of the
Comptroller and Auditors General of India

(Y.N. Thakare)

Principal Director of Commercial Audit &
ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 10 June 14

BALANCE SHEET

AS AT MAR 31, 2014

[₹ in Lakh]

PARTICULARS	Note No.	AS AT Mar 31,2014	AS AT Mar 31,2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	9,800.00	9,800.00
(b) Reserves and Surplus	2	2,903.06	2,690.32
(2) Non-Current Liabilities			
Long-term Provisions	4	21.36	28.03
(3) Current Liabilities			
(a) Short-terms Borrowings	5	3,035.14	2,474.42
(b) Other Current Liabilities	6	374.05	461.57
(c) Short-term Provisions	7	999.49	1,026.75
TOTAL		17,133.10	16,481.09
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets - <i>Tangible Assets</i>	8	983.47	1,039.47
- <i>Intangible Assets</i>	8	0.95	1.45
(b) Deferred Tax Assets (Net)	3	101.08	101.19
(c) Other Non-Current Assets	9	12.00	14.00
(2) Current Assets			
(a) Current Investments	10	11,204.90	10,988.87
(b) Cash and Cash Equivalents	11	4,023.82	3,882.72
(c) Short-term Loans & Advances	12	796.99	435.85
(d) Other Current Assets	13	9.88	17.54
TOTAL		17,133.10	16,481.09
Significant Accounting Policies and Other Notes to Accounts	21		

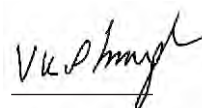
Notes referred to above form an integral part of the Financial Statements.

As per our report of even date
For **CHANDABHOY & JASSOOBHOY**
Chartered Accountants
Firm Reg.No:101647W



(Ambesh A. Dave)
Partner
M.No: 049289
Place: Mumbai
Date: May 14,2014

For and on behalf of the Board of Directors



V.K.Shunglu
(Chairman)



Epili Narasingh
(MD & CEO)



Mukund M.Chitale
(Director)



Naina H Kurane
(Company Secretary)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014

[₹ in Lakh]

PARTICULARS		Note No.	Year ended Mar 31,2014	Year ended Mar 31,2013
I.	Revenue from operations	14	1,850.91	2,074.19
II.	Other Income	15	183.56	184.11
III.	Total Revenue (I + II)		2,034.47	2,258.30
IV.	Expenses:			
	Employee benefits Expenses	16	422.41	461.67
	Finance Costs	17	15.11	7.89
	Depreciation and Amortization Expenses	8	65.31	69.48
	Other Expenses	18	312.26	395.14
	Total Expenses		815.09	934.18
V.	Profit before Exceptional items (III- IV)		1,219.38	1,324.12
VI.	Exceptional Items- <i>Prior Period Items</i>	19	0.56	0.09
VII	Profit before Tax (V- VI)		1,218.82	1,324.03
VIII	Tax Expenses	20		
	(1) Current Tax		409.33	455.02
	(2) Deferred Tax		0.11	(28.04)
IX	Adjustment of prior periods		23.37	9.02
X	Profit for the year (VII-VIII-IX)		786.02	888.03
XI	Earnings per Equity Share ,Basic & Diluted <i>(Nominal Value ₹ 10/-per share)</i>		0.80	0.91

Notes referred to above form an integral part of the Financial Statements.

For CHANDABHOY & JASSOOBHOY

Chartered Accountants

Firm Reg.No:101647W



(Ambesh A.Dave)

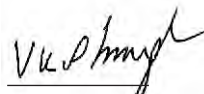
Partner

M.No: 049289

Place: Mumbai

Date: May 14,2014

For and on behalf of the Board of Directors



V.K.Shunglu
(Chairman)



Mukund M.Chitale
(Director)



Epili Narasingh
(MD & CEO)



Naina H Kurane
(Company Secretary)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

[₹ in Lakh]

PARTICULARS	Year ended Mar 31,2014	Year ended Mar 31,2013
I CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Exceptional items and Tax	1,219.38	1,324.12
Exceptional Items- <i>Prior Period Items</i>	(0.56)	(0.09)
Profit before Tax as per Profit & Loss Statement	1,218.82	1,324.03
<i>Add:</i> Finance Cost	15.11	7.89
Non-Cash Items		
-Depreciation and Amortization Expenses	65.31	69.48
-Loss/(Profit) on Sale of Fixed Assets	-	1.81
-Other Non cash items	(0.04)	3.69
Profit before working capital changes [A]	1,299.20	1,406.90
<i>Adjustments for Working Capital :</i>		
(Increase)/Decrease in Current Investments	(216.03)	(2,211.10)
(Increase)/Decrease in Short-term Loans & Advances	(335.62)	219.09
(Increase)/Decrease in Other Current Assets	7.66	90.54
Increase/(Decrease) in Short-terms Borrowings	560.72	660.92
Increase/(Decrease) in Other Current Liabilities	(87.52)	346.14
Increase/(Decrease) in Short-term Provisions	5.27	(5.53)
<i>Adjustment for Other Non-Current Items:</i>		
(Increase)/Decrease in Other Non Current Assets	2.00	3.50
Increase/(Decrease) in Long Term Prov	(6.67)	3.47
TOTAL [B]	(70.19)	(892.97)
	[A+B]	513.93
<i>Less</i> Income tax paid (Net of Refund)	(490.83)	(395.49)
Net Cash flow from Operating Activities [C]	738.18	118.44
II CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Assets :		
<i>Purchase</i>	(15.64)	(8.95)
<i>Disposal</i>	6.94	0.29
TOTAL [D]	(8.70)	(8.66)
III CASH FLOWS FROM FINANCING ACTIVITIES		
Finance Cost	(15.11)	(7.89)
Dividend Paid	(490.00)	(490.00)
Dividend Distribution Tax paid	(83.28)	(79.49)
TOTAL [E]	(588.39)	(577.38)
IV NET INCREASE IN CASH AND CASH EQUIVALENTS [C+D+E]	141.09	(467.60)
V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,882.72	4,350.33
VI CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR*	4,023.82	3,882.72

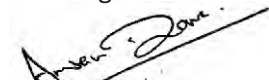
*(Note: Cash and Cash Equivalents consist of Cash on Hand , FDs & Bank Balances)

As per our report of even date

For CHANDABHOY & JASSOOBHOY

Chartered Accountants

Firm Reg.No:101647W



(Ambesh A.Dave)

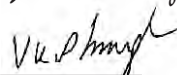
Partner

M.No: 049289

Place: Mumbai

Date: May 14,2014

For and on behalf of the Board of Directors



 V.K.Shunglu
 (Chairman)



 Epili Narasingh
 (MD & CEO)



 Mukund M.Chitale
 (Director)



 Naina H Kurane
 (Company Secretary)

NOTES Forming Part of the Financial Statements for the year ended March 31, 2014

[₹ in Lakh]

PARTICULARS	AS AT Mar 31, 2014	AS AT Mar 31, 2013
NOTE -01 : SHARE CAPITAL		
<u>AUTHORISED CAPITAL:</u> 12,50,00,000 Equity Shares of ₹ 10/-each <i>(Previous year - 12,50,00,000 Equity Shares of ₹ 10/-each)</i>	12,500.00	12,500.00
<u>ISSUED , SUBSCRIBED & PAID UP :</u> EQUITY SHARE CAPITAL 9,80,00,000 Equity Shares of ₹ 10/-each, fully paidup <i>(Previous year - 9,80,00,000 Equity Shares of ₹ 10/-each)</i>	9,800.00	9,800.00
TOTAL	9,800.00	9,800.00

STATEMENT OF SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES

Name of Shareholder	Current Year		Previous Year	
	No. of shares held (of ₹ 10/- each)	% to total paid up equity capital	No. of shares held (of ₹ 10/- each)	% to total paid up equity capital
Allahabad Bank	2,64,99,900	27.04%	2,64,99,900	27.04%
Bank of India	2,55,00,000	26.02%	2,55,00,000	26.02%
Andhra Bank	2,55,00,000	26.02%	2,55,00,000	26.02%
Indian Bank	1,10,00,000	11.22%	1,10,00,000	11.22%
Life Insurance Corporation of India	90,00,000	9.18%	90,00,000	9.18%
TOTAL	9,74,99,900	99.48%	9,74,99,900	99.48%

* There is no change in the number of shares outstanding hence reconciliation not required.

* The Company has not issued any bonus shares or shares for consideration other than cash or has not bought back any shares during the last five years

NOTE -02 : RESERVES AND SURPLUS
Surplus in Statement of Profit and Loss

Balance as at the beginning of the year
Add: Net Profit for the year

Less: Proposed Dividend

Tax on Proposed Dividend

Balance as at the end of the year

	As At March 31, 2014	As At March 31, 2013
	2,690.32	2,371.78
	786.02	888.03
	3,476.34	3,259.81
	490.00	490.00
	83.28	79.49
	2,903.06	2,690.32
NOTE -03: DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets	177.27	165.81
Less: Deferred Tax Liabilities	76.19	64.62
TOTAL	101.08	101.19
NOTE -04 : LONG TERM PROVISIONS		
<u>Provision for Employee Benefits:</u>		
Prov.for Long Term Empl Benefit-Leave	16.76	22.63
Prov.for Employees Benefit-Gratuity	4.60	5.40
TOTAL	21.36	28.03

PARTICULARS	As At March 31, 2014	As At March 31, 2013
NOTE -05 : SHORT TERMS BORROWINGS		
Secured:		
Loan Repayable on demand		
Canara Bank	3,035.14	2,474.42
<i>(Secured by Current Assets including hypothecation of Investment in Financial Assets and Security Receipts)</i>		
TOTAL	3,035.14	2,474.42
NOTE -6: OTHER CURRENT LIABILITIES		
<u>Other payables:</u>		
<i>Liabilities for Expenses</i>	85.57	109.07
<i>Advance for Acquisition of Financial Assets</i>	-	60.00
<i>Payable to Employee</i>	0.62	-
<i>Advance Against OTS</i>	98.95	100.00
<i>Profession Tax payable</i>	0.05	
<i>Service Tax Payable</i>	-	0.04
<i>TDS Payable</i>	9.45	1.65
<i>Other Payables</i>	179.41	190.81
TOTAL	374.05	461.57
NOTE -7: SHORT TERM PROVISIONS		
Provision for Employee benefits:		
<i>Prov for Short Term Emp Benefit- Leave</i>	0.41	1.14
Others:		
<i>Prov. for Dividend Distribution Tax</i>	83.28	79.49
<i>Prov. for Proposed Dividend</i>	490.00	490.00
<i>Provision for Income Tax AY 2013-14</i>	-	455.02
<i>Provision for Income Tax AY 2014-15</i>	409.33	-
<i>Prov.for Income Tax AY 2009-10</i>	0.15	-
<i>Prov for Income Tax AY 2010-11</i>	9.22	-
<i>Provision for Expenses</i>	7.10	1.10
TOTAL	999.49	1,026.75

ASREC (INDIA) LIMITED

Notes are forming part of the Balance Sheet as at 31-Mar-14

Note - 8 :

(₹ in Lakh)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at, 01Apr -13	Addition	Sale/ Deduction	31-Mar-14	As at, 01Apr -13	During the year	Acc. Dep on Sale	31-Mar-14	31-Mar-13
BUILDINGS	1,141.36	-	-	1,141.36	163.19	48.91	-	212.10	978.17
PLANT & MACHINERY									
Motor Cars	15.89	12.74	15.89	12.74	9.39	2.81	9.50	2.70	6.49
Computer	33.74	2.63	0.85	35.51	19.97	6.03	0.41	25.59	13.77
Office Equipment	4.08	-	-	4.08	1.57	0.35	-	1.92	2.51
FURNITURE & FITTINGS									
Electric Equipment	10.87	0.27	-	11.14	3.88	1.00	-	4.88	6.99
Furniture & Fixture	51.26	-	-	51.26	19.72	5.71	-	25.43	31.54
TOTAL (A)	1,257.20	15.64	16.74	1,256.10	217.73	64.81	9.91	272.62	1,039.47

INTANGIBLE ASSETS

Computer Softwares	2.18	-	-	2.18	0.72	0.50	-	1.22	1.45
TOTAL (B)	2.18	-	-	2.18	0.72	0.50	-	1.22	1.45
TOTAL (A + B)	1,259.38	15.64	16.74	1,258.27	218.46	65.31	9.91	273.85	1,040.92
<i>Previous Years' figures</i>	1,253.67	8.95	3.25	1,259.38	150.13	69.48	1.15	218.46	1,040.92

PARTICULARS	As At March 31, 2014	As At March 31, 2013
NOTE -9: OTHER NON CURRENT ASSETS		
<i>Prepaid Expenses</i>	12.00	14.00
TOTAL	12.00	14.00
NOTE -10: CURRENT INVESTMENTS		
Investments in Government or Trust Securities (Unquoted)		
(i) Controlled Special Purpose Entities		
Security Receipts of Trusts		
<i>ASREC-PS 01/2013-14 TRUST SR</i>	29.00	-
<i>ASREC-PS 02/2013-14 TRUST SR</i>	605.00	-
<i>ASREC PS-03/2013-14 TRUST SR</i>	38.00	-
<i>ASREC PS-04/2013-14 TRUST SR</i>	48.00	-
<i>ASREC PS-05/2013-14 TRUST SR</i>	47.00	-
<i>ASREC PS-01/2012-13 TRUST SR</i>	61.00	198.00
<i>ASREC PS-02/2012-13 TRUST SR</i>	48.00	48.00
<i>ASREC PS-03/2012-13 TRUST SR</i>	32.00	32.00
<i>ASREC PS-04/2012-13 TRUST SR</i>	24.00	24.00
<i>ASREC PS-05/2012-13 TRUST SR</i>	29.00	29.00
<i>ASREC PS -06/2012-13 TRUST SR</i>	80.00	80.00
<i>ASREC PS-07/2012-13 TRUST SR</i>	35.00	35.00
<i>ASREC PS-01/2009-10 TRUST SR</i>	4.00	4.00
<i>ASREC PS-02/2009-10 TRUST SR</i>	8.00	62.00
<i>ASREC PS-04-2009-10 TRUST SR</i>	11.00	11.00
<i>ASREC PS-05/2009-10 TRUST SR</i>	-	148.00
<i>ASREC PS-06/2009-10 TRUST SR</i>	255.00	347.00
<i>ASREC PS-02/2008-09 TRUST SR</i>	397.00	471.00
<i>ASREC PS-03/2008-09 TRUST SR</i>	20.00	21.00
<i>ASREC PS-04/2008-09 TRUST SR</i>	132.00	132.00
<i>ASREC PS-01/2007-08 TRUST SR</i>	-	47.00
<i>ASREC PS 02/2007-08 TRUST SR</i>	154.00	154.00
<i>ASREC PS-03/2007-08 TRUST SR</i>	22.00	24.00
<i>ASREC PS-04/2007-08 TRUST SR</i>	54.00	99.00
<i>ASREC PS-05/2007-08 TRUST SR</i>	8.00	8.00
<i>ASREC PS-02/06 TRUST SR</i>	1.00	1.00
TOTAL (a)	2,142.00	1,975.00
(ii) Investment in the SRs of Trust of Other ARC		
<i>INVENT/1011/S2 TRUST</i>	-	25.04
<i>INVENT/1011/S4 TRUST</i>	900.50	900.50
TOTAL (b)	900.50	925.54
Provision for Impairment-SRs		
<i>Provision for Impairment Asrec PS 03/2012-13 TRUST</i>	4.00	-
<i>Provision for Impairment Asrec PS 04/2012-13 TRUST</i>	3.00	-
<i>Provision for Impairment Asrec PS 07/2012-13 TRUST</i>	13.13	-
<i>Provision for Impairment ASREC PS 01/2009-10 TRUST</i>	3.50	3.50
<i>Provision for Impairment ASREC PS 02/2009-10 TRUST</i>	1.00	7.75
<i>Provision for Impairment ASREC PS 04/2009-10 TRUST</i>	6.88	6.88
<i>Provision for Impairment ASREC PS 05/2009-10 TRUST</i>	-	18.50
<i>Provision for Impairment-ASREC PS 02/2008-09 TRUST</i>	173.69	176.63
<i>Provision for Impairment-ASREC PS 03/2008-09 TRUST</i>	7.50	7.88
<i>Provision for Impairment-ASREC PS 04/2008-09 TRUST</i>	57.75	49.50
<i>Provision for Impairment ASREC PS 01/2007-08 TRUST</i>	-	31.14
<i>Provision for Impairment ASREC PS 02/2007-08 TRUST</i>	130.90	102.03

PARTICULARS	As At March 31, 2014	As At March 31, 2013
Provision for Impairment ASREC PS 03/2007-08 TRUST	20.90	21.30
Provision for Impairment ASREC PS 04/2007-08 TRUST	40.50	43.32
Provision for Impairment ASREC PS 05/2007-08 TRUST	7.11	7.00
TOTAL (c)	469.86	475.43
NET INVESTMENT IN SRs OF TRUST (a + b - c) [A]	2,572.64	2,425.11
(iii) Trusts where in all SRs have been redeemed (Rs. 1 Lakh assigned for all unresolved A/c)		
ASREC PS-03/2009-10 TRUST SR	7.00	7.00
ASREC PS-05/2009-10 TRUST SR	5.00	-
ASREC PS-07/2009-10 TRUST SR	19.00	21.00
ASREC PS-01/2008-09 TRUST SR	17.00	32.00
ASREC PS-01/2007-08 TRUST SR	6.00	-
ASREC PS-01/06 TRUST SR	4.00	5.00
ASREC PS-04/06 TRUST SR	3.00	6.00
ASREC PS-05/06 TRUST SR	7.00	17.00
ASREC PS-07/06 TRUST SR	5.00	5.00
TOTAL(d)	73.00	93.00
Less: Provision (e)		
Prov.for Inv in SRs(Redeemed Trust)	73.00	93.00
NET TOTAL (d- e) [B]	-	-
Other Investments : Financial Assets acquired from various Banks & Financial Institutions		
Andhra Bank	490.00	-
Allahabad Bank.	787.65	902.00
Axis Bank	999.03	1,741.10
The Abhyudaya Co-Op.Bank Ltd.	129.17	-
Bank of India	1,372.66	20.00
Bank of Baroda	250.00	250.00
Central Bank of India	84.00	881.00
Consortium (BOI,BOB,IOB,CBI&Dena Bank)	1,390.33	2,210.33
Canara Bank	365.00	-
Corporation Bank	95.00	-
Dena Bank	509.50	548.85
Federal Bank	194.25	260.75
Indian Overseas Bank	435.14	915.00
ICICI Bank	395.00	-
Kotak Mahindra Bank	625.00	-
Punjab National Bank	-	93.98
The Royal Bank of Scotland	10.00	50.00
The Shamrao Vithal Co.Op.Bank Ltd.	59.49	119.00
The Karad Janata Sahakari Bank Ltd.	47.79	100.00
The Saraswat Bank Co-op.Bank Ltd	-	9.00
United Bank of India	133.00	173.00
UCO Bank	281.50	295.75
TOTAL	8,653.51	8,569.76
Less : Prov. For Impairment	21.25	6.00
Net Investment in Financial Assets [C]	8,632.26	8,563.76
TOTAL INVESTMENT (Net of provisions) [A+B+C]	11,204.90	10,988.87

PARTICULARS	As At March 31, 2014	As At March 31, 2013
NOTE -11: CASH AND CASH EQUIVALENTS		
Cash-in-hand	0.21	1.17
Bank Account	1,618.13	(24.10)*
Fixed Deposits with Bank		
a) Maturity within 12 months	2,405.48	3,905.65
b) Maturity morethan 12 months	-	-
TOTAL	4,023.82	3,882.72
<i>*Book overdraft</i>		
NOTE -12: SHORT TERMS LOANS & ADVANCES		
(a) Secured, Considered good	-	-
(b) Unsecured, Considered good		
(i) Loan & Advances to Related Parties:		
Trust / Associates		
<i>(On account of Management Fee receivable from trusts and Expenditure such as Legal fee , Security Charges etc. incurred on behalf of various trusts)</i>	46.39	13.89
(ii) Others		
Account Receivable	-	0.02
Deposits	311.32	8.05
Advance Income Tax	339.00	334.00
Income Tax Deducted at Source	37.72	19.72
Income Tax Refund	62.56	60.04
Service Tax Receivable	-	0.13
C) Doubtful :		
Trust / Associates : <i>Management Fee receivable</i>	8.69	0.40
<i>Less : Provision for Management fee</i>	(8.69)	(0.40)
TOTAL	796.99	435.85
NOTE -13: OTHER CURRENT ASSETS		
Accrued Interest on FDR	3.85	10.88
Adv.Profession Tax (Employers,Cont.)	-	0.03
Prepaid Expenses	6.03	6.63
TOTAL	9.88	17.54
NOTE -14: REVENUE FROM OPERATIONS		
Income From Investment in Financial Assets	1,388.16	1,326.52
Income From Investment in SRS	412.47	734.09
Income From Agency Business	50.28	13.58
TOTAL	1,850.91	2,074.19
NOTE -15: Other Income		
<i>Interest Income From Fixed Deposits</i>	167.87	178.04
<i>Miscellaneous Income</i>	0.28	0.71
<i>Processing Fee</i>	15.29	5.32
<i>Profit on Sale of Fixed Assets</i>	0.12	0.04
TOTAL	183.56	184.11

PARTICULARS	As At March 31, 2014	As At March 31, 2013
NOTE -16: EMPLOYEE BENEFITS EXPENSES		
Salary	392.62	415.38
Employers Cont. to PF	9.89	12.37
Staff Welfare Exp.	25.85	26.68
Gratuity Expense	(0.70)	3.94
Leave Encashment	(5.25)	3.30
TOTAL	422.41	461.67
NOTE -17: FINANCE COST		
Bank Interest	15.11	7.89
TOTAL	15.11	7.89
NOTE -18: OTHER EXPENSES		
<u>Payments to the auditor</u>		
-Audit Fees	4.00	3.45
-Tax Audit Fees	0.50	0.46
-For Taxation matters	-	0.37
-For re-imbursment of Expenditure	0.11	0.11
Rent	17.26	15.02
Bank Charges	1.26	0.65
Bidding Fees	0.85	0.50
Business Development Expenses	0.91	1.83
Demat Charges	0.05	-
Directors Sitting Fees	2.53	2.47
Electricity Charges	7.02	5.52
Housekeeping, Security & Runner	21.57	21.89
Insurance	8.72	8.67
Internet & Web Site Expenses	6.18	5.84
Legal Expenses	22.27	16.43
Membership & Subscription	3.65	3.57
Miscellaneous Expenses	4.23	11.37
News Paper ,Books & Periodicals	0.35	0.40
Postage & Courier Expenses	1.84	2.21
Printing & Stationery	5.32	5.47
Professional Fees	34.79	30.69
Profession Tax	0.38	0.03
Registration Fees	7.81	3.42
Repairs & Maintenance	3.63	2.62
Resolution Fee	79.85	74.16
Telephone, Fax & Mobile Expenses	7.82	6.49
Training & Development Exp's	0.06	0.08
Travelling & Conveyance	37.39	38.01
Valuation & Due Diligence Expenses	3.20	0.59
Interest Expenses	2.40	0.96
Impairment of Investment(Net)	9.69	129.90
W/off on Disposal of Assets	-	1.81
Rate & Taxes	16.62	0.15
TOTAL	312.26	395.14
NOTE -19: EXCEPTIONAL ITEMS		
Prior Period Expenses	0.56	0.09
TOTAL	0.56	0.09
NOTE -20: TAX EXPENSES		
Current Tax	409.33	455.02
Deffered Tax	0.11	(28.04)
TOTAL	409.44	426.98

NOTE 21: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**[A] SIGNIFICANT ACCOUNTING POLICIES****1. Company Overview:**

ASREC (INDIA) LIMITED is a Securitization and Reconstruction Company registered with Reserve Bank of India (RBI) to carry on the business of Securitization of Assets and Reconstruction thereof under the provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) and the various guidelines issued by RBI from time to time. The Financial Assets are acquired from Banks and Financial Institutions either in the Trusts set up for the purpose or in its own books.

2. Basis of preparation of Financial Statements:

The Financial Statements have been prepared to comply in all material aspects of Notified accounting standards as prescribed by Companies (Accounting Standards) Rules, 2006 (as amended), read with MCA Circular no: 15/2013 dated 13.09.2013 and the relevant provisions of the Companies Act, 1956 (read with MCA Circular no- 08/2014 dated 04.04.2014) and guidelines issued by the Reserve Bank of India (RBI) from time to time under SARFAESI Act.

3. Use of Estimates:

The preparation of financial statement requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standards.

4. Fixed Assets and Depreciation:

TANGIBLE ASSETS: Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Depreciation is provided on written down value method on a pro-rata in case of tangible assets at the rates specified in Schedule XIV to the Companies Act, 1956.

INTANGIBLE ASSETS: Intangible Assets are measured at cost of acquisition / development and amortized over their estimated economic life on a Straight-Line Method. Estimated life of Computer Software assumed to be 3 Years.

5. Income Recognition:**a) Income from Investment in Financial Assets (FAs):**

Income from Investment in Financial Assets is recognized as follows:

Amount realized on resolution / realization of FAs is credited to respective FAs till the value of FAs become nil. Amount realized from resolution of FAs subsequent to FA value becoming nil is credited to Profit and Loss Statement. Similarly, if the total amount realized from resolution of FAs is less than its cost, the short fall is treated as loss and debited to Profit and Loss Statement. In case Financial Assets acquired / resolved under policy for Acquisition of "Negotiated Financial Assets for Restructuring", interest on amount funded is recognized on actual realization.

b) Income from Investment in Security Receipts (SRs) of Trusts:

Income from Investment in SRs is recognized when all SRs are redeemed by the Trusts. Surplus arising from sale of unresolved Assets subsequent to redemption of all SRs is recognized, as and when distributed by respective trusts.

c) Other Income: All other incomes are recognized on accrual basis. Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Management / incentives / advisory fees from trusts are recognized as per provisions of respective trust deed / offer documents.**6. Current Investment:**

Investments in Security Receipts and Financial Assets are valued at Cost *Net of Impairments (if any)*.

Provision for impairment on Investment in SRs and Financial Assets:

Impairment / Diminution in respect of SRs is based on valuation guidelines issued by Reserve Bank of India. The

Impairment / provision in respect of SRs / Financial Assets are charged to the Profit and Loss Statement. In case of Trusts which have completed more than 5 year, an additional provision for Impairment has been made as per Board Guidelines.

7. Expenses incurred for Financial Assets not acquired:

Acquisition expenses (i.e. valuation & due diligence expenses and Bidding fees) relating to financial Assets not acquired are shown as current year's expenses and the same are charged to Profit and Loss Statement.

8. Tax Expenses:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to the extent that there is reasonable / virtual certainty that asset will be realized in future.

9. Earnings Per Share:

The Company reports Earnings Per Share (EPS) in accordance with the Accounting Standard -20 "EARNINGS PER SHARE" to the Companies (Accounting Standards) Rules, 2006 .

10. Provision :

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

11. Retirement Benefits:

A) Gratuity: The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. Gratuity liability is accrued on the basis of actuarial valuation at the year end.

B) Leave Encashment: The liability on account of Employees' Leave Encashment is provided on the basis of Actuarial Valuation, and is not funded.

C) Provident Fund: The Company has a provident fund scheme which is a defined contribution Scheme. Defined contribution is charged to the Profit and Loss statement.

12. Prior Period Adjustments:

In respect of transactions pertaining to the period prior to the current accounting year, the company follows the practice in conformity with the Accounting Standard.

13. Cash Flow Statement:

Cash Flow Statement is prepared in accordance with the Indirect Method as prescribed in The Accounting Standard-3 "CASH FLOW STATEMENTS" to the Companies (Accounting Standards) Rules, 2006.

[B] OTHER NOTES**1. Contingent liabilities and commitments (to the extent not provided for):**

Contingent liabilities: Income Tax Dues ₹ 146.36 Lakh (P.Y ₹ 61.61 Lakh) .

2. Provision for Impairment of Assets (other than SRs and FAs, forming part of investments) as required under the Accounting Standard-28 "Impairment of Assets" to the Companies (Accounting Standards) Rules, 2006 (as amended) is not necessary as in the opinion of Management there is no impairment of the Company's assets in terms of the said Standards. Provision for impairment in respect of SRs and Fas is made on the basis of RBI norms of Income Recognition and Assets Classification.

3. Segment wise reporting as defined in Accounting Standard (AS-17) is not applicable, since the entire operation of the Company related to only one segment.

4. As per Reserve Bank of India Guidelines, the Capital Adequacy Ratio of the Company at the year end worked out at **96.90%** as given below:

(₹ in Lakh)

Particular	Current Year	Previous Year
(i) Paid up Capital & Res	12,703.06	12,490.32
(ii) Risk Weighted Assets	13,109.29	12,598.37
(iii) Capital Adequacy Ratio	96.90%	99.14%

5. **Related Party Transactions:** A list of Related Party and Transactions with Related Parties as required by the Accounting Standard-18 "RELATED PARTY DISCLOSURES" to the Companies (Accounting Standards) Rules, 2006 has been given below:

a) List of Related Party

1	Holding Co.	:	NIL
2	Subsidiary	:	NIL
3	Fellow Subsidiary	:	NIL
4	Associates/ Joint Venture	:	Bank of India, Andhra Bank & Allahabad Bank
5	Key Management Personnel	:	Sri A.K Choudhary , MD & CEO (Up to April 24, 2013)
		:	Sri Epili Narasingh ,MD& CEO (Since Oct 25, 2013)
6	Relative of Key Management Personnel	:	NIL

b) Transaction with Related Party (ies)

(₹ in Lakh)

Type of Transactions	Associates & JVs	Key Management Personnel	Total
1 Fixed Deposits	1405.48	0	1405.48
2 Interest Income from Fixed Deposits	108.43	0	108.43
3 Purchase of Financial Assets	2480.00	0	2480.00
4 Managerial Remuneration	0	48.20	48.20
5 Receipts of Resolution fee	31.89	0	31.89
Total	4025.8	48.20	4074.00
Previous year's figure	5114.10	81.14	5195.24

6. In the opinion of the Management, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.

7. Net Deferred Tax Assets comprises of :

S.N	PARTICULARS	Current Year	Previous Year
A.	Deferred Tax Assets:		
	Provision for Impairment	166.92	156.21
	Provision for Other Expenses	10.34	9.60
	Total	177.27	165.81
B.	Deferred Tax Liabilities:		
	Depreciation	72.11	60.08
	Other Items	4.08	4.54
	Total	76.19	64.62
C.	Net Deferred Tax Assets	101.08	101.19

8. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid/ payable as required under the said act have not been given.
9. Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in Accounting Standards-15 (Revised).

The Employee' Gratuity fund scheme is, managed by Life Insurance Corporation of India (LIC), a defined benefit plan. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognize each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final bligation.

DEFINED CONTRIBUTION PLAN:

(₹ in Lakh)

Particulars	Current Year	Previous Year
Employer's Contribution to Provident Fund	9.89	12.37

DEFINED BENEFIT PLAN:

A. Actuarial Assumptions

Particulars	Gratuity (Funded)		Leave Encashment (Not funded)	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	9.00%	8.25%	9.00%	8.25%
Salary Escalation	6.50%	5.25%	6.50%	5.25%
Mortality Table	IALM-Mortality-Tables (2006-08) Ultimate	LIC (1994-96) Ultimate	IALM-Mortality-Tables (2006-08) Ultimate	LIC (1994-96) Ultimate

B. Change in Benefit Obligation

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Not funded)	
	Current Year	Previous Year	Current Year	Previous Year
Obligation at the beginning of the year	10,74,809	4,51,832	23,76,927	20,46,433
Interest Cost	88,672	38,406	1,96,096	1,73,947
Service Cost	2,64,632	3,86,814	7,05,938	9,76,625
Benefit paid	(1,10,769)	0	(1,35,300)	0
Actuarial (Gain) Loss on obligations	(3,78,860)	1,97,758	(14,26,589)	(8,20,077)
Obligation at the end of the year	9,38,485	10,74,809	17,17,072	23,76,927

C. Change in Fair Value of Plan Assets

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Not funded)	
	Current Year	Previous Year	Current Year	Previous Year
Fair Value at the beginning of the year	5,34,426	2,26,437	0	0
Expected Return on Plan Assets	44,814	24,641	0	0
Contributions	9,681	2,83,348	0	0
Benefits paid	(1,10,769)	0	0	0
Actuarial Gain/ (Loss) on plan Assets	0	0	0	0
Fair Value at the end of year	4,78,152	5,34,426	0	0

D. The Amounts to be recognized in Balance Sheet

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Not funded)	
	Current Year	Previous Year	Current Year	Previous Year
Present Value of Obligation at the end of the year	9,38,485	10,74,809	17,17,072	23,76,927
Less: Fair Value of Plan Assets at the end of the year	4,78,152	5,34,426	0	0
Net Liability recognised in Balance Sheet	4,60,333	5,40,383	17,17,072	23,76,927

E. Amount to be recognized in the statement of Profit and Loss (Net periodic cost)

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Not funded)	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	2,64,632	3,86,814	7,05,938	9,76,625
Interest Cost	88,672	38,406	1,96,096	1,73,947
Expected Return on Plan Assets	(44,814)	(24,641)	0	0
Net actuarial (Gain) Loss recognised in the year	(3,78,860)	1,97,758	(14,26,589)	(8,20,077)
Expenses recognised in the Statement of Profit & Loss	(70,369)	5,98,336	(5,24,555)	3,30,494

F. Experience Adjustment on Actuarial Gain/ (Loss)

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Not funded)	
	Current Year	Previous Year	Current Year	Previous Year
Plan Liability	4,05,466	(3,00,144)	0	0
Plan Assets	0	0	0	0

-The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS-15 (Revised) on "Employee Benefits" are not available in the valuation report and hence, are not furnished.

-In the absence of detailed informations regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

-The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above is certified by the actuary.

10. PROPOSED DIVIDEND:

The Final Dividend proposed for the year is as follows: [on Equity Shares of ₹ 10 each]	Current Year	Previous Year
Amount of Dividend proposed (₹ in Lakh)	490	490
Dividend per Equity Share (in ₹)	0.50	0.50

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

11. EARNINGS PER EQUITY SHARE

Particulars	Current Year	Previous Year
Profit before Tax	1,218.82	1,324.03
Less : Tax Expenses (including prior year tax adjustment)	432.81	436.00
Net profit after tax attributable to Equity Share holder for EPS	786.02	888.03
Weighted Average no. of Equity Shares outstanding during the year for EPS	9,80,00,000	9,80,00,000
Earnings per Equity Share (Basic & Diluted)	0.80	0.91

12. Additional Disclosures pursuant to the RBI Guidelines has been given below:

The following additional disclosures have been made taking into account RBI guidelines in this regard

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

Name	Address	Acquisition Price (₹ in Crore), Cumulative as at year end	
		Current Year	Previous Year
Sponsors			
Allahabad Bank	2, Netaji Subhas Road, Kolkata – 700 001	28.16	28.16
Andhra Bank	Pattabhi Bhavan, Saifabad Hyderabad (Andhra) -500004	5.40	0
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	61.71	42.31
Indian Bank	254-260, Avvai Shanmugam Salai, Royapettah, Chennai-600014	9.35	0.00
	Sub Total (A)	104.62	70.47
Non Sponsors			
Axis Bank	Trishul, 3 rd Floor, Opp. Samaratheshwar Temple, Law Garden, Ellisbridge, Ahmedbad– 380 006, Gujarat.	37.69	37.69
Abhyudaya Co-Op. Bank	K.K.Tower, G.D.Ambedkar Marg, Parel Mumbai-400012	2.10	0.00
Bank of Baroda	C-26, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051, Maharashtra	20.14	12.54
Central Bank of India	Chander Mukhi, Nariman Point, Mumbai – 400 021, Maharashtra	56.07	56.07
Canara Bank	112, J.C.Road, Bangalore, 560002	4.79	0.00
Corporation Bank	Mangalam Road, Tirupur- 641604	1.10	0.00
Dena Bank	Dena Corporate Centre, C-10, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra	19.03	19.03
Federal Bank	Federal Towers, Head Office, Aluva, Ernakulam – 683 101, Kerala.	5.15	5.15
Indian Overseas Bank	763,Anna Salai, Chennai-600002I	17.87	16.59
IFCI Limited	FCI Tower, 61, Nehru Plakhe, New Delhi – 110 019	21.12	21.12
ICICI Bank	Landmark, Race Course Circle, Vadodra- 390007	3.95	0.00
Kotak Mahindra Bank	36-38A, Nariman Bhawan, Nariman Point, Mumbai-400021	6.95	0.00
Punjab & Sind Bank	Bank House, 21, Rajendra Plakhe, New Delhi – 110 008	3.29	3.29
Punjab National Bank	7,Bhikaji Cama Place, New Delhi-110607	0.94	0.94
State Bank of India	Corporate Banking Group, Corporate Centre, Madam Cama Road, Mumbai – 400 021	16.35	16.35

Name	Address	Acquisition Price (₹ in Crore), Cumulative as at year end	
		Current Year	Previous Year
State Bank of Hyderabad	Hybank Towers, Gunfoundry, Hyderabad – 500 001	7.50	7.50
State Bank of Mysore	Kempegowda Road, Bangalore – 560 009, Karnataka	1.22	1.22
State Bank of Bikaner & Jaipur	Tilak Marg, C Scheme, Jaipur – 302 005, Rajasthan	4.70	4.70
Standard Chartered Bank	90, Mahatma Gandhi Road, Mumbai- 400 001, Maharashtra	1.15	1.15
The Lakshmi Vilas Bank Ltd	Kathapara, Salem Main Road, Karur – 639 006	10.76	5.00
The Saraswat Co-Operative Bank Ltd	Corporate Center, Saraswat Bank Bhawan, plot no-753, Appasaheb Marathe Marg,Prabhadevi, Mumbai-400025	1.59	1.59
The Royal Bank of Scotland	No-1 Krm Tower, Near Shoppers Stop,Harington Road,Chetpet, Chennai-600031	5.00	5.00
The Karad Janata Sahakari Bank Ltd	100/101, Shivaji Nagar, Karad, Satara-415110,Marashtra	1.60	1.60
The Shamrao Vittal Co-Operative Bank Ltd	SVC Tower, Nehru Road,Vakola Santacruz (E), Mumbai-400055	2.38	2.38
The Thane District Central Co-Operative Bank Ltd	TJSB House, Plot no-5B, Road no-2,Wagle Ind.estate, Thane (W)-400604	2.89	2.89
The Mumbai District Central Co-Operative Bank Ltd	Mumbai Bank Bhawan,207, Dr. D.N Road, Fort, Mumbai-400001	7.51	7.51
United Bank of India	11, Hemanta Basu Sarani, Kolkata – 700 001	47.30	47.30
UCO Bank	10, BTM Sarani, Kolkata – 700 001	149.23	28.23
Vijaya Bank	41/2, M.G.Road, Trinity Circle, Bangalore – 560001	9.50	0.00
	Sub Total (B)	468.87	304.84
	Grand Total (A + B)	573.49	375.31

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

Sponsor

Industry	No. Of cases	Acquisition Price (₹ In Cr.)	Percentage (%) to total acquisition price
Tea	10	7.19	1.25
Auto Ancillary	1	1.03	0.18
Leather	3	3.75	0.65
Engineering	5	5.58	0.97
Food Industry	2	0.02	0.00
Construction	2	9.35	1.63
Plastic	2	0.7	0.12
Agro Products	4	0.59	0.10
Chemical	3	3.75	0.65
Edible Oil	2	5.95	1.04
Electronics	9	1.93	0.34
Financial Services	2	0.52	0.09
Pharma	1	0.2	0.03
Textiles	10	12.65	2.21
Trading	9	1.62	0.28
Aluminium	1	2.25	0.39
Cement	3	0.3	0.05
Consumer Products	5	0.85	0.15
Iron & Steel	12	1.43	0.25
Other	50	44.96	7.84
Sponsor Total (A)	135	104.62	18.24

Non Sponsor

Tea	36	25.89	4.51
Leather	9	9.38	1.64

Engineering	9	30.98	5.40
Food Industry	16	30.51	5.32
Construction	4	3.08	0.54
Plastic	6	1.51	0.26
Agro Products	12	10.98	1.92
Chemical	6	2.07	0.36
Edible Oil	14	5.58	0.97
Electronics	4	2.14	0.37
Financial Services	6	0.93	0.16
Pharma	9	14.93	2.61
Textiles	31	57.46	10.02
Trading	41	26.05	4.54
Cement	1	0.21	0.04
Consumer Products	11	13.47	2.35
Iron & Steel	26	63.83	11.13
Jewellery	9	27.02	4.71
Steel	9	2.39	0.42
Auto Ancillary	6	3.62	0.63
Petrochemicals	2	0.42	0.07
Animal husbandry	6	7.27	1.27
Hospitality	1	0.5	0.09
Other	123	126.4	22.04
Entertainment	1	2.25	0.39
Non Sponsor – Total (B)	398	468.87	81.76
Grand Total (A+B)	534	573.49	100.00

*Industry-wise and Sponsor-wise dispersion of financial assets have been identified by the Management and relied upon by the auditors.

c) Statement of migration of financial assets from standard to non-performing:

Bank Name	Account Name	Outstanding/ Acquisition Price (₹ in Lakh) as on 31.3.2014
Bank of India	Usha Micro Processors Pvt Ltd	10.00
Bank of India	Western India Industries	5.00
Bank of India	Western Paques	5.00
Central Bank of India	Ushakant Steels Pvt Ltd	15.00
Central Bank of India	Cross Sea Leasing & Investments Co. Pvt Ltd	23.00
UCO Bank	Metal Crafts	4.50
UCO Bank	Mata Motors	3.00
UCO Bank	Mata Sales Agency	3.00
Total		68.50

d) Value of financial assets acquired (acquisition price) during the financial year either on its own books or in the books of the trusts:

Sr. No.	Name of the Banks / Fis	Name of the Trusts	Value of financial assets acquired during the financial (₹ in Lakh)
1	Andhra Bank	Acquired in the books of ASREC	540
2	Abhyudaya Co-Op. Bank	Acquired in the books of ASREC	210
3	Bank of India	Acquired in the books of ASREC	1940
4	Bank of Baroda	ASREC-PS 03/2013-14 TRUST	760
5	Canara Bank	Acquired in the books of ASREC	479
6	Corporation Bank	Acquired in the books of ASREC	110
7	Indian Overseas Bank	Acquired in the books of ASREC	128
8	ICICI Bank	Acquired in the books of ASREC	395
9	Indian Bank	ASREC-PS 05/2013-14 TRUST	935
10	Kotak Mahindra Bank	Acquired in the books of ASREC	695
11	Laxmi Vilas Bank	ASREC-PS 01/2013-14 TRUST	576
12	Uco Bank	ASREC-PS 02/2013-14 TRUST	12100
13	Vijaya Bank	ASREC-PS 04/2013-14 TRUST	950
Total			19818

e) Value of Financial Assets realized during the financial year 2013-14.

	Name of the Banks / Fis	Name of the Trusts	(₹ in Lakh)
1	Abhyudaya Co .Operative Bank Ltd	Acquired in the books of ASREC	101.25
2	Allahabad Bank	ASREC-PS 06/2009-10 Trust	192.65
3	Allahabad Bank	Acquired in the books of ASREC	222.55
4	Andhra Bank	Acquired in the books of ASREC	62.25
5	Axis Bank	Acquired in the books of ASREC	775.24
6	Bank of Baroda	ASREC-PS 05/2009-10Trust	158.13
7	Bank of India	ASREC-PS 01/2008-09Trust	50.56
8	Bank of India	Acquired in the books of ASREC	712.00
9	Canara Bank	Acquired in the books of ASREC	136.55
10	Central Bank of India	Acquired in the books of ASREC	1392.67
11	Consortium(BOI,BOB,IOB,CBI,DB)	Acquired in the books of ASREC	991.00
12	Corporation Bank	Acquired in the books of ASREC	15.00
13	Dena Bank	Acquired in the books of ASREC	69.25
14	Federal Bank	Acquired in the books of ASREC	110.51
15	ICICI Bank Ltd	Acquired in the books of ASREC	49.40
16	Indian Overseas Bank	Acquired in the books of ASREC	614.71

17	Kotak Mahindra Bank Ltd	Acquired in the books of ASREC	105.00
18	Punjab National Bank	Acquired in the books of ASREC	112.16
19	Saraswat Bank	Acquired in the books of ASREC	9.56
20	State Bank of Bikaner and Jaipur	ASREC-PS 04/2007-08 Trust	50.00
21	State Bank of Bikaner and Jaipur	ASREC-PS 01/06 Trust	74.93
22	State Bank of Hyderabad	ASREC-PS 2/06 Trust	536.76
23	State Bank of Mysore	ASREC-PS07/06 Trust	1.00
24	The Karad Janata Sahakari Bank Ltd	Acquired in the books of ASREC	64.56
25	The Royal Bank of Scotland	Acquired in the books of ASREC	48.42
26	The Shamrao Vithal Co-operative Bank Limited	Acquired in the books of ASREC	70.34
27	UCO Bank	ASREC-PS 02/2009-10 Trust	46.05
28	UCO Bank	ASREC-PS 03/2007-08 Trust	44.53
29	UCO Bank	ASREC-PS 07/2009-10 Trust	71.67
30	UCO Bank	Acquired in the books of ASREC	95.10
31	UCO BANK	ASREC-PS 02/2013-14 Trust	135.00
32	United Bank of India	ASREC-PS 01/2007-08 Trust	95.79
33	United Bank of India	ASREC-PS 01/2012-13 Trust	654.15
34	United Bank of India	ASREC-PS 02/2008-09 Trust	77.78
35	United Bank of India	ASREC-PS 03/2008-09 Trust	18.85
36	United Bank of India	ASREC-PS 03/2009-10 Trust	6.50
37	United Bank of India	ASREC-PS 04/2009-10 Trust	1.70
38	United Bank of India	Acquired in the books of ASREC	47.00
39	INVENT/1011/S2 TRUST	INVENT/1011/S2 TRUST	28.41
		TOTAL	8048.98

f) Value of financial assets (acquisition price) outstanding for realisation as at the end of the Current Financial Current year :

Particulars	(₹ in Lakh)
Value of financial assets outstanding for realization as at 31 st March, 2014	26,960.06 ¹

¹Trusts : 18,306.55, Asrec : 8653.51

g) Value of Security Receipts redeemed partially and the Security Receipts redeemed fully during the current financial year :

SECURITY RECEIPTS REDEEMED FULLY:

Name of the Bank/FIs	Name of the Trust	Value of Security Receipts (₹ in Lakh)
Bank of Baroda	ASREC PS-05/2009-10 Trust	148.00
United Bank of India	ASREC PS-01/2007-08 Trust	47.00
	Total	195.00

SECURITY RECEIPTS REDEEMED PARTIALLY :

Name of the Bank/FIs	Name of the Trust	Value of Security Receipts (₹ in Lakh)
Allahabad Bank	ASREC PS-06/2009-2010 Trust	92
SBBJ	ASREC PS-04/2007-2008 Trust	45
United Bank of India	ASREC PS-01/2012-2013 Trust	685
United Bank of India	ASREC PS-03/2008-2009 Trust	17
United Bank of India	ASREC PS-02/2008-2009 Trust	74
UCO Bank	ASREC PS-03/2007-2008 Trust	36
UCO Bank	ASREC PS-02/2009-2010 Trust	54
	Total	1003

h) Value of Security Receipts pending redemption as at the end of the Current financial year:

Name of the Bank/FIs	Name of the Trust	Value of Security Receipts pending redemption as at 31 st March, 2014 (₹)
Allahabad Bank	ASREC – PS 04/2008-09 Trust	132
Allahabad Bank	ASREC – PS 06/2009-10 Trust	255
Bank of Baroda	ASREC PS-03/2013-14 Trust	760
Indian Bank	ASREC PS-05/2013-14 Trust	935
Laxmi Vilas Bank	ASREC PS-01/2013-14 Trust	576
State Bank of Bikaner and Jaipur	ASREC – PS 04/2007-08 Trust	54
State Bank of Hyderabad	ASREC – PS 02/06 Trust(SBH)	20
United Bank of Bank	ASREC – PS 02/2008-09 Trust	397
United Bank of Bank	ASREC – PS 03/2008-09 Trust	396
United Bank of Bank	ASREC – PS 04/2009-10 Trust	217
United Bank of Bank	ASREC PS-01/2012-13 Trust	303
United Bank of Bank	ASREC PS-02/2012-13 Trust	240
United Bank of Bank	ASREC PS-03/2012-13 Trust	161
United Bank of Bank	ASREC PS-04/2012-13 Trust	121
United Bank of Bank	ASREC PS-05/2012-13 Trust	141
United Bank of Bank	ASREC PS-06/2012-13 Trust	400
United Bank of Bank	ASREC PS-07/2012-13 Trust	175
UCO Bank	ASREC – PS 02/2007-08 Trust	154
UCO Bank	ASREC – PS 03/2007-08 Trust	431
UCO Bank	ASREC – PS 05/2007-08 Trust	152
UCO Bank	ASREC – PS 01/2009-10 Trust	88
UCO Bank	ASREC – PS 02/2009-10 Trust	8
UCO Bank	ASREC PS-02/2013-14 Trust	12100
Vijaya Bank	ASREC PS-04/2013-14 Trust	950
	Total	19166

i) Value of Security Receipts which could not be redeemed as a result of non realization of the financial assets as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii):
Nil

j) Value of land and/or building acquired in ordinary course of business of reconstruction of assets (year wise)

Nil

13. Previous year's figures have been re-grouped and/ or re-arranged wherever considered necessary to conform to current year's presentation.

As per our report of even date

For **CHANDABHOY & JASSOOBHOY**

Chartered Accountants

Firm Reg.No:101647W



(Ambesh A. Dave)

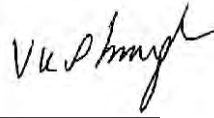
Partner

M.No: 049289

Place: Mumbai

Date: May 14, 2014

For and on behalf of the Board of Directors



V.K.Shunglu

(Chairman)



Mukund M.Chitale

(Director)



Epili Narasingh

(MD & CEO)



Naina H. Kurane

(Company Secretary)



(An ISO 9001 - 2008 Certified Company)

CIN - U67100MH2003GOI143291

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