

The Twelfth  
**Annual Report**  
2015-16

*Reconstructing  
for Better Future*

# BOARD OF DIRECTORS



**Shri Vijay Krishna Shunglu**

Chairman



**Shri Dhananjay Kumar Jain**

MD & CEO



**Shri Mukund Manohar Chitale**

Director



**Shri Nripendralal Mitra**

Director



**Shri B. A. Prabhakar**

Director



**Shri Ramesh Chand Thakur**

Nominee Director

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**BOARD OF DIRECTORS**

Shri V. K. Shunglu  
Prof. (Dr.) N. L. Mitra  
Shri Mukund M. Chitale  
Shri B. A. Prabhakar  
Shri Dhananjay Kumar Jain  
Shri Ramesh Chand Thakur

**STATUTORY AUDITORS**

Chokshi & Chokshi LLP

**INTERNAL AUDITORS**

Gokhale & Sathe

**SECRETARIAL AUDITORS**

Pramod S. Shah & Associates

**BANKERS**

Axis Bank Limited  
Bank of India  
Canara Bank  
Union Bank of India

**REGISTRAR & SHARE TRANSFER AGENT**

Satellite Corporate Services Pvt. Ltd.

**REGISTERED OFFICE**

Solitaire Corporate Park,  
Bldg. No. 2, Unit No. 201-202B  
Gr. Floor, Andheri Ghatkopar Link Rd.  
Chakala, Andheri (East),  
Mumbai – 400 093.  
CIN - U67100MH2003GOI143291

**CONTACT DETAILS**

Tel No. : (91-22) 6138 7000  
Fax No. : (91-22) 6138 7010  
Email : asrec@asrec.co.in

## NOTICE

Notice is hereby given that the 12th (Twelfth) Annual General Meeting of the ASREC (India) Limited will be held on Monday, September 26, 2016 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 – 400 093 to transact the following business :

### I. Ordinary Business:

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon.
- 2 To authorize the Board of Directors to fix the remuneration of Statutory Auditors appointed by the Comptroller and Auditor-General of India for the financial year ending March, 2017.

“**RESOLVED THAT** the Board of Directors of the Company be is hereby authorized to decide and fix the remuneration of the Statutory Auditor of the Company appointed by Comptroller and Auditor General of India for the FY 2016-17.”

### II. Special Business

**To consider and if thought fit, to pass with or without modification(s), the following resolutions**

- 3 Ordinary Resolution for Regularization of Additional Director Shri Ramesh Chand Thakur as Nominee Director

“**RESOLVED THAT** pursuant to Section 160 & 161 of the Companies Act, 2013 and any other applicable provision (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force), if any, of the Companies Act, 2013, Shri Ramesh Chand Thakur (holding DIN- 07526437) who was appointed as an Additional Director- Nominee of Bank of India, w.e.f. the date of RBI approval and whose term expires at the ensuing Annual General Meeting of the Company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the director be and is hereby appointed as director of the Company.

**RESOLVED FURTHER THAT** The Company Secretary be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution.”

- 4 Special Resolution for ratification of the remuneration of Shri Dhananjay Kumar Jain - Managing Director & CEO of the Company

“**RESOLVED THAT** pursuant to the provisions of Section 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act, the members be and hereby ratify the payment of excess remuneration of ₹ 1,75,591 to Shri Dhananjay Kumar Jain [DIN: 06940533], Managing Director and CEO of the Company, in event of insufficient profits of the Company in the financial year 2015-16, which is beyond the limits specified under proviso (A) Section II of Part II of Companies Act 2013.

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure as a Managing Director, the Company is required to obtain the approval of Central Government or any other authorities, under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Shri Dhananjay Kumar Jain under the provisions of Section 196, 197 (and other relevant Sections) of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time be paid till the receipt of such approval.

**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 for a period not exceeding three years.

**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.”

5 Special Resolution for Credit Limit / Borrowings upto ₹ 200 Crore:

**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force, read with Article 163 (d) of Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding ₹ 200 crores (Rupees Two Hundred Crores) [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade from any one or more persons, firms, bodies corporate, bankers, financial institutions, or from others, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorised by the Board, be and is / are hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating security as aforesaid or otherwise considered to be in the best interest of the Company.”

**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 Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of the notice.
3. 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.
4. Register of Members and Share Transfer Book shall remain closed from September 12, 2016 to September 26, 2016 (both days inclusive).
5. Members/ Proxies are requested to bring the attendance slips duly filled in and copies of the Annual Report to the Meeting.

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 : September 03, 2016

**Registered Office**

Unit No. 201, 202A, Ground floor,  
Building No. 2,  
Solitaire Corporate Park,  
Andheri Ghatkopar Link Road,  
Andheri (E), Mumbai – 400 093  
(CIN-U67100MH2003GOI143291)

**Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013****ITEM NO. 3**

Shri Ramesh Chand Thakur General Manager of Bank of India, after obtaining RBI's approval dated May 10, 2016 was appointed as Additional Director on the Board of ASREC (India) Limited by the Board of Directors on the basis of letter of Bank of India, to hold office upto the ensuing Annual General Meeting.

Shri Ramesh Chand Thakur is a post Graduate in M. Sc /DIP Internal Banking Management/ MBA. Presently Shri Ramesh Chand Thakur is working as General Manager of Bank of India. He has vast experience of 31 years in banking and 1 year in Recovery Department of Bank.

Shri Ramesh Chand Thakur does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

A notice has been received, proposing Shri Ramesh Chand Thakur as a candidate for the office of Director of the Company.

The Board recommends the resolution in relation to appointment of Shri Ramesh Chand Thakur, for the approval by the shareholders of the Company.

Except Shri Ramesh Chand Thakur, 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. 3.

**ITEM NO. 4**

Shri Dhananjay Kumar Jain has been appointed as Managing Director and CEO of the Company w.e.f. August 25, 2014 after RBI approval and Shareholders' approval in 10th Annual general Meeting on remuneration of ₹40, 72,400 p.a. and perquisites. The remuneration was approved by the Board based on industry standards, responsibilities, handled by the Managing Director of the Company. During the financial year 2015-2016, Shri Dhananjay Kumar Jain, MD & CEO was paid total remuneration including perquisites of ₹ 61,75,591 (calculated as per Section IV of Schedule V of Companies Act, 2013) which includes incentive for the financial year 2014-15 of ₹18,40,000. The remuneration paid to Shri Dhananjay Kumar Jain exceeds the limits by ₹1,75,591, as per proviso (A) of Section II of Part II of the Schedule V of the Companies Act, 2016, as the profits (as calculated under Section 198 of the Companies Act, 2013) of the Company during the financial year is insufficient and due to inclusion of incentive of the financial year 2014-15.

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice. The said excess remuneration paid to Shri Dhananjay Kumar Jain was approved by the Nomination and Remuneration Committee and Board of Directors in their held meeting on June 10, 2016 respectively.

Approval of the shareholders is sought for ratification of remuneration paid to Shri Dhananjay Kumar Jain as Managing Director & CEO of the Company.

Shri Dhananjay Kumar Jain is not a director in any other company registered in India.

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, 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**

In terms of Section 180 (1) (c) of the Companies Act, 2013 read with Article 163 (d) of Articles of Association of the Company, the Board of Directors shall not borrow monies where the monies to be borrowed together with the monies already borrowed (other than the temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid Up Capital and Free Reserves of the Company, except with the consent of the Company in general meeting.



The consent of the Board, is sought in the ensuing Board meeting scheduled before the Annual General Meeting, for raising and/or borrowing funds by way of Bank Loan/Line of Credit from Scheduled Commercial Banks and/or raise resources through issue of Debentures/Bonds/Commercial Paper upto ₹ 200.00 Crore, which exceeds the aggregate of the Paid Up Capital and Free Reserves of the Company. At present, the Company's borrowing shown in the Balance Sheet as on 31.03.2016 is ₹ 27.05 Crore as against the aggregate figure of the Paid Up Capital and Free Reserves of the Company i.e. ₹ 132.97 Crore. However, keeping in view the increase in business volume, the Company may be in need of borrowing more monies, which may be exceeding the aggregate figure of the Paid Up Capital and Free Reserves of the Company i.e. ₹ 132.97 Crore. It is therefore, necessary to enhance the powers of the Board upto the borrowing limit upto ₹ 200.00 Crore. The Board of Directors of the Company have therefore, desired to seek approval from the Members for above said enhancement in the borrowing powers by way of Special resolution as set out in the Notice.

None of the Directors of the Company is concerned or interested in the resolution set out at Item No. 5

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:

**I. General Information: -**

Name of Director	Shri Dhananjay Kumar Jain
Date of Birth	December 25, 1953
Date of Appointment	August 25, 2014
Number of Shares held	Nil
Number of Warrants held	Nil
Qualifications	Master's Degree in Arts (Economics) and JAIIB, Indian Institute of Banking & Finance, Mumbai
Experience in special functional Area	Shri Dhananjay Kumar Jain has vast experience of 36 years in banking sector. He has worked in Union Bank of India in officer cadre from 1977 to 2013 and handled various assignments including Credit Officer, Accountant, Branch Manager, Regional Manager and General Manager in-charge of HR department, Recovery and legal services department.
Directorship held in other Public Companies As on (March 31, 2016)	Nil
Chairman/Membership in Committees of other Companies	Nil
<b>Specific Information: -</b>	
Nature of Industry	Asset Reconstruction Company
Date or expected date of Commercial Production	The Company has already commenced its business activities since 14/09/2004
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A

**Financial Performance: -**

(₹ In Lakhs)

Particulars	Current Year (From April 1, 2015 to March 31, 2016)	Previous Year (From April 1, 2014 to March 31, 2015)
<b>Total Income</b>	<b>1988.88</b>	<b>2278.27</b>
Expenses	1611.75	1019.68
<b>Profit Before Exceptional Items</b>	<b>377.13</b>	<b>1258.59</b>
Exceptional Items	-	162.70
<b>Profit Before Tax</b>	<b>377.13</b>	<b>1421.29</b>
Tax Expenses	133.20	492.91
Adjustment of prior periods	(15.38)	4.94
<b>Profit for the year</b>	<b>259.31</b>	<b>923.43</b>
Paid Up Capital	<b>9800.00</b>	<b>9800.00</b>
Reserves And Surplus	3497.85	3238.53

**Foreign Investments or collaborations, if any :** There is no foreign investment in the Company. There is no foreign collaboration in the Company.

## II. Information about the Appointees

<b>Shri Dhananjay Kumar Jain</b>	
Background details	Given in the body of this statement
Past Remuneration	₹ 27, 74, 645
Recognition and Awards	
Job profile and his suitability	As given in General information
Remuneration proposed	
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	He does not have any other pecuniary relationship with the Company or with the Managerial Personnel.

### **Comparative remuneration profile with respect to industry, size of company, profile of the position and person**

The ARC industry has gained prominence with rising bad loans coupled with slowdown in the Indian economy. The total stressed assets in the system including NPA and restructured ones have touched double digit. With the increased bad loans and the Stress on Asset Reconstruction Companies Industries to clear the Bank Balance Sheet in the interest of the Nation and in order to improve their performance and profitability of the Bank and simultaneously of the ARC Company it is also imperative for the Company to have highly experienced professionals having specialized knowledge and skills to understand relevant Indicators for the ARC Industry. It also requires expertise for the proper management of the affairs of the Company. Shri Dhananjay Kumar Jain has successfully proved his expertise in very effective manner and drove the Company towards the growth over the period of time. Hence, the Board of Directors considers that the remuneration proposed to him is justified commensurate with other organisations of the similar type, size and nature.

## III. Other Information

### 1. Reasons of loss or inadequate profits:

Delay in planned recoveries, Aggressive provisioning policy of the Company and increase in the borrowing cost (Interest) resulted into lower profits during the previous fiscal year.

### 2. Steps taken or proposed to be taken for improvement:

Achieving Recovery target as budgeted, will result in lesser provision and consequently increase in profit

### 3. Expected increase in productivity and profits in measurable terms:

Expected Operational Income ₹ 26.50 Crores (19.75 Crores last year)

PBT Expected in F.Y. 2016-17 ₹ 14 crore

## DIRECTORS' REPORT

To,  
 The Members  
 ASREC (INDIA) LIMITED

Your Directors are pleased to present the Twelfth Annual Report along with Audited Financial Statements, Auditors' Report and Report on business and operations of your Company for the Financial Year ended 31st March, 2016.

### 1. FINANCIAL PERFORMANCE:

An overview of the financial performance of your Company for the Financial Year 2015-16 is as under

(₹ In Lakhs)

Particulars	Current Year April 1, 2015 to March 31, 2016	Current Year April 1, 2014 to March 31, 2015
<b>Revenue from Operation</b>	1975.15	2,178.98
Other Income	13.73	99.29
<b>Total Income</b>	<b>1988.88</b>	<b>2278.27</b>
Expenses	1611.75	1019.68
<b>Profit Before Exceptional Items</b>	<b>377.13</b>	<b>1258.59</b>
Exceptional Items	-	162.70
<b>Profit Before Tax</b>	<b>377.13</b>	<b>1421.29</b>
Tax Expenses	117.82	497.86
<b>Profit for the year</b>	<b>259.31</b>	<b>923.43</b>
Earnings per share	0.26	0.94
<b>Appropriations :</b>		
Proposed Dividend	-	490.00
Tax on Proposed Dividend	-	97.97

### Year in Retrospect

- Your Company's Income from Operations during the year amounted to ₹1975.15 Lakhs. (₹ 2178.98 Lakhs in the previous year), earned Profit Before Tax (PBT) of ₹377.13 Lakhs (₹1421.29 Lakh for the previous year). The reduction in the total income/PBT is essentially due to delays in planned recoveries, increase in provisions and borrowing cost. It is pertinent to mention that your Company follows an aggressive policy for making provisions. The provisions available in the books of the Company as at March 31, 2016 on Security Receipts is ₹866.25 Lakhs, which in fact is not required as per the extant RBI guidelines.
- Net Owned Funds stood at ₹13297.84 Lakhs (₹13038.53 Lakhs for the previous year)
- During the year under review, your Company has acquired 43 NPAs having a book value (total dues) of ₹86533 Lakhs from 12 Banks against 105 NPAs having book value (total dues) of ₹138745 Lakhs from 20 Banks on both cash and SR basis in the previous year.
- Total recoveries increased to ₹10869.44 Lakhs during the year ending March 31, 2016 from ₹8959.76 Lakhs in previous year from realization of Financial Assets.

## 2. DIVIDEND

In order to conserve resources and enhance the reserves of the company, your Directors do not recommend any dividend for the financial year ended on March 31, 2016.

## 3. SHARE CAPITAL

As on 31st March, 2016, the issued, subscribed and paid up share capital of your Company stood at ₹9800 Lakhs, comprising 98000000 Equity shares of ₹10/- each. During the year under review, the Company has not issued further Shares, shares with differential voting rights nor granted stock options or sweat equity. As on March 31, 2016, none of the Directors of the Company hold shares or convertible instruments in the Company.

## 4. FINANCE

Cash and cash equivalent as at March 31, 2016 was ₹1166.38 Lakhs The Company continues to focus on judicious management of its working capital and strict check through continuous monitoring.

## 5. ACQUISITION OF NON PERFORMING ASSETS

Your Company has actively participated in various Bids/Auction processes conducted by various Banks and Financial Institutions, we have submitted bids for 112 accounts and were successful in acquisitions of 43 accounts, with investment of ₹17209 Lakhs.

During the year under review, your Company has acquired 43 NPAs having a book value (total dues) of ₹86533 Lakhs from 12 Banks. Thus, overall, the position of acquisition of NPAs by your Company since inception till date works out to 676 NPAs having aggregate book value (total dues) of around ₹567854 Lakhs from 42 Banks/Financial Institutions at acquisition price at ₹109357 Lakhs.

(₹ In Lakhs)

Name of Bank/FIs	Total Dues/ AUM	Acquisition Price	% of Total Acquisition Price
Abhyudaya Co .Op Bank Ltd	320	210	0.19
Allahabad Bank	49,768	4,938	4.52
Andhra Bank	1,248	540	0.49
Axis Bank	15,982	3,820	3.49
Bank of Baroda	16,042	1,258	1.15
Bank of India	42,172	6,208	5.68
Bank of Maharashtra	14,878	3,212	2.94
Canara Bank	2,681	679	0.62
Central Bank of India	52,820	5,903	5.40
Consortium(BOI,BOB,IOB,CBI,DB)	3,776	2,788	2.55
Corporation Bank	109	110	0.10
Dena Bank	7,963	1,323	1.21
Federal Bank	995	515	0.47
ICICI Bank Ltd	1,106	395	0.36
IFCI	19,074	2,112	1.93
Indian Bank	4,240	2,875	2.63
Indian Overseas Bank	3,913	2,270	2.08
Karnataka Bank	193	106	0.10

Contd..

Name of Bank/FIs	Total Dues/ AUM	Acquisition Price	% of Total Acquisition Price
Karur Vysya Bank	6,746	4,730	4.33
Kotak Mahindra Bank Ltd.	2,720	695	0.64
Laxmi Vilas Bank	4,311	1,076	0.98
Mumbai District Central Co-op. Bank Ltd.	1,852	751	0.69
Oriental Bank of Commerce	7,171	1,696	1.55
Pune District Central Co.Op. Bank Ltd.	2,051	812	0.74
Punjab and Sind Bank	1,041	329	0.30
Punjab National Bank	94	94	0.09
Saraswat Bank	1,189	284	0.26
Standard Chartered Bank	1,374	115	0.10
State Bank of Bikaner and Jaipur	21,087	3,509	3.21
State Bank of Hyderabad	90,874	13,827	12.64
State Bank of India	77,930	9,811	8.97
State Bank of Mysore	5,649	312	0.29
State Bank of Patiala	14,465	3,281	3.00
State Bank of Travancore	8,635	2,995	2.74
Syndicate Bank	1,431	1,347	1.23
The Karad Janata Sahakari Bank Ltd	465	160	0.15
The Royal Bank of Scotland	2,367	500	0.46
The Shamrao Vithal Co-op Bank Ltd	290	239	0.22
The Thane District Co-op. Bank Ltd	448	289	0.26
UCO Bank	59,846	16,645	15.22
United Bank of India	16,130	5,040	4.61
Vijaya Bank	2,408	1,559	1.43
<b>Grand Total</b>	<b>5,67,854</b>	<b>1,09,357</b>	<b>100.00</b>

## 6. RESOLUTION OF ASSETS

During the year under review, your Company has successfully recovered an amount of ₹10869.44 Lakhs through resolution/recovery.

## 7. RESOLUTION AGENCY (RA) BUSINESS

During the year under review, your company made aggregate recovery of ₹331 Lakhs in various accounts allotted by different Banks for recovery on commission basis under Resolution Agency Business. Your company could receive claim of commission of ₹ 26 Lakhs from 2 public sector banks.

## 8. RATING OF SECURITY RECEIPTS (SRS)

As per the guidelines prescribed by the RBI, India Ratings and Research Pvt. Ltd, Fitch Group, (Rating Agency) has carried out the Review Ratings of SRs issued by the respective live Trusts as on December 31, 2015 as detailed below:

Sr. No.	Name of Trust	Acquired From	Review Rating / Rating Range assigned as on 31.12.2015
1	ASREC PS-03/2007-08	UCO Bank	NR-6 (0-25%)
2	ASREC PS-05/2007-08	UCO Bank	NR-6 (0-25%)
3	ASREC-PS-02/2008-09	UBI	NR-4 (50-75%)
4	ASREC-PS-03/2008-09	UBI	NR-5 (25-50%)
5	ASREC-PS0-4/2008-09	Allahabad Bank	NR-5 (25-50%)
6	ASREC-PS-01/2009-10	UCO Bank	NR-6 (0-25%)
7	ASREC-PS-04/2009-10	UBI	NR-5 (25-50%)
8	ASREC-PS-06/2009-10	Allahabad Bank	NR-1(>150%)
9	ASREC PS-01/2012-13	UBI	NR-2 (100-150%)
10	ASREC PS-02/2012-13	UBI	NR-2 (100-150%)
11	ASREC PS-03/2012-13	UBI	NR-3 (75-100%)
12	ASREC PS-04/2012-13	UBI	NR-3 (75-100%)
13	ASREC PS-05/2012-13	UBI	NR-2 (100-150%)
14	ASREC PS-06/2012-13	UBI	NR-3 (75-100%)
15	ASREC PS-07/2012-13	UBI	NR-4 (50-75%)
16	ASREC-PS-01/2013-14	Laxmi Vilas Bank	NR-2 (100-150%)
17	ASREC-PS-02/2013-14	UCO	NR-3 (75-100%)
18	ASREC-PS-03/2013-14	BOB	NR-4 (50-75%)
19	ASREC-PS-04/2013-14	Vijaya Bank	NR-3 (75-100%)
20	ASREC-PS-05/2013-14	Indian Bank	NR-4 (50-75%)
21	ASREC-PS-01/2014-15	OBC	NR-3 (75-100%)
22	ASREC-PS-02/2014-15	SBBJ	NR-2 (100-150%)
23	ASREC-PS-03/2014-15	Indian Bank	NR-3 (75-100%)
24	ASREC-PS-04/2014-15	Vijaya Bank	NR-3 (75-100%)
25	ASREC-PS-05/2014-15	UCO Bank	NR-3 (75-100%)
26	ASREC-PS-06/2014-15	KVB	NR-2 (100-150%)
27	ASREC-PS-07/2014-15	SBI	NR-3 (75-100%)
28	ASREC-PS-08/2014-15	SBP	NR-3 (75-100%)
29	ASREC-PS-09/2014-15	SBT	NR-3 (75-100%)
30	ASREC-PS-10/2014-15	IOB	NR-3 (75-100%)
31	ASREC-PS-11/2014-15	Syndicate Bank	NR-3 (75-100%)
32	ASREC-PS-12/2014-15	KVB	NR-3 (75-100%)
33	ASREC-PS-13/2014-15	SBP	NR-3 (75-100%)
34	ASREC-PS-14/2014-15	SBM	NR-3 (75-100%)
35	ASREC-PS-15/2014-15	BOM	NR-3 (75-100%)
36	ASREC-PS-16/2014-15	SBI	NR-2 (100-150%)
37	ASREC-PS-17/2014-15	SBH	NR-3 (75-100%)
38	ASREC-PS-18/2014-15	SBH	NR-3 (75-100%)
39	ASREC-PS-19/2014-15	SBI	NR-3 (75-100%)
40	ASREC-PS-20/2014-15	SBT	NR-2 (100-150%)
41	ASREC-PS-21/2014-15	SBI	NR-3 (75-100%)

Sr. No.	Name of Trust	Acquired From	Review Rating / Rating Range assigned as on 31.12.2015
42	ASREC-PS-22/2014-15	SBH	NR-3 (75-100%)
43	ASREC-PS-23/2014-15	SBT	NR-3 (75-100%)
44	ASREC-PS-24/2014-15	SBI	NR-3 (75-100%)
45	ASREC-PS-25/2014-15	BOI	NR-3 (75-100%)
46	ASREC-PS-26/2014-15	SBI	NR-2 (100-150%)
47	ASREC-PS-27/2014-15	SBH	NR-3 (75-100%)
48	ASREC-PS-28/2014-15	SBI	NR-3 (75-100%)
49	ASREC-PS-29/2014-15	SBH	NR-3 (75-100%)
50	ASREC-PS-30/2014-15	BOM	NR-3 (75-100%)
51	ASREC-PS-31/2014-15	UCO Bank	NR-3 (75-100%)
52	ASREC-PS-01/2015-16	UCO Bank	NR-3 (75-100%)
53	ASREC-PS-02/2015-16	SBH	NR-3 (75-100%)
54	ASREC-PS-03/2015-16	SBP	NR-3 (75-100%)
55	ASREC-PS-04/2015-16	SBBJ	NR-2 (100-150%)

As per RBI circular, RBI/2014-2015/164 DNBS (PD) CC. No. 41/ SCRC / 26.03.001/ 2014-2015 dated August 05, 2014 and RBI/2014-2015/169 DNBS (PD) CC. No. 42/SCRC/26.03.001/2014-2015 August 07, 2014 was issued, accordingly initial rating/grading would be assigned within six months of acquiring the assets by SC/RC. In view of the said circular, India Ratings and Research Pvt. Ltd, Fitch Group, (Rating Agency) has carried out the initial Ratings of SRs in the respective trusts as on March 31, 2016 as detailed below:

Sr. No.	Name of the Trust	Acquired From	Review Rating / Rating Range assigned as on 31.03.2016
1	ASREC-PS-05/2015-16	SBI	NR-3 (75-100%)
2	ASREC-PS-06/2015-16	Central Bank	NR-3 (75-100%)
3	ASREC-PS-07/2015-16	BOM	NR-3 (75-100%)
4	ASREC-PS-08/2015-16	SBT	NR-2 (100-150%)
5	ASREC-PS-09/2015-16	OBC	NR-3 (75-100%)
6	ASREC-PS-10/2015-16	IOB	NR-3 (75-100%)
7	ASREC-PS-11/2015-16	SBH	NR-2 (100-150%)
8	ASREC-PS-12/2015-16	SBH	NR-2 (100-150%)

#### 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



## 9. ECONOMIC SCENARIO, ASSET RECONSTRUCTION INDUSTRY OUTLOOK —CHALLENGES AND OPPORTUNITIES:

India's economy has witnessed a significant economic growth in the recent past, growing by 7.3 per cent in FY 2015 as against 6.9 per cent in FY 2014. India's Gross Domestic Product (GDP) is expected to grow at 7.5 per cent in FY 2015-16. The long term prospects for the economy are optimistic.

Bad debts of Public Sector Banks have surged to towering high. The ARC industry has gained prominence with rising bad loans coupled with slowdown in the Indian economy. The total stressed assets in the system including NPA and restructured ones have touched double digit, further deterioration is expected as the economy is yet to pick up. Gross NPA of banking industry are expected to be between 4.8 Lakh crore to 5.3 Lakh crore i.e. 6.2 to 6.8% of total credit as on 31.03.2016. NPAs, restructured assets or other exposures are expected to be 11-12 Lakh crore. Despite this the sale of bad assets has not taken off as expected, because of following

- 1) Banks unwilling to lower their asking price as their assets remain valued at 2008-10 level
- 2) Arcs are poorly capitalized, and unless a strategic investor brings in money they will be starved of funds to buy these assets.

In order to address the problems of capital and ease of doing business, Govt. has proposed following far reaching changes

- a. To amend SARFAESI Act 2002 to allow sponsors 100% equity in ARC. Non institutional investors will be allowed to invest 100% in SRs, making it easier for ARCs to raise funds.
- b. To allow 100% FDI in ARCs, via automatic route
- c. Complete PTC of income tax to securitization trusts, including trusts of ARCs
- d. Introduction of Insolvency and bankruptcy code 2015 since passed by both the houses

Besides this RBI has advised that SDR framework will also be available to ARCs which are members of Joint Lender Forum, undertaking SDR of a borrowing company.

### **Challenges of ARCs**

The main challenge faced ARC industry is the capacity and expertise required to handle growing stressed asset portfolio. ARCs also find it difficult to align their pricing to the expectations of selling banks. The company's performance may be affected by:

- 1) Regulatory changes
- 2) Increased competition because of entry of new players
- 3) Entry of global players in the business
- 4) Attrition of employees
- 5) Inability to raise resources

### **Outlook**

The changes/reforms proposed by Govt. /RBI will improve ease of doing business, promote investments, higher economic growth and lead to huge capital movement. With the favorable regulation for ARCs in place and surge in NPAs, the growth prospects for ARC sector and economy appear promising in the days ahead. RBI has set lenders a March 2017 deadline to clean up their balance sheets and as such there will be no dearth of business for the ARC industry. The company is in SME segment, has a line of credit from Bank and is well equipped to address the challenges and seize the opportunities.

**Risks and Concerns**

The various risks pertaining to company's business i.e. acquisition, resolution, operations are addressed by robust procedures laid down in policies/operational manual and comprehensive approval/review by asset acquisition/resolution committees. Regular analysis on quarterly basis is done by Board to proactively manage business risks.

Your company has very competent board and experienced team who are well equipped to deal with the challenges and steer the company for better and consistent growth.

**10. 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. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

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. The Company's Code of Business Conduct, its Management Policies and its well-structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders.

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.

**11. DIRECTORS**

During the year, Shri Krishna Kumar Kansal was appointed as Additional Director of the Company after receiving RBI approval on October 13, 2015.

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

None of the Directors will retire by rotation in the ensuing Annual General Meeting, as at present Company's Board has six directors consisting of four Independent Directors, one Additional Director- Nominee of Allahabad Bank and one Managing Director who will not retire by rotation as per Articles of the Company.

The remuneration paid to Shri Dhananjay Kumar Jain – Managing Director & CEO of the company is in excess of the limits specified by Section I and Section II of Part II of Schedule V of the Company Act, 2013, hence the same is proposed to be ratified by the Shareholders in the ensuing Annual General Meeting.

## 12. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONAL.

Changes in Directors and Key Managerial Personals are as follows:

Sr. No.	Name of the Director/ Key managerial personal	Particulars	Date of Appointment and resignation
1	Shri Krishna Kumar Kansal	Additional Director - Nominee Allahabad Bank	Appointed on October 13, 2015 and *Resigned on September 01, 2016

\*Shri Krishna Kumar Kansal tendered resignation from the Directorship of the Company w.e.f. September 01, 2016 on superannuation from Allahabad Bank.

## 13. BOARD MEETINGS

The Board of Directors (herein after called as “the Board”) met for four (4) number of times during the Year under review:

Sr. No.	Date of Meeting	Venue & time of the Meeting	Directors Present	Directors to whom Leave of absence was granted
1	May 26, 2015	Mumbai & 12:15 p.m.	4	Prof. (Dr.) N.L. Mitra, Director
2	Sept. 10, 2015	Mumbai & 11:30 a.m.	5	All Directors present
3	Dec. 17, 2015	Delhi & 12:30 p.m.	6	All Directors present
4	March 15, 2016	Mumbai & 12:30 p.m.	6	All Directors present

## 14. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As part of its initiatives under “Corporate Social Responsibility (CSR), the Company has contributed for projects in the areas of Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects. These projects are in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as Annexure “I”.

## 15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars required as per Section 134 of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 (Disclosure of Particulars in the Report of Board)

### 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.

## 16. CHANGE IN THE NATURE OF BUSINESS.

There has been no change in the nature of business of the Company during the year under review.

## 17. ANNUAL RETURN

The extract of annual return for the financial year 2015-16 is attached in **Annexure “II”**

## 18. DETAILS OF NEW SUBSIDIARY/ JOINT VENTURES/ASSOCIATE COMPANIES

During the year no Company became Subsidiary/ Joint Ventures/Associate Companies or ceased to be Subsidiary/ Joint Ventures/Associate Companies of your Company

## 19. FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73(1) of the Companies Act, 2013 and the Rules made thereunder;

## 20. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well defined Internal Control System, commensurate with the nature, scale and intricacy of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The detailed Audit on Internal Financial Controls was conducted by the existing internal auditor, M/s Gokhale & Sathe, Chartered Accountants for the F.Y. 2015-16. The Auditor has concluded that the Internal Financial control framework with respect to financial reporting is satisfactory and operating effectively.

The Management monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, internal financial controls, accounting procedures, regulators policies and Company policies. Based on the suggestions, recommendation and reports of internal audit function; management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## 21. STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF THE COMPANIES ACT, 2013:

Pursuant to Section 149 (4) of the Companies Act, 2013 read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 the Central Government has prescribed that your Company shall have minimum two Independent Directors.

In view of the above provisions, your Company has following Independent Directors:

Sr. No.	Name of the Independent Director	Date of appointment / Reappointment	Date of passing of special resolution (if any)
1.	Shri V. K. Shunglu	September 02, 2014	NA
2.	Shri M. M. Chitale	September 02, 2014	NA
3.	Prof. (Dr.) N. L. Mitra	September 02, 2014	NA
4.	Shri B. A. Prabhakar	September 02, 2014	NA

All the above Independent Directors meet the criteria of 'independence' prescribed under section 149(6) and have submitted declaration to the effect that they meet with the criteria of 'independence' as required under section 149(7) of the Companies Act, 2013

## 22. COMMITTEES OF BOARD:

### 1. Nomination and Remuneration Committee:

In accordance with Section 178 of the Companies Act, 2013 your Company has "Nomination and Remuneration Committee" consisting of 4 non-executive independent directors.

The Composition of the Committee is as under:

Shri M. M. Chitale : Chairman  
Shri V. K. Shunglu : Member  
Prof. (Dr.) N. L. Mitra : Member  
Shri B. A. Prabhakar : Member

The Nomination and Remuneration Committee met two times during the Year under review:

Sr. No.	Date of Meeting	Venue & time of the Meeting	Directors Present	Members to whom Leave of absence was granted
1	September 10, 2015	Mumbai & 10.50 a.m.	4	All members present
2	March 15, 2016	Mumbai & 11:45 a.m.	4	All members present

The Nomination and Remuneration Committee has formulated policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 and the policy formulated by the Committee is as under:

- Identifying persons qualified to be directors and Key Managerial personnel
- Recommend to the Board the appointment and removal of directors and Key Managerial persons.
- Formulate criteria for determining qualifications, positive attributes and independence of a director
- Evaluation of Directors performance
- Recommend to the Board policy relating to remuneration for the directors, Key Managerial personnel and other employees
- Appointment and promotion of employees for grades of Sr. Vice President and President;
- Fixing the No. of employees for grades of Sr. Vice President and President;
- Fixing the remuneration package (CTC) for the employees for grades of Sr. Vice President/CFO and President;

## 2. Audit Committee:

Your Company under the provisions of Section 177 of the Companies Act, 2013 has re-constituted and redefined the scope of the "Audit Committee" comprising of six directors, of which four directors are independent directors forming a majority. The Audit Committee acts in accordance with the Terms of Reference specified by the Board in writing as well as the regulatory requirements of Section 177 of the Companies Act, 2013. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Composition of the Committee is as under:

Shri V. K. Shunglu : Chairman (till September 10, 2015)  
Shri B. A. Prabhakar : Chairman/Member (appointed as Chairman w.e.f. September 10, 2015)  
Shri M. M. Chitale : Member  
Prof. (Dr.) N. L. Mitra : Member

Shri D. K. Jain : Member

Shri K. K. Kansal : Member (appointed as member of committee on March 15, 2016)

The Audit Committee met four times during the Year under review:

Sr. No.	Date of Meeting	Venue & time of the Meeting	Members Present	Members to whom Leave of absence was granted
1.	May 26, 2015	Mumbai & 11.15 a.m.	4	Prof (Dr.) N. L. Mitra, Director
2.	September 10, 2015	Mumbai & 11.10 a.m.	5	All members present
3.	December 17, 2015	Delhi & 12:00 p.m.	5	All members present
4.	March 15, 2016	Mumbai & 11:45 a.m.	5	All members present

Acceptance of recommendations of the Audit Committee

The Management acted upon the observations and suggestions of the Audit Committee.

During the year, Shri Krishna Kumar Kansal was appointed as Additional Director of the Company after receiving RBI approval on October 13, 2015.

### 3. Corporate Social Responsibility Committee

In accordance with Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee consisting of Five Directors out of which four directors are independent Director.

The Composition of this Committee is as under.

Shri V. K. Shunglu : Chairman

Shri M. M. Chitale : Member

Prof. (Dr.) N. L. Mitra : Member

Shri B. A. Prabhakar : Member

Shri D. K. Jain : Member

The Corporate Social Responsibility Committee met once during the Year under review:

Date of Meeting	Venue & time of the Meeting	Members Present	Members to whom Leave of absence was granted
September 10, 2015	Mumbai & 11.00 a.m.	5	All members present

### Corporate Social Responsibility Initiatives

As part of its initiatives under “Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of “Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects”

These projects are in accordance with Schedule VII of the Companies Act, 2013.

During the year your Company has contributed to the following projects under CSR:

Sr. No.	Trustee Name	Projects to be under taken
1	Asmita Trust	a. Computer Education Project b. Sewing Machine Project

#### 4. Valuation Committee

The Valuation Committee of the Board comprises of the following Directors:-

- Shri V. K. Shunglu : Chairman  
 Shri M. M. Chitale : Member  
 Shri B.A. Prabhakar : Member  
 Shri D. K. Jain : Member

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

The Valuation Committee met two times during the Year under review:

Sr. No.	Date of Meeting	Venue	Members Present	Members to whom Leave of absence was granted
1.	September 10, 2015	Mumbai & 10.30 a.m.	4	All members present
2.	December 17, 2015	Delhi & 11:30 p.m.	4	All members present

#### 5. Resolution Committee

The Resolution Committee comprises of the following Directors:

- Shri V. K. Shunglu : Chairman  
 Prof. (Dr.) N. L. Mitra : Member  
 Shri B.A. Prabhakar : Member  
 Shri D. K. Jain : Member

The Resolution Committee met four times during the Year under review:

Sr. No.	Date of Meeting	Venue	Members Present	Members to whom Leave of absence was granted
1.	May 26, 2015	Mumbai & 11.00 a.m.	3	Prof (Dr.) N. L. Mitra, Director
2.	September 10, 2015	Mumbai & 10:40 a.m.	4	All members present
3.	December 17, 2015	Delhi & 11:45 a.m.	4	All members present
4.	March 15, 2016	Mumbai & 11:30 a.m.	4	All members present

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

### 23. AUDITORS:

#### 1. Statutory Auditors:

M/s. Chokshi & Chokshi LLP, Chartered Accountants, Mumbai were appointed as Company's Statutory Auditors by the office of the Comptroller and Auditor General of India (CAG) for the financial year 2015-16, who have completed their independent audit of Company's accounts and accounts of various Trusts set up by the company successfully. Their appointment was in accordance with the provisions of Section 139(5) and that they meet with the criteria prescribed under section 141 of the Companies Act, 2013.

#### 2. Secretarial Auditor

Your Company has appointed M/s. Pramod S. Shah and Associates as a Secretarial Auditor of the

Company, according to the provision of section 204 of the Companies, Act 2013 for conducting Secretarial Audit of Company for the financial year 2015-16.

M/s. Pramod S. Shah and Associates have issued the Audit report which is attached in Annexure III.

### **3. Internal Auditors:**

M/s. Gokhale & Sathe, Chartered Accountants, Mumbai, Company's Internal Auditors carried out internal audit for the financial year 2015-16.

**None of the auditors (Secretarial/Internal/ Statutory) have given any qualification, reservation or adverse remark or disclaimer in their report.**

## **24. LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

During the year under review, your Company has not given any loan to any person or other body corporate, given any guarantee or provide security in connection with a loan to any other body corporate or person and acquired by way of subscription, purchase or otherwise, the securities of any other body corporate under Section 186 of the Companies Act, 2013

## **25. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES**

During the year under review there were no contracts or arrangements with related parties falling under the preview of Section 188 of the Companies Act, 2013. However, contracts entered with related parties in its ordinary course of business and on arm's length basis are detailed in "Annexure – IV"

## **26. RISK MANAGEMENT**

The Board of Director of your Company have identified industry specific risk and other external, internal, political and technological risk which in opinion of the board are threat to the Company. The Company's main business is of acquisition of Financial Asset (NPA's), resolution thereof and investment of its surplus funds.

The Company has well defined Board approved acquisition, resolution and Investment policies along with delegation of power encompassing various risk mitigation measures.

## **27. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, of the Board as a whole and its Committees and of the Chairman of the Company has been carried out by your company during the year under review as per the evaluation criteria approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013.

For the purpose of carrying out performance evaluation exercise, Evaluation forms were devised in which the evaluating authority has allotted to the individual Director, the Board as a whole, its Committees and the Chairman appropriate rating as Excellent, Very Good, Good or Satisfactory depending upon the performance.

Such evaluation exercise has been carried out of the Board as a whole and its Committees by all the Independent Directors and Board by itself in separate meeting held for the purpose on March 15, 2016

Having regard to the industry, size and nature of business, your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

## **28. PARTICULARS OF EMPLOYEES**

None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5) (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



**29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment. Your Company has always endeavored in providing a safe and harassment free workplace environment that is free from unfairness, discrimination and harassment including sexual harassment for every employee through various interventions and practices.

A policy on Prevention of Sexual Harassment at Workplace was adopted during the last financial year 2014-15 by the Board. The policy aims at prevention of harassment of women and lays down the guidelines for identification, reporting and prevention of undesired behaviour. Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting as Chairperson. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

**During the year ended 31 March 2016, no complaints were received by the ICC pertaining to sexual harassment.**

**DIRECTORS' RESPONSIBILITY STATEMENT**

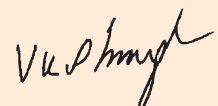
Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating management, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013 and confirm that:

- (a) in the preparation of the annual accounts/financial statements as on March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) that such accounting policies as mentioned in Note 21 of Significant 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 2015-16 and of the profit and loss of the company for that period;
- (c) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts on a going concern basis; and
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Acknowledgement**

Your Directors place on record their sincere gratitude for the assistance, guidance and co-operation the Company has received from all stake holders. The Board further places on record its appreciation for the dedicated services rendered by the employees of the Company.

For and on behalf of the Board



**V. K. Shunglu**  
Chairman

Date : June 10, 2016

Place : Mumbai

**ANNEXURES TO BOARD'S REPORT**

**Annexure-I**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR Policy is stated herein below:

Weblink : <http://www.asrec.co.in>

CSR Policy \_Approved by Board.pdf

2. The Composition of the CSR Committee:

1. Shri V. K. Shunglu (Independent Director/Chairman)
2. Shri Mukund M. Chitale (Independent Director)
3. Prof. (Dr.) N. L. Mitra (Independent Director)
4. Shri B. A. Prabhakar (Independent Director)
5. Shri. D. K. Jain (MD & CEO)

3. The average net profit of the Company for the last three financial years is ₹1321.38 lakhs.

4. Accordingly, the prescribed CSR expenditure (2 % of the above-mentioned amount in item No.3)

The Company is required to spend ₹26.43 lakhs towards CSR

5. Details of CSR expenditure spent during the financial year:

- a. Total amount to be spent for the financial year: ₹26.43 Lakhs
- b. Amount unspent, if any: NIL
- c. Manner in which the amount spent during the financial year is detailed below:

Name of the Trust	Projects to be under taken	CSR Amount(₹)
Asmita Trust	a. Computer Education to I to Xth Std students Computer education Project	25,02,100
	b. Vocational Training to School Students and women Empowerment - Sewing Machine Project	1,40,900
<b>Total CSR Amount</b>		<b>26,43,000</b>

**Details of Implementing Trust:-**

**Asmita Trust**

Asmita is an organization registered under Public Trust Act 1950 vides Reg. No.482/77 dated 5/11/77 and society registered under Societies Registration Act, 1860. It imparts services in the field of Social, Cultural, and Educational since May 1976. The said Trust is registered under Section 80G (5) of Income Tax Act.

The Trust has 11 members on board, as trustees with Mr. P. L. Wankhede, CA by profession, as the president and Mr. Jagdish Samant as the Executive president on board. Trust has 250 members including life members.

In the journey of last 34 years established land marks are Asmita Bhavan on western express highway, Chhatrapati Shivaji Shishu Vikas Mandir in Bandrekarwadi, Manohar Hariram Chogle Centre for Physically Challenged.

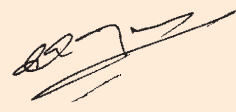
***The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. Further the Company has obtained utilization certificate form Asmita Trust in order to ensure the utilization of the funds contributed to the Trust.***

**For ASREC (India) Limited**



*(Chairman CSR Committee)*

**For ASREC (India) Limited**



*(Managing Director & CEO)*

**Annexure-II**  
**Annual return**  
**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN  
as on the financial year ended **March 31, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

CIN	:	U67100MH2003GOI143291
Registration Date	:	November 25, 2003
Name of the Company	:	ASREC (INDIA) LIMITED
Category / Sub-Category of the Company	:	Company limited by shares/Union Govt. Company
Address of the Registered office and contact details	:	Unit No. 201, 200A, 202 & 200B, Ground Floor, Building No. 2, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Chakala, Andheri (E), Mumbai-400 093
Whether listed company	:	Unlisted
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Satellite Corporate Services Pvt. Ltd. B-302, Sony Apartment, Opp. St Jude High School, Jarimari, Sakinaka, Mumbai- 400072.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main Products/Service	NIC Code of the product/Service	% to total turnover of the Company
1	Securitization and Reconstruction company registered under the SARFAESI	64990	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
NOT APPLICABLE					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	97500000	-	97500000	99.49	97500000	0	97500000	99.49	-
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>97500000</b>	<b>0</b>	<b>97500000</b>	<b>99.49</b>	<b>97500000</b>	<b>0</b>	<b>97500000</b>	<b>99.49</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	500000	0	500000	0.51	500000	0	500000	0.51	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter (A)</b>									
<b>= (A)(1)+(A)(2)</b>	<b>98000000</b>	<b>0</b>	<b>98000000</b>	<b>100.00</b>	<b>98000000</b>	<b>0</b>	<b>98000000</b>	<b>100.00</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto R 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of R 1 lakh	0	0	0	0	0	0	0	0	0
<b>c) Others (specify)</b>	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>98000000</b>	<b>0</b>	<b>98000000</b>	<b>100.00</b>	<b>98000000</b>	<b>0</b>	<b>98000000</b>	<b>100.00</b>	<b>No Change</b>

**(ii) Shareholding of promoters**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of Total Shares of company	% of Shares Pledged / encumbered	No. of Shares	% of Total Shares of company	% of Shares Pledged / encumbered	
1.	Allahabad Bank	2,64,99,900	27.04	0	2,64,99,900	27.04	0	0
2.	Andhra Bank	2,55,00,000	26.02	0	2,55,00,000	26.02	0	0
3.	Bank of India	2,55,00,000	26.02	0	2,55,00,000	26.02	0	0
4.	Indian Bank	1,10,00,000	11.22	0	1,10,00,000	11.22	0	0
5.	Life Insurance Corporation of India	90,00,000	9.18	0	90,00,000	9.18	0	0
6.	Deutsche Bank	5,00,000	0.51	0	5,00,000	0.51	0	0
7.	Specified Undertaking of Unit Trust of India (SUUTI)	100	0.00*	0	100	0.00*	0	0
	<b>Total</b>	<b>9,80,00,000</b>	<b>100.00</b>	<b>0</b>	<b>9,80,00,000</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

**(iii) Change in Promoter's Shareholdings (please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	No Change during the year		No Change during the year	
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	No Change during the year		No Change during the year	
At the end of the year	No Change during the year		No Change during the year	

**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NOT APPLICABLE				

**v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	None of the Directors and KMP hold shares in the Company			
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	None of the Directors and KMP hold shares in the Company			
At the End of the year	None of the Directors hold shares in the Company			

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in Lakhs)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount(Canara bank OD a/c)	4650.59			4650.59
ii) Interest due but not paid	0			0
iii) Interest accrued but not due	0			0
Total (i+ii+iii)	4650.59	(A)		4650.59
Change in Indebtedness during the financial year				
Addition	10464.18			10464.18
Reduction	(12409.45)			(12409.45)
Net Change	(1945.27)	(B)		(1945.27)
Indebtedness at the end of the financial year				
i) Principal Amount	2679.89	(A+B)		2679.89
ii) Interest due but not paid	25.43			25.43
iii) Interest accrued but not due	0			0
<b>Total (i+ ii+ iii)</b>	2705.32	NIL	NIL	2705.32

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:		
Sr. No.	Particulars of Remuneration	Shri D.K. Jain* (MD & CEO)
<b>Gross salary</b>		
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	62,35,578
2.	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	98,413
3.	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
4.	Stock Option	-
5.	Sweat Equity	-
6.	Commission	-
	- as % of profit	-
	- others, specify...	-
7.	Others, please specify	-
	<b>Total (A)</b>	<b>63,33,991</b>



<b>B. Remuneration to other directors:</b>						
Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri V K Shunglu	Prof. N L Mitra	Shri M M Chitale	Shri B A Prabhakar	
1.	Independent Directors	1,80,000	1,30,000	1,40,000	1,80,000	6,30,000
	• Fee for attending board/committee meetings					
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1,80,000</b>	<b>1,30,000</b>	<b>1,40,000</b>	<b>1,80,000</b>	<b>6,30,000</b>
2.	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board/committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>1,80,000</b>	<b>1,30,000</b>	<b>1,40,000</b>	<b>1,80,000</b>	<b>6,30,000</b>

<b>C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD</b>				
Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
	<b>Gross salary</b>			
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,34,080	39,45,800	48,79,880
2.	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
3.	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
4.	Stock Option	0	0	0
5.	Sweat Equity	0	0	0
6.	Commission - as % of profit - Other Specify	0	0	0
7.	Other, please specify	0	0	0
	<b>Total</b>	<b>9,34,080</b>	<b>39,45,800</b>	<b>48,79,880</b>

**VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			None		

Annexure-III  
**PRAMOD S. SHAH & ASSOCIATES**  
Practising Company Secretary

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Mani Bhuwan, 1st Floor, Office No. 5, 54, Huges Road, (Opp. Dharam Palace), Mumbai - 400 007.  
Tel. : (O) +91(022) 2367 8570, 2368 0263, 2368 2139, 2368 0256 ● Fax : +91(022) 2367 8571  
Mobile : 98211 06410/98211 06217 ● E-mail : saurabhshah361@gmail.com

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Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
ASREC (India) Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ASREC (India) Limited (herein after called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Companies books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 and according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made hereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

We have also examined compliance with the applicable clauses of :

- (I) Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 & SS-2).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation :

*The remuneration paid to Mr. D. K. Jain, Managing Director of the Company is exceeding the limits provided under the provisions of Section 197 & 198 read with Schedule V of the Companies Act, 2013*

*however management of the Company proposes to rectify the overall managerial remuneration paid to him as permitted under the provisions of Schedule V of the Companies Act, 2016 at the forthcoming Annual General Meeting.*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

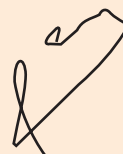
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period, all the decisions in the Board Meeting were carried out unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism followed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as stated above and listed in the Annexure 1.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, (as mentioned above and listed in Annexure I).

**We further report that** during the audit period there were no specific events / actions having a major bearing on the Company's affairs.



**Pramod Shah**  
**Pramod S. Shah Associates**  
FCS No. : 334  
CP No. : 3804

Place : Mumbai  
Date : 29th April, 2016

**Annexure I**

1. Employees' Provident Fund Act, 1952 and Rules
2. Professional Tax Act, 1975 and Rules
3. Payment of Gratuity Act, 1972
4. Apprentices Act, 1961
5. Contract Labour (R&A) Act, 1970
6. Employment Exchange (Compulsory Notification of vacancies) Act, 1959
7. Employees State Insurance Act, 1948
8. Employees Provident Fund & Misc Provisions Act, 1952
9. Equal Remuneration Act, 1976
10. Minimum Wages Act, 1948
11. Payment of Bonus Act, 1965
12. Shop and Establishment Act, 1948
13. Income Tax Act, 1961
14. Finance Act, 1994
15. Maternity Benefit Act, 1961
16. Labour Welfare Fund Act, 1953
17. Reserve Bank of India Act, 1934

**Annexure – IV**  
**Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

- (a) Name(s) of the related party and nature of relationship : NA
- (b) Nature of contracts/arrangements/transactions : NA
- (c) Duration of the contracts / arrangements/transactions : NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any : NA
- (e) Justification for entering into such contracts or arrangements or transactions : NA
- (f) Date(s) of approval by the Board : NA
- (g) Amount paid as advances, if any : NA
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : NA

**2. Details of material contracts or arrangement or transactions at arm's length basis**

- (a) Name(s) of the related party and nature of relationship:

Holding Co.	NIL
Investing Party	Bank of India, Andhra Bank & Allahabad Bank
Subsidiary	NIL
Fellow Subsidiary	NIL
Associates/ Joint Venture	NIL
Key Management Personnel	Shri D.K Jain, MD & CEO Shri A.K Mahajan, CFO Smt. Naina Hemant Kurane, CS
Relative of Key Management Personnel	NIL

(b) Nature of contracts/arrangements/transactions:

(₹ In Lakh)

Type of Transactions	Investing Party		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year
Interest Income	3.02	71.30	-	-
Purchase of Financial Assets	-	751.00	-	-
Remuneration	-	-	112.14	91.71
Receipts of Resolution Fees	-	11.86		
<b>Previous year's figures</b>	<b>3.02</b>	<b>834.16</b>	<b>112.14</b>	<b>91.71</b>

(c) Duration of the contracts / arrangements/transactions: April 1, 2015 to March 31, 2016

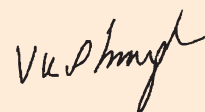
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA

(e) Date(s) of approval by the Board, if any: NA

(f) Amount paid as advances, if any: NA

**Note- This form shall be signed by the persons who have signed the Board's report.**

For and on behalf of the Board



**V. K. Shunglu**  
Chairman

Date : June 10, 2016

Place : Mumbai

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## **CHOKSHI & CHOKSHI LLP**

### Chartered Accountants

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### **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**ASREC (INDIA) LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

1. We have audited the accompanying financial statements of ASREC (INDIA) LIMITED, which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

#### **AUDITOR'S RESPONSIBILITY**

3. Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

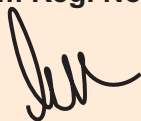
5. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in **Annexure-I**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
6. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure II**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 22 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and



Protection Fund by the Company.

7. In terms of directions u/s. 143 (5) of the Act, issued by Comptroller and auditor general of India and based on information as available with us we state;
- i. According to the information and explanations given to us and the records examined by us, the Company has clear title deeds for freehold properties. The Company has not held any lease property.
  - ii. According to the information and explanations given to us there are no cases of waiver/ write off of debts/loans/Interest etc.
  - iii. According to the information and explanations given to us, there are no inventories lying with any third party. As per the information furnished to us, there are no assets received as gifts from Government or other Authorities.
8. In terms of Company/ sector specific sub directions u/s.143 (5) of the Act, issued by Comptroller and auditor general of India and based on information as available with us we state that there are no cases of waiver of fees/ reversal of accounted fees which was due but not received/ written off.

For and on behalf of  
**CHOKSHI & CHOKSHI LLP**  
**Chartered Accountants**  
**Firm Reg. No: 101872W/W100045**



Hardik K. Chokshi  
Partner  
**Membership No: 115774**

Place: Mumbai  
Date: June 10, 2016.

**ANNEXURES TO THE AUDITOR'S REPORT**

**Annexure I**

**REFERRED TO IN PARAGRAPH 5 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE.**

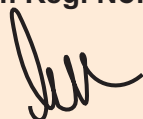
- i. In respect of its fixed assets:
  - (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets are being physically verified by the Management at all its offices in a phased manner at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- ii. In respect of inventories the Company's nature of operations does not require it to hold inventories. Consequently, clause 3(ii) of the order regarding physical verification of inventories and maintenance of records is not applicable.
- iii. According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to any companies, firms or other parties that needs to be entered in the register maintained under section 189 of the Companies Act, 2013 and consequently provision of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public in contravention of Section 73 to 76 of the Companies Act, 2013 and rules made there under.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013.
- vii. (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, 2016 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, 2016 except as stated below:

Name of Statute	Nature of Dues	Amount (Rs.)	Period (A.Y.)	Forum, where dispute is pending
Income Tax Act, 1961	Regular assessment	61,60,688	2008-09	ITAT*

\*the same has been adjusted by the Department against Refund due for A.Y. 2007-08

- viii. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of loan or borrowing to the financial institutions, banks, government or dues to debenture holders.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the financial year.
- x. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- xi. The Remuneration paid to Managing Director of the Company is exceeding the limits provided under the provisions of Section 197 & 198 read with Schedule V of the Companies Act, 2013 by Rs 1,75,591/- however, management of the Company proposes to ratify the overall managerial remuneration paid to him as permitted under provisions of Schedule V of the Companies Act, 2013 at the forthcoming Annual General meeting [ Refer note 34 of the Notes to financial statements].
- xii. The Company is not a Nidhi Company; hence this clause is not applicable.
- xiii. According to the information and explanations given to us and the records examined by us, The Company has complied with the provisions of Section 177 and 188 of Companies Act, 2013 and has disclosed all transactions with related parties as required by the applicable Accounting standards.(Refer Note 26 of the Notes to financial statements).
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the RBI Notification No.DNBS.3/CGM (OPA)- 2003 dated August 28, 2003; provisions of Sections 45-IA, 45-IB and 45-IC of the Reserve Bank of India Act, 1934 (2 of 1934) shall not apply to a non-banking financial company which is a securitization company or reconstruction company registered with the Reserve Bank of India under Section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Thus, the company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For and on behalf of  
**CHOKSHI & CHOKSHI LLP**  
**Chartered Accountants**  
**Firm Reg. No: 101872W/W100045**



Hardik K. Chokshi  
Partner

**Membership No: 115774**

Place: Mumbai  
Date: June 10, 2016.

**Annexure II****REFERRED TO IN PARAGRAPH 6(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE**

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

We have audited the internal financial controls over financial reporting of ASREC (INDIA) LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that-

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

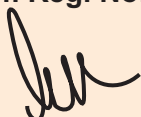
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For and on behalf of

**CHOKSHI & CHOKSHI LLP**  
**Chartered Accountants**  
**Firm Reg. No: 101872W/W100045**



Hardik K. Chokshi  
Partner

**Membership No: 115774**

Place: Mumbai  
Date: June 10, 2016.



भारतीय लेखा तथा लेखापरीक्षा विभाग

कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा पदेन सदस्य, लेखापरीक्षा बोर्ड - I, मुम्बई

INDIAN AUDIT AND ACCOUNTS DEPARTMENT

OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-I, MUMBAI

**19 AUG 2016**

गोपनीय/शीघ्र डाक

संख्या: जी ए/आर 1/आसरेक(इंडिया) लिमिटेड/लेखा/2015-16/87

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL  
OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT,  
2013 ON THE FINANCIAL STATEMENTS OF ASREC (INDIA)  
LIMITED FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of financial statements of ASREC (India) Limited for the year ended 31 March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 10 June 2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of ASREC (India) Limited for the year ended 31 March 2016 and as such have no comments to make under section 143(6)(a) of the Act.

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

(Roop Rashi)

Principal Director of Commercial Audit and  
Ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 19 August, 2016

**BALANCE SHEET AS AT MARCH 31, 2016**

(₹ in Lakh)

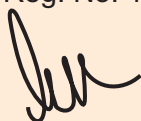
PARTICULARS	Note No.	AS AT	
		March 31, 2016	March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds</b>			
(a) Share Capital	1	9,800.00	9,800.00
(b) Reserves and Surplus	2	3,497.84	3,238.53
		13,297.84	13,038.53
(2) <b>Non-Current Liabilities</b>			
Long-term Provisions	4	17.26	17.02
(3) <b>Current Liabilities</b>			
(a) Short-terms Borrowings	5	2,705.32	4,650.59
(b) Other Current Liabilities	6	257.62	461.18
(c) Short-term Provisions	7	84.06	634.30
		3,047.00	5,746.07
<b>TOTAL</b>		<b>16,362.10</b>	<b>18,801.62</b>
<b>II. ASSETS</b>			
(1) <b>Non-Current Assets</b>			
(a) Fixed Assets - Tangible Assets	8	1079.23	1,109.64
- Intangible Assets	8	0.00	0.45
(b) Non-Current Investment	9	7132.73	5899.84
(c) Deferred Tax Assets (Net)	3	350.56	104.07
(d) Other Non-Current Assets	11	6.00	8.00
		8,568.52	7,122.00
(2) <b>Current Assets</b>			
(a) Current Investments	10	6,460.11	8,044.34
(b) Cash and Cash Equivalents	12	1,166.38	3,475.49
(c) Short-term Loans and Advances	13	160.42	152.05
(d) Other Current Assets	14	6.67	7.74
		7,793.58	11,679.62
<b>TOTAL</b>		<b>16,362.10</b>	<b>18,801.62</b>
Significant Accounting Policies and Notes to Financial Statements	21-36		

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

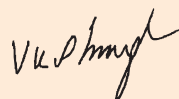
As per our report of even date

For and on behalf of the Board of Directors

**For CHOKSHI & CHOKSHI LLP**  
 Chartered Accountants  
 Firm Reg. No: 101872W/W100045



**Hardik K. Chokshi**  
 (Partner)  
 Membership No: 115774

 Place: Mumbai  
 Date: June 10, 2016


**V. K. Shunglu**  
 (Chairman)  
 DIN-00032683


**Mukund M. Chitale**  
 (Director)  
 DIN-00101004


**A. K. Mahajan**  
 (Chief Financial Officer)


**D. K. Jain**  
 (MD & CEO)  
 DIN-06940533


**Naina H. Kurane**  
 (Co. Secretary)

**PROFIT AND LOSS STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lakh)

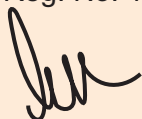
PARTICULARS	Note No.	Year ended	
		March 31, 2016	March 31, 2015
I. Revenue from operations	15	1,975.15	2,178.98
II. Other Income	16	13.73	99.29
<b>III. Total Revenue (I + II)</b>		<b>1,988.88</b>	<b>2,278.27</b>
<b>IV. Expenses:</b>			
Employee benefits Expenses	17	349.17	437.93
Finance Costs	18	224.50	12.76
Depreciation and Amortization Expenses	8	33.67	44.95
Other Expenses	19	1,004.41	524.04
<b>Total Expenses</b>		<b>1,611.75</b>	<b>1,019.68</b>
<b>V. Profit before Exceptional items (III- IV)</b>		<b>377.13</b>	<b>1,258.59</b>
VI. Exceptional Items	20	-	162.70
<b>VII Profit before Tax ( V+VI)</b>		<b>377.13</b>	<b>1,421.29</b>
VIII Tax Expenses			
(1) Current Tax		379.69	495.90
(2) Deferred Tax		(246.49)	(2.99)
(3) Adjustment of prior periods		(15.38)	4.94
<b>IX Profit for the year (VII-VIII)</b>		<b>259.31</b>	<b>923.43</b>
<b>X Earnings per Equity Share, Basic &amp; Diluted</b> (Nominal Value ₹ 10/- per share)		<b>0.26</b>	<b>0.94</b>
Significant Accounting Policies and Notes to Financial statements	21-36		

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

As per our report of even date

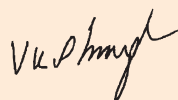
For and on behalf of the Board of Directors

**For CHOKSHI & CHOKSHI LLP**  
Chartered Accountants  
Firm Reg. No: 101872W/W100045



**Hardik K. Chokshi**  
(Partner)  
Membership No: 115774

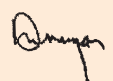
Place: Mumbai  
Date: June 10, 2016



**V. K. Shunglu**  
(Chairman)  
DIN-00032683



**Mukund M. Chitale**  
(Director)  
DIN-00101004



**A. K. Mahajan**  
(Chief Financial Officer)



**D. K. Jain**  
(MD & CEO)  
DIN-06940533



**Naina H. Kurane**  
(Co. Secretary)

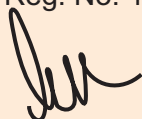


**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

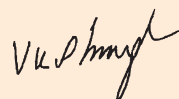
(₹ in Lakh)

PARTICULARS	Year ended	
	March 31,2016	March 31,2015
<b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Exceptional items and Tax	377.13	1,258.59
Exceptional Items	-	162.70
Profit before Tax as per Profit & Loss Statement	377.13	1,421.29
Other items	(0.02)	(162.70)
Add: Finance Cost	224.50	12.76
Non-Cash Items		
- Depreciation and Amortization Expenses	33.67	44.95
- Impairment of Investments	744.83	215.76
<b>Profit before working capital changes [A]</b>	<b>1,380.11</b>	<b>1,532.06</b>
<i>Adjustments for Working Capital :</i>		
(Increase)/Decrease in Current Investments	1,237.48	435.13
(Increase)/Decrease in Short-term Loans & Advances	(61.34)	256.56
(Increase)/Decrease in Other Current Assets	1.07	4.14
Increase/(Decrease) in Short-terms Borrowings	(1,945.27)	1,615.45
Increase/(Decrease) in Other Current Liabilities	(203.56)	87.13
Increase/(Decrease) in Short-term Provisions	(1.73)	17.42
<i>Adjustment for Non-Current Items:</i>		
(Increase)/Decrease in Non-Current Investment	(1,578.00)	(3,378.51)
(Increase)/Decrease in Other Non Current Assets	2.00	2.00
Increase/(Decrease) in Long Term Provision	0.24	(4.34)
<b>TOTAL [B]</b>	<b>(2,549.11)</b>	<b>(965.02)</b>
	<b>[A+B]</b>	<b>567.04</b>
Less Income tax paid (Net of Refund)	(324.83)	(521.41)
<b>Net Cash flow from Operating Activities [C]</b>	<b>(1,493.83)</b>	<b>45.63</b>
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed Assets : Purchase	(2.81)	(8.05)
Disposal	-	0.13
<b>Net Cash flow from Investing Activities [D]</b>	<b>(2.81)</b>	<b>(7.92)</b>
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance Cost	(224.50)	(12.76)
Dividend Paid	(490.00)	(490.00)
Dividend Distribution Tax paid	(97.97)	(83.28)
<b>Net Cash flow from Financing Activities [E]</b>	<b>(812.47)</b>	<b>(586.04)</b>
<b>IV NET INCREASE IN CASH AND CASH EQUIVALENTS [C+D+E]</b>	<b>(2,309.11)</b>	<b>(548.33)</b>
<b>V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>3,475.49</b>	<b>4,023.82</b>
<b>VI CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,166.38</b>	<b>3,475.49</b>
Significant Accounting Policies and Notes to Financial statements	Note 21-36	

 As per our report of even date  
**For CHOKSHI & CHOKSHI LLP**  
 Chartered Accountants  
 Firm Reg. No: 101872W/W100045


**Hardik K. Chokshi**  
 (Partner)  
 Membership No: 115774

 Place: Mumbai  
 Date: June 10, 2016


**V. K. Shunglu**  
 (Chairman)  
 DIN-00032683


**Mukund M. Chitale**  
 (Director)  
 DIN-00101004


**A. K. Mahajan**  
 (Chief Financial Officer)


**D. K. Jain**  
 (MD & CEO)  
 DIN-06940533


**Naina H. Kurane**  
 (Co. Secretary)

For and on behalf of the Board of Directors

**NOTES**

FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakh)

PARTICULARS	AS AT	
	March 31, 2016	March 31, 2015
<b>NOTE - 01 : SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL:</b> 12,50,00,000 Equity Shares of Rs 10/-each (Previous year - 12,50,00,000 Equity Shares of Rs 10/-each)	12,500.00	12,500.00
<b>ISSUED , SUBSCRIBED &amp; PAID UP:</b> Equity Share Capital 9,80,00,000 Equity Shares of Rs 10/-each, fully paidup (Previous year - 9,80,00,000 Equity Shares of Rs 10/-each)	9,800.00	9,800.00
<b>TOTAL</b>	<b>9,800.00</b>	<b>9,800.00</b>

**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 Rs. 10/- each)	% to total Paid up Equity capital	No. of shares held (of Rs. 10/- each)	% to total Paid up Equity capital
Allahabad Bank	26,499,900	27.04%	26,499,900	27.04%
Bank of India	25,500,000	26.02%	25,500,000	26.02%
Andhra Bank	25,500,000	26.02%	25,500,000	26.02%
Indian Bank	11,000,000	11.22%	11,000,000	11.22%
Life Insurance Corporation of India	9,000,000	9.18%	9,000,000	9.18%
<b>Total</b>	<b>97,499,900</b>	<b>99.48%</b>	<b>97,499,900</b>	<b>99.48%</b>

\* 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 and has not bought back any shares during the last five years.

<b>Note - 02 : RESERVES AND SURPLUS</b>		
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	3,238.53	2,903.06
Net Profit for the year	259.31	923.43
	<b>3,497.84</b>	<b>3,826.50</b>
Less:-		
Proposed Dividend	-	490.00
Dividend Distribution Tax	-	97.97
<b>Balance as at the end of the year</b>	<b>3,497.84</b>	<b>3,238.53</b>

(₹ in Lakh)

PARTICULARS	AS AT	
	March 31, 2016	March 31, 2015
<b>NOTE - 03 : DEFERRED TAX ASSETS(NET)</b>		
<b><u>Deferred Tax Assets arising on account of :</u></b>		
Provision for Impairment	503.88	240.26
Provision for Other Expenses	6.15	7.42
<b>Total (A)</b>	<b>510.03</b>	<b>247.68</b>
<b><u>Deferred Tax Liabilities arising on account of :</u></b>		
Depreciation	156.70	140.21
Prepaid Expenses	2.77	3.40
<b>Total (B)</b>	<b>159.47</b>	<b>143.61</b>
<b><u>Net Deferred Tax Assets (A-B)</u></b>	<b>350.56</b>	<b>104.07</b>
<b>NOTE - 04 : LONG TERM PROVISIONS</b>		
Provision for Employees Benefit- Leave	15.89	16.09
Provision for Employees Benefit- Gratuity	1.37	0.93
<b>TOTAL</b>	<b>17.26</b>	<b>17.02</b>
<b>NOTE - 05 : SHORT TERMS BORROWINGS</b>		
<b>Loan Repayable on demand:</b>		
<b>From Banks-</b>		
<b>Secured</b> (Secured by Current Assets including hypothecation of Investment in Financial Assets and Security Receipts)		
<b>Schedule Bank</b>	2,705.32	4,650.59
<b>TOTAL</b>	<b>2,705.32</b>	<b>4,650.59</b>
<b>NOTE - 06 : OTHER CURRENT LIABILITIES</b>		
Liabilities for Expenses	36.02	81.39
Payable to Employee	0.06	-
Advance Against OTS	-	15.00
Provident Fund payable	1.24	1.34
Profession Tax payable	0.10	0.05
Service Tax Payable	11.02	2.10
TDS Payable	12.11	3.78
Others	197.07	357.52
<b>TOTAL</b>	<b>257.62</b>	<b>461.18</b>
<b>NOTE - 07 : SHORT TERM PROVISIONS</b>		
Provision for Employee Benefit- Leave	0.54	0.55
Provision for tax (net)	60.86	21.40
Provision for Dividend (Including Tax)	-	587.97
Provision for Expenses	22.66	24.38
<b>TOTAL</b>	<b>84.06</b>	<b>634.30</b>

**Note - 8 :**

Notes are forming part of the Balance Sheet as at 31st March, 2016

(₹ in Lakh)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	As at 1st April 2015	Addition	Sale/ Deduction	As at 31st March 2016	Up to 1st April 2015	During the year	on Sale/ Deduction	Adj due to change in Dep. method	Up to 31st March 2016	As at 31st March 2015	As at 31st March 2016
<b>TANGIBLE ASSETS</b>											
Building	1,141.36	-	-	1,141.36	93.67	19.09	-	-	112.78	1,028.58	1,047.69
Motor Cars	12.74	-	-	12.74	2.63	1.64	-	-	4.27	8.47	10.11
Computer	40.73	1.25	-	41.98	32.03	4.07	-	-	36.09	5.89	8.71
Office Equipment	4.08	-	-	4.08	3.53	0.54	-	-	4.07	0.02	0.55
Electric Equipment	11.19	-	-	11.19	3.54	1.50	-	-	5.04	6.15	7.65
Furniture & Fixture	52.59	1.25	-	53.84	17.66	6.37	-	-	24.02	29.82	34.93
Air Conditioner	-	0.31	-	0.31	-	0.01	-	-	0.01	0.30	-
<b>TOTAL (A)</b>	<b>1,262.69</b>	<b>2.81</b>	<b>-</b>	<b>1,265.50</b>	<b>153.06</b>	<b>33.22</b>	<b>-</b>	<b>-</b>	<b>186.28</b>	<b>1,079.23</b>	<b>1,109.64</b>
<b>INTANGIBLE ASSETS</b>											
Computer Softwares	2.18	-	-	2.18	1.72	0.45	-	-	2.18	0.00	0.45
<b>TOTAL (B)</b>	<b>2.18</b>	<b>-</b>	<b>-</b>	<b>2.18</b>	<b>1.72</b>	<b>0.45</b>	<b>-</b>	<b>-</b>	<b>2.18</b>	<b>0.00</b>	<b>0.45</b>
<b>TOTAL (A + B)</b>	<b>1,264.87</b>	<b>2.81</b>	<b>-</b>	<b>1,267.68</b>	<b>154.78</b>	<b>33.67</b>	<b>-</b>	<b>-</b>	<b>188.45</b>	<b>1,079.23</b>	<b>1,110.09</b>
Previous year's figures	1,258.27	8.05	1.46	1,264.87	273.85	44.95	1.32	(162.70)	154.78	1,110.09	

(₹ in Lakh)

PARTICULARS	March 31, 2016			March 31, 2015		
	Cost	Provision	Net	Cost	Provision	Net
<b>NOTE - 09 : NON CURRENT INVESTMENT- Investments in Government or Trust Securities ( Unquoted)</b>						
<b>(I) Controlled Special Purpose Entities - Security Receipts of Trusts</b>						
ASREC PS-01/2015-16 TRUST SR	44.00	5.50	38.50	-	-	-
ASREC PS 02/2015-16 TRUST SR	74.00	9.25	64.75	-	-	-
ASREC PS-03/2015-16 TRUST SR	317.00	39.63	277.37	-	-	-
ASREC PS 04/2015-16 TRUST SR	138.00	-	138.00	-	-	-
ASREC PS-05/2015-16 TRUST SR	118.00	14.75	103.25	-	-	-
ASREC PS-06/2015-16 TRUST SR	90.00	11.25	78.75	-	-	-
ASREC PS-07/2015-16 TRUST SR	136.00	17.00	119.00	-	-	-
ASREC PS-08/2015-16 TRUST SR	91.00	-	91.00	-	-	-
ASREC PS-09/2015-16 TRUST SR	60.00	7.50	52.50	-	-	-
ASREC PS-10/2015-16 TRUST SR	54.00	6.75	47.25	-	-	-
ASREC PS 11/2015-16 TRUST SR	327.00	-	327.00	-	-	-
ASREC PS-12/2015-16 TRUST SR	175.00	-	175.00	-	-	-
ASREC PS- 13/2015-16 TRUST SR	105.00	-	105.00	-	-	-
ASREC PS-14/2015-16 TRUST SR	321.00	-	321.00	-	-	-
ASREC PS-15/2015-16 TRUST SR	-	-	-	-	-	-
ASREC PS-16/2015-16 TRUST SR	28.00	-	28.00	-	-	-
ASREC PS-17/2015-16 TRUST SR	105.00	-	105.00	-	-	-
ASREC PS-18/2015-16 TRUST SR	105.00	-	105.00	-	-	-
ASREC PS 01/2014-15 TRUST SR	36.00	4.50	31.50	42.00	-	42.00
ASREC-PS 02/2014-15 TRUST SR	45.00	-	45.00	45.00	-	45.00
ASREC PS 03/2014-15 TRUST SR	129.00	16.13	112.87	129.00	-	129.00
ASREC PS 04/2014-15 TRUST SR	62.00	7.75	54.25	62.00	-	62.00
ASREC PS 05/2014-15 TRUST SR	11.00	1.37	9.63	16.00	-	16.00
ASREC PS 06/2014-15 TRUST SR	185.00	-	185.00	185.00	-	185.00
ASREC PS 07/2014-15 TRUST SR	91.00	11.37	79.63	94.00	-	94.00
ASREC PS-08/2014-15 TRUST SR	82.00	10.25	71.75	82.00	-	82.00
ASREC PS-09/2014-15 TRUST SR	51.00	6.37	44.63	51.00	-	51.00
ASREC PS-10/2014-15 TRUST SR	22.00	2.75	19.25	22.00	2.75	19.25
ASREC PS 11/2014-15 TRUST SR	158.00	19.75	138.25	170.00	21.25	148.75
ASREC PS-12/2014-15 TRUST SR	140.00	17.50	122.50	149.00	18.63	130.37
ASREC PS-13/2014-15 TRUST SR	96.00	12.00	84.00	96.00	12.00	84.00
ASREC PS-14/2014-15 TRUST SR	27.00	3.37	23.63	29.00	3.63	25.37
ASREC PS 15/2014-15 TRUST SR	185.00	23.12	161.88	185.00	23.13	161.87
ASREC PS-16/2014-15 TRUST SR	253.00	-	253.00	266.00	-	266.00
ASREC PS-17/2014-15 TRUST SR	228.00	28.50	199.50	228.00	28.50	199.50
ASREC PS-18/2014-15 TRUST SR	243.00	30.37	212.63	318.00	39.75	278.25
ASREC PS-19/2014-15 TRUST SR	85.00	10.62	74.38	115.00	-	115.00
ASREC PS-20/2014-15 TRUST SR	83.00	-	83.00	83.00	-	83.00
ASREC PS-21/2014-15 TRUST SR	46.00	5.75	40.25	46.00	-	46.00
ASREC PS-22/2014-15 TRUST SR	39.00	4.87	34.13	41.00	-	41.00
ASREC PS-23/2014-15 TRUST SR	94.00	11.75	82.25	94.00	-	94.00
ASREC PS-24/2014-15 TRUST SR	181.00	22.62	158.38	198.00	-	198.00
ASREC PS-25/2014-15 TRUST SR	25.00	3.13	21.87	25.00	-	25.00
ASREC PS-26/2014-15 TRUST SR	114.00	-	114.00	116.00	-	116.00
ASREC PS-27/2014-15 TRUST SR	486.00	60.75	425.25	513.00	-	513.00
ASREC PS-28/2014-15 TRUST SR	116.00	14.50	101.50	116.00	-	116.00

PARTICULARS	March 31, 2016			March 31, 2015		
	Cost	Provision	Net	Cost	Provision	Net
ASREC PS-29/2014-15 TRUST SR	104.00	13.00	91.00	180.00	-	180.00
ASREC PS-30/2014-15 TRUST SR	82.00	10.25	71.75	129.00	-	129.00
ASREC PS-31/2014-15 TRUST SR	151.00	18.88	132.12	151.00	-	151.00
ASREC-PS 01/2013-14 TRUST SR	27.00	-	27.00	29.00	-	29.00
ASREC-PS 02/2013-14 TRUST SR	410.00	51.25	358.75	523.00	65.38	457.62
ASREC PS-03/2013-14 TRUST SR	38.00	14.25	23.75	38.00	14.25	23.75
ASREC PS-04/2013-14 TRUST SR	48.00	6.00	42.00	48.00	18.00	30.00
ASREC PS-05/2013-14 TRUST SR	47.00	17.63	29.37	47.00	17.63	29.37
ASREC PS-01/2012-13 TRUST SR	7.00	-	7.00	57.00	-	57.00
ASREC PS-02/2012-13 TRUST SR	-	-	-	13.00	-	13.00
ASREC PS-03/2012-13 TRUST SR	32.00	4.00	28.00	32.00	4.00	28.00
ASREC PS-04/2012-13 TRUST SR	19.00	2.38	16.62	24.00	3.00	21.00
ASREC PS-05/2012-13 TRUST SR	29.00	-	29.00	29.00	-	29.00
ASREC PS-06/2012-13 TRUST SR	80.00	10.00	70.00	80.00	-	80.00
ASREC PS-07/2012-13 TRUST SR	35.00	13.13	21.87	35.00	13.13	21.87
ASREC PS-01/2009-10 TRUST SR	5.00	4.44	0.56	4.00	3.50	0.50
ASREC PS-02/2009-10 TRUST SR	-	-	-	8.00	1.00	7.00
ASREC PS-04-2009-10 TRUST SR	11.00	7.29	3.71	11.00	6.88	4.12
ASREC PS-06/2009-10 TRUST SR	-	-	-	71.00	-	71.00
ASREC PS-02/2008-09 TRUST SR	242.00	105.88	136.12	363.00	136.13	226.87
ASREC PS-03/2008-09 TRUST SR	12.00	7.95	4.05	14.00	5.25	8.75
ASREC PS-04/2008-09 TRUST SR	132.00	112.20	19.80	132.00	57.75	74.25
ASREC PS-03/2007-08 TRUST SR	20.00	20.00	-	20.00	19.00	1.00
ASREC PS-05/2007-08 TRUST SR	7.00	7.00	-	7.00	6.60	0.40
<b>TOTAL (a)</b>	<b>7,139.00</b>	<b>866.25</b>	<b>6,272.75</b>	<b>5,561.00</b>	<b>521.14</b>	<b>5,039.86</b>
<b>(ii) Investment in the Security Receipts of Trust of Other ARC</b>						
INVENT/1011/S4 TRUST	859.98	-	859.98	859.98	-	859.98
<b>TOTAL (b)</b>	<b>859.98</b>	<b>-</b>	<b>859.98</b>	<b>859.98</b>	<b>-</b>	<b>859.98</b>
<b>(iii) Trusts where in all SRs have been redeemed (Rs 1 Lakh assigned for all unresolved A/c)</b>						
ASREC PS-02/2012-13 TRUST SR	1.00	1.00	-	-	-	-
ASREC PS-02/2009-10 TRUST SR	5.00	5.00	-	-	-	-
ASREC PS-03/2009-10 TRUST SR	4.00	4.00	-	6.00	6.00	-
ASREC PS-05/2009-10 TRUST SR	4.00	4.00	-	5.00	5.00	-
ASREC PS-06/2009-10 TRUST SR	35.00	35.00	-	-	-	-
ASREC PS-07/2009-10 TRUST SR	18.00	18.00	-	18.00	18.00	-
ASREC PS-01/2008-09 TRUST SR	8.00	8.00	-	10.00	10.00	-
ASREC PS-01/2007-08 TRUST SR	1.00	1.00	-	1.00	1.00	-
ASREC PS 02/2007-08 TRUST SR	2.00	2.00	-	2.00	2.00	-
ASREC PS-04/2007-08 TRUST SR	1.00	1.00	-	5.00	5.00	-
ASREC PS-01/06 TRUST SR	2.00	2.00	-	2.00	2.00	-
ASREC PS-04/06 TRUST SR	2.00	2.00	-	2.00	2.00	-
ASREC PS-05/06 TRUST SR	5.00	5.00	-	6.00	6.00	-
ASREC PS-07/06 TRUST SR	5.00	5.00	-	5.00	5.00	-
<b>TOTAL (c)</b>	<b>93.00</b>	<b>93.00</b>	<b>-</b>	<b>62.00</b>	<b>62.00</b>	<b>-</b>
<b>TOTAL( a+b+c)</b>	<b>8,091.98</b>	<b>959.25</b>	<b>7,132.73</b>	<b>6,482.98</b>	<b>583.14</b>	<b>5,899.84</b>

(₹ in Lakh)

PARTICULARS	March 31, 2016			March 31, 2015		
	Cost	Provision	Net	Cost	Provision	Net
<b>NOTE - 10: CURRENT INVESTMENTS</b>						
<b>Financial Assets acquired from various Banks and Financial Institutions</b>						
Andhra Bank	490.00	-	490.00	490.00	-	490.00
Allahabad Bank	622.10	4.00	618.10	662.20	-	662.20
Axis Bank	302.13	58.60	243.53	635.68	-	635.68
Abhyudaya Co-Op.Bank Ltd.	0.20	-	0.20	70.67	-	70.67
Bank of India (BOI)	1,124.47	47.55	1,076.92	1,267.25	20.00	1,247.25
Bank of Baroda (BOB)	40.00	10.00	30.00	250.00	-	250.00
Bank of Maharashtra	239.00	-	239.00	244.00	-	244.00
Central Bank of India (CBI)	60.00	60.00	-	69.00	58.00	11.00
Consortium (BOI,BOB,IOB,CBI&Dena Bank)	350.00	175.00	175.00	760.50	76.05	684.45
Canara Bank	551.55	-	551.55	565.00	-	565.00
Corporation Bank	-	-	-	32.00	-	32.00
Dena Bank	472.39	69.85	402.54	500.21	-	500.21
Indian Overseas Bank (IOB)	450.81	-	450.81	453.40	-	453.40
ICICI Bank	226.52	-	226.52	326.52	-	326.52
Kotak Mahindra Bank	625.00	-	625.00	625.00	-	625.00
Karnataka Bank	94.54	6.30	88.24	98.54	-	98.54
Oriental Bank of Commerce	175.00	-	175.00	175.00	-	175.00
Pune District Central Co.Op. Bank Ltd.	139.41	13.92	125.49	300.00	-	300.00
The Shamrao Vithal Co.Op. Bank Ltd.	0.99	0.99	-	0.99	0.99	-
The Karad Janata Sahakari Bank Ltd.	0.81	0.08	0.73	11.81	-	11.81
Saraswat Co.Op.Bank Ltd.	-	-	-	125.00	-	125.00
State Bank of India	447.98	-	447.98	-	-	-
Syndicate Bank	-	-	-	166.61	-	166.61
United Bank of India	327.00	-	327.00	133.00	-	133.00
UCO Bank	241.00	74.50	166.50	256.00	19.00	237.00
<b>TOTAL</b>	<b>6,980.90</b>	<b>520.79</b>	<b>6,460.11</b>	<b>8,218.38</b>	<b>174.04</b>	<b>8,044.34</b>

(₹ in Lakh)

PARTICULARS	AS AT	
	31 March, 2016	31 March, 2015
<b>NOTE -11 : OTHER NON CURRENT ASSETS</b>		
(i) <u>Long -term Trade Receivables</u>	-	-
(ii) <u>Others</u>		
Prepaid Expenses	6.00	8.00
<b>TOTAL</b>	<b>6.00</b>	<b>8.00</b>
<b>NOTE -12: CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	0.23	0.37
Balances with Banks	339.55	1,756.50
<b>Bank deposits -</b>		
Maturity within 12 months	826.60	1,718.62
<b>TOTAL</b>	<b>1,166.38</b>	<b>3,475.49</b>

(₹ in Lakh)

PARTICULARS	AS AT	
	31 March, 2016	31 March, 2015
<b>NOTE - 13: SHORT TERMS LOANS AND ADVANCES</b>		
<b>OTHERS:</b>		
<b>(a) Secured, Considered good</b>	-	-
<b>(b) Unsecured, Considered good</b>		
Account Receivable	0.11	0.03
Deposits	8.06	6.44
Income Tax Refund	62.56	62.56
Service Tax Receivable	0.07	0.46
Receivable from Various Trusts	89.62	82.56
<b>(c) Doubtful :</b>		
Receivable from Various Trusts	68.89	15.92
Less : Provision	(68.89)	(15.92)
<b>TOTAL</b>	<b>160.42</b>	<b>152.05</b>
<b>NOTE - 14 : OTHER CURRENT ASSETS</b>		
<i>Prepaid Expenses</i>	6.67	7.74
<b>TOTAL</b>	<b>6.67</b>	<b>7.74</b>
<b>NOTE - 15 : REVENUE FROM OPERATIONS</b>		
Income From Investment in Financial Assets	1,055.53	1,742.23
Income From Investment in Security Receipts	240.66	157.31
Income From Agency Business	25.61	35.61
Management Fee	653.35	243.83
<b>TOTAL</b>	<b>1,975.15</b>	<b>2,178.98</b>
<b>NOTE - 16 : Other Income</b>		
Interest Income	12.81	91.46
Processing Fee	0.89	7.69
Profit on Sale of Fixed Assets	-	0.12
Miscellaneous Income	0.03	0.02
<b>TOTAL</b>	<b>13.73</b>	<b>99.29</b>
<b>NOTE - 17 : EMPLOYEE BENEFITS EXPENSES</b>		
Salary	297.54	376.41
Contribution to provident fund	8.25	9.76
Staff welfare Expenses	33.26	44.09
Gratuity Expenses	0.51	0.11
Leave Encashment	9.61	7.56
<b>TOTAL</b>	<b>349.17</b>	<b>437.93</b>
<b>NOTE - 18 : FINANCE COST</b>		
Bank Interest	224.50	12.76
<b>TOTAL</b>	<b>224.50</b>	<b>12.76</b>



(₹ in Lakh)

PARTICULARS	AS AT	
	31 March, 2016	31 March, 2015
<b>NOTE - 19 : OTHER EXPENSES</b>		
<u>Payments to the auditor</u>		
-Audit Fees	6.72	4.67
-Tax Audit Fees	1.08	0.58
-For Taxation matters	-	0.95
-For re-imbursment of Expenditure	0.15	0.14
Rent	17.68	15.20
Bank Charges	1.51	0.30
Bidding Fees	-	0.20
Business Development Expenses	2.11	1.32
Demat Charges	0.06	0.05
Directors Sitting Fees	6.75	5.20
Electricity Charges	11.27	7.80
Housekeeping, Security & Runner	28.99	35.02
Insurance	5.09	7.54
Internet and Web Site Expenses	5.78	5.87
Legal Expenses	7.86	7.90
Membership & Subscription	3.86	3.76
Newspaper ,books and periodicals	0.28	0.39
Postage and Courier Expenses	1.80	1.87
Printing and Stationery	5.66	5.16
Professional Fees	47.66	55.95
Registration Fees	10.60	17.23
Repairs and Maintenance	3.68	6.35
Resolution Fee	22.00	45.43
Telephone, Fax & Mobile Expenses	7.06	7.02
Training and Development Expenses	-	0.06
Travelling and Conveyance	24.26	31.60
Valuation and Due Diligence Expenses	1.62	3.66
Impairment of Investment(Net)	744.83	215.76
Rate and Taxes	7.87	6.74
CSR Expenditure [Refer Note 32]	26.43	25.42
Miscellaneous Expenses	1.75	4.90
<b>TOTAL</b>	<b>1,004.41</b>	<b>524.04</b>
<b>NOTE - 20 : EXCEPTIONAL ITEMS</b>		
Adjustment due to change in Depreciation Method Refer Note 33	-	162.70
<b>TOTAL</b>	<b>-</b>	<b>162.70</b>

## SIGNIFICANT ACCOUNTING POLICIES & NOTES TO FINANCIAL STATEMENTS

### NOTE - 21: SIGNIFICANT ACCOUNTING POLICIES

#### i. 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.

#### ii. Basis of preparation of Financial Statements:

The Financial Statements have been prepared to comply with all material aspects of Notified accounting standards as prescribed by Companies (Accounting Standards) Rules, 2006 (as amended), read with Rule-7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Reserve Bank of India (RBI) from time to time under SARFAESI Act. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### iii. 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.

#### iv. Fixed Assets and Depreciation:

FIXED ASSETS AND DEPRECIATION:

**Tangible Assets** are stated at cost, less accumulated depreciation and impairment losses, if any. Depreciation is provided on the basis of the estimated useful life of fixed assets on a Straight line Method as stipulated by Schedule-II to the Companies Act, 2013.

**Intangible Assets** are measured at cost of acquisition/ development and amortized over their estimated economic life on a Straight line Method. Estimated useful life of Computer Software is assumed to be three years.

#### v. 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 of 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. In case of recognition of Management fee, significant certainty shall be construed when the Management fee is actually received.

**vi. Investment :**

Investments in Security Receipts are classified under Non Current Investment and Investments in Financial Assets are treated as Current Investment. All the Investments 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/ Financial Assets are based on 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 five years, an additional provision for Impairment has been made as per Board Guidelines.

**vii. 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.

**viii. 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.

**ix. 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.

**x. 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.

**xi. 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.

**xii. 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.

**xiii. 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.

**OTHER NOTES**

**22. Contingent liabilities and commitments (to the extent not provided for) :**

**Contingent liabilities:** Income Tax Dues Rs 61.61 Lakh (Previous year, Rs 61.61 Lakh).

**23.** Provision for Impairment of Assets (other than Security Receipts and Financial Assets, 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.

**24.** 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.

**25.** As per Reserve Bank of India Guidelines, the Capital Adequacy Ratio of the Company at the year end worked out at 87.51% as given below :

(₹ in Lakh)		
Particular	Current Year	Previous Year
(i) Paid up Capital & Reserve	13,297.84	13,038.53
(ii) Risk Weighted Assets	15,195.72	15,326.13
(iii) Capital Adequacy Ratio	87.51%	85.07%

**26. 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 Company	NIL
2 Investing Party (Holding more than 20% shares)	Bank of India, Andhra Bank and Allahabad Bank
3 Subsidiary	NIL
4 Fellow Subsidiary	NIL
5 Associates/ Joint Venture	NIL
6 Key Management Personnel	Sri D.K Jain, Managing Director and Chief Executive Officer Sri A.K Mahajan, Chief Financial Officer Ms. Naina H Kurane, Company Secretary
7 Relative of Key Management Personnel	NIL

(₹ in Lakh)

<b>b) Transaction with Related Parties</b>				
Type of Transactions	Investing Party		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year
Interest Income from FDs	3.02	71.30	-	-
Purchase of Financial Assets	-	751.00	-	-
Remuneration	-	-	112.14	91.71
Receipts of Resolution fees	-	11.86		
<b>Total</b>	<b>3.02</b>	<b>834.16</b>	<b>112.14</b>	<b>91.71</b>

27. 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.
28. 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 year end together with interest paid/ payable as required under the said act have not been given.
29. 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 obligation.

**DEFINED CONTRIBUTION PLAN:**

(₹ in Lakh)

PARTICULARS	Current Year	Previous Year
Employers' contribution to Provident Fund	8.25	9.76

**DEFINED BENEFIT PLAN:**

## A. Actuarial Assumptions

PARTICULARS	Gratuity (Funded)		Leave Encashment (Not Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	7.95%	7.95%	7.95%	7.95%
Salary Escalation	6.50%	6.50%	6.50%	6.50%
Mortality Table	IALM- (2006-08) Ultimate	IALM- (2006-08) Ultimate	IALM- (2006-08) Ultimate	IALM-(2006-08) Ultimate

## B. Change in Benefit Obligation

(₹ in Lakh)

PARTICULARS	Graduity (Funded)		Leave Encashment(Not Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Obligation at the beginning of the year	9.17	9.38	16.64	17.17
Interest Cost	0.81	0.94	1.49	1.79
Service Cost	2.36	2.34	4.77	5.90
Benefit paid	(0.95)	(0.72)	(9.82)	(8.09)
Actuarial (Gain) Loss on obligations	(2.13)	(2.77)	3.35	(0.13)
Obligation at the end of the year	9.26	9.17	16.43	16.64

## C. Change in Fair Value of Plan Assets

(₹ in Lakh)

PARTICULARS	Graduity (Funded)		Leave Encashment (Not Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Fair Value at the beginning of the year	8.24	4.78	0	0
Expected Return on Plan Assets	0.61	0.49	0	0
Contributions	0.07	3.77	0	0
Benefits paid	(0.95)	(0.72)	0	0
Actuarial Gain/ (Loss) on plan Assets	(0.08)	(0.08)	0	0
Fair Value at the end of year	7.89	8.24	0	0

## D. The Amounts to be recognized in Balance Sheet

(₹ in Lakh)

PARTICULARS	Graduity (Funded)		Leave Encashment (Not Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Present Value of Obligation at the end of the year	9.26	9.17	16.43	16.64
<b>Less:</b> Fair Value of Plan Assets at the end of the year	7.89	8.24	0.00	0.00
Net Liability recognised in Balance Sheet	1.37	0.93	16.43	16.64

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

(₹ in Lakh)

PARTICULARS	Graduity (Funded)		Leave Encashment (Not Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	2.36	2.34	4.77	5.90
Interest Cost	0.81	0.93	1.49	1.79
Expected Return on Plan Assets	(0.61)	(0.49)	0.00	0.00
Net actuarial (Gain)/Loss recognised in the year	(2.05)	(2.67)	3.35	(0.13)
Expenses recognised in the Statement of Profit & Loss	0.51	0.11	9.61	7.56

## F. Asset Value, Projected Benefit Obligation (PBO), Surplus/ Deficit &amp; Experience Gains/ Losses:

(₹ in Lakh)

PARTICULARS	Graduity (Funded)		Leave Encashment (NoFunded)	
	Current Year	Previous Year	Current Year	Previous Year
Fair Value of Plan Assets, End of period	7.89	8.24	0.00	0.00
Projected Benefit obligation, End of period	9.26	9.17	16.43	16.64
(Surplus)/Deficit in the plan	1.37	0.93	16.43	16.64
Experience Adjustments on Plan Assets	(0.08)	(0.08)	0.00	0.00
(Gain)/ Losses due to change in Assumptions	0.00	1.38	0.00	2.11
Experience (Gain)/ Losses on PBO	(2.13)	(4.15)	3.35	(2.24)
Total (Gain)/Loss on PBO	(2.13)	(2.77)	3.35	(0.13)

-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.

**30. 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)	-	490.00
Dividend (in ₹) per Equity Share	-	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.

**31. EARNINGS PER EQUITY SHARE (EPS)**

PARTICULARS	Current Year	Previous Year
Profit before Tax (Rs. in Lakh)	377.13	1,421.29
<b>Less :</b>		
Tax Expenses (including prior year tax adjustment); (Rs. in Lakh)	117.82	497.86
Net profit after tax attributable to Equity Share holder for EPS	259.31	923.43
Weighted Average no. of Equity Shares outstanding during the year for EPS 9,80,00,000	9,80,00,000	9,80,00,000
Earnings (in Rupees) per Equity Share (Basic & Diluted)	0.26	0.94

### 32. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has spent an amount of ₹ 26.43 Lakh towards Corporate Social Responsibility (CSR) activities as per the provision of Section 135 of Companies Act 2013 and rules made there under (*as amended from time to time*), and the same has been recognized as a separate line item as “CSR Expenditure” in the Statement of Profit and Loss.

The details of CSR Expenditures are as under:

(a) Gross amount required to be spent by the company during the year : ₹ 26.43 Lakh

(b) Amount spent during the year-

(₹ in Lakh)

Particulars	In Cash	Yet to be paid in cash	Total
(i) On Construction/ Acquisition of any asset	26.43	0.00	26.43
(ii) On purposes other than (i) above	0.00	0.00	0.00

### 33. Change in accounting policy in the financial year ended March 31, 2015

Effective April 01, 2014, the Company had with retrospective effect changed its method of providing depreciation on fixed assets from the “Written Down Value (WDV) Method” to the “Straight Line Method (SLM)”. As a result of enactment of the Companies Act, 2013, Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. Accordingly, the Company had made an adjustment of depreciation charges of ₹ 162.70 Lakh & the same has been disclosed as an exceptional item to the credit of the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015.

34. The Remuneration paid to Managing Director of the Company is exceeding the limits provided under the provisions of Section 197 & 198 read with Schedule V of the Companies Act, 2013 by ₹ 1,75,591/- (say; ₹ 1.76 Lakh) however, management of the Company proposes to ratify the overall managerial remuneration paid to him as permitted under provisions of Schedule V of the Companies Act, 2013 at the forthcoming Annual General Meeting.

35. **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 Lakh) Cumulative as at year end	
		Current Year	Previous Year
<b>Sponsors</b>			
Allahabad Bank	2, Netaji Subhas Road, Kolkata - 700 001	4,938.00	2,816.00
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	8,996.33	8,996.33
Andhra Bank	Dr. Pathabhi Bhavan, 5-9-11 Saifabad, Hyderabad - 500 00	540.00	540.00
Indian Bank	254, Avvai Shanmughan Salai, Royya Pettha, Chennai - 600 014.	2,875.00	2,875.00
	<b>Sub-Total (A)</b>	<b>17,349.33</b>	<b>15,727.33</b>



Name	Address	Acquisition Price (₹ in Lakh) Cumulative as at year end	
		Current Year	Previous Year
<b>Non Sponsors</b>			
Axis Bank	Trishul, 3 <sup>rd</sup> Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedbad-380 006, Gujarat.	3819.78	3819.78
Abhyudaya Co.Operative Bank Ltd	K.K.Tower, Abhyudaya Bank Lane. Off G. D. Ambekar Marg, Parel Village, Mumbai-400 012	210.00	210.00
Bank of Baroda	C-26, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051, Maharashtra	1258.00	1258.00
Bank of Maharashtra	Head Office, Lokmangal 1501, Shivanagar, Pune - 411005	3212.00	2312.00
Central Bank of India	Chander Mukhi, Nariman Point, Mumbai – 400 021, Maharashtra	5903.00	5267.00
Canara Bank	112, J C Road, Bangalore-56002	679.31	679.31
Corporation Bank	Mangladevi Temple Road, Pandeshwar, Mangalore- 575001, Karnataka.	110.00	110.00
Dena Bank	Dena Corporate Centre, C-10, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra	1323.00	1323.00
Federal Bank	Federal Towers, Head Office, Aluva, Ernakulam – 683 101, Kerala.	515.00	515.00
Indian Overseas Bank	763, Anna Salai, Chennai-600002	2269.54	1909.54
IFCI Limited	IFCI Tower, 61, Nehru Place, New Delhi-110019	2112.00	2112.00
ICICI	ICICI Bank Towers, Bandra Kurla Complex, Mumbai -400051	395.00	395.00
Karnataka Bank	Kankanady ,Mangalore ,Karnataka ,575002	105.54	105.54
Karur Vysya Bank	Erode Road, Central Office, ,Karur, Tamil Nadu-639002	4730.00	4730.00
Kotak Mahindra Bank Ltd	36-38A, Nariman Point, Mumbai- 400 021.	695.00	695.00
Laxmi Vilas Bank	Kathapara, Salem Main Road, Karur – 639 006	1076.00	1076.00
Oriental Bank of Commerce	Harsha Bhawan, E Block, Connaught Place , New Delhi ,Delhi ,110001	1696.00	1122.00
Pune District Central Co-Op Bank Ltd	4B B.J. Road, Pune-411 001	812.00	812.00
Punjab & Sind Bank	Bank House, 21, Rajendra Plakhe, New Delhi-110 008	328.85	328.85
Punjab National Bank	7, Bhikaji Cama Place, New Delhi-110607	94.00	94.00
State Bank of India	Corporate Banking Group, Corporate Centre, Madam Cama Road, Mumbai-400 021	9811.00	8201.00
State Bank of Hyderabad	Hybank Towers, Gunfoundry, Hyderabad-500 001	13827.00	9259.00
State Bank of Mysore	Kempegowda Road, Bangalore- 560 009, Karnataka	312.00	312.00
State Bank of Bikaner & Jaipur	Tilak Marg, C Scheme, Jaipur – 302 005, Rajasthan	3509.00	1370.00
Standard Chartered Bank	90, Mahatma Gandhi Road, Mumbai- 400 001, Maharashtra	114.50	114.50

Name	Address	Acquisition Price (₹ in Lakh) Cumulative as at year end	
		Current Year	Previous Year
State Bank of Patiala	Head Office Building, 4 <sup>th</sup> Floor, The Mall, Patiala-147001.	3281.00	1171.00
State Bank of Travancore	Head Office Poojappura, Thiruvananthapuram-695012	2995.00	1516.00
Syndicate Bank	Corporate Office, 2 <sup>nd</sup> Floor, 2 <sup>nd</sup> Cross, Gandhi Nagar, Bangalore- 560009	1347.35	1347.35
The Saraswat Co-Op. Bank Ltd	Corporate Center, Saraswat Bank Bhawan, Plot no-753, Appasaheb Marathe Marg, Prabhadevi, Mumbai-400025	284.00	284.00
The Royal Bank of Scotland	No-1 Krm Tower, Near Shoppers Stop, Harington Road,Chetpet, Chennai-600031	500.00	500.00
The Karad Janata Sahakari Bank Ltd.	100/101, Shivaji Nagar, Karad, Satara-415110,Marashtra	160.00	160.00
The Shamrao Vittal Co-Op. Bank Ltd.	SVC Tower, Nehru Road,Vakola Santacruz (E), Mumbai-400055	238.67	238.67
The Thane District Central Co-Operative Bank Ltd	TJSB House, Plot no-5B, Road no-2, Wagle Ind.estate, Thane (W)-400604	289.29	289.29
The Mumbai District Central Co-Op. Bank Ltd	Mumbai Bank Bhawan,207, Dr. D.N Road, Fort, Mumbai-400001	751.33	751.33
United Bank of India	11, Hemanta Basu Sarani, Kolkata – 700 001	5040.00	4730.00
UCO Bank	10, BTM Sarani, Kolkata – 700 001	16645.00	16244.00
Vijaya Bank	41/2, M. G. Road, Trinity Circle, Bangalore	1559.00	1559.00
	<b>Sub Total (B)</b>	<b>92008.16</b>	<b>76921.16</b>
	<b>Grand Total (A+B)</b>	<b>109357.49</b>	<b>92148.49</b>

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

**Sponsor**

Industry	No. of cases	Acquisition Price (₹ in Lakh)	Percentage (%) to total acquisition price
Agro Products	3	55.00	0.05
Aluminium	1	225.00	0.21
Auto Ancillary	1	103.00	0.09
Cement	3	30.00	0.03
Chemical	3	375.00	0.34
Construction	2	935.00	0.85
Consumer Products	5	84.80	0.08
Edible Oil	2	595.00	0.54
Electronics	9	193.00	0.18
Engineering	5	558.00	0.51
Financial Services	2	52.00	0.05
Food Industry	2	2.10	0.00
Iron and Steel	12	143.00	0.13
Leather	3	375.00	0.34
Non Ferrous metal	1	1530.00	1.40

Industry	No. of cases	Acquisition Price (₹ in Lakh)	Percentage (%) to total acquisition price
Others	55	8321.83	7.61
Petrochemicals	1	410.00	0.37
Pharma	1	20.00	0.02
Plastic	2	70.00	0.06
Tea	10	719.00	0.66
Textiles	14	2107.00	1.93
Trading	12	445.60	0.41
<b>Sponsor Total (A)</b>	<b>149</b>	<b>17349.33</b>	<b>15.86</b>
<b><u>Non - Sponsor</u></b>			
Agro Products	18	2998.85	2.74
Aluminium	1	390.00	0.36
Animal Husbandry	7	855.25	0.78
Auto Ancillary	7	545.00	0.50
Cement	1	21.14	0.02
Chemical	7	829.18	0.76
Construction	10	3082.50	2.82
Consumer Products	11	1347.02	1.23
Edible Oil	15	1623.08	1.48
Electronics	8	3057.71	2.80
Engineering	11	4228.90	3.87
Entertainment	1	225.29	0.21
Financial Services	6	92.98	0.09
Food Industry	17	3401.42	3.11
Hospitality	1	50.00	0.05
Iron and Steel	31	9859.69	9.02
Jewellery	13	4971.00	4.55
Leather	11	1138.00	1.04
Others	170	25071.91	22.93
Petrochemicals	2	42.00	0.04
Pharma	16	3766.10	3.44
Plastic	6	151.10	0.14
Steel	13	2526.20	2.31
Tea	37	2649.20	2.42
Textiles	49	10433.10	9.53
Trading	58	8651.54	7.90
<b>Non Sponsor Total (B)</b>	<b>527</b>	<b>92008.16</b>	<b>84.14</b>
<b>Grand Total (A+B)</b>	<b>676</b>	<b>109357.49</b>	<b>100.00</b>

\*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:

(₹ in Lakh)

Bank Name	No. of Accounts	Outstanding Acquisition Price as on 31.3.2016
Axis Bank	8	234.38
Allahabad Bank	2	4.00
Bank of India	4	295.47
Bank of Baroda	1	40.00
Consortium (BOI,BOB,IOB,CBI,DB)	1	350.00
Central Bank of India	4	60.00
Dena Bank	2	279.38
Karnataka bank	1	63.00
Pune Dist Central Co Op Bank Ltd	1	139.41
The Shamrao Vittal Co-Op Bank Ltd	1	0.99
The Karad Janata Sahakari Bank Ltd	1	0.81
Uco Bank	7	241.00
<b>Grand Total</b>		<b>1708.44</b>

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

(₹ in Lakh)

Name of the Banks/Fis	Name of the Trusts	Value of Financial asstes acquired during the financial year
Allahabad Bank	14/2015-16 trust	2,122
Bank of Maharashtra	07/2015-16 trust	900
Central Bank of India	06/2015-16 trust	636
Indian Overseas Bank	10/2015-16 trust	360
Oriental Bank of Commerce	ASREC	174
	09/2015-16 trust	400
State Bank of Bikaner and Jaipur	04/2015-16 trust	913
	15/2015-16 trust	526
	18/2015-16 trust	700
State Bank of Hyderabad	02/2015-16 trust	488
	11/2015-16 trust	2,200
	12/2015-16 trust	1,180
	13/2015-16 trust	700
State Bank of India	ASREC	828
	05/2015-16 trust	782
State Bank of Patiala	03/2015-16 trust	2,110
State Bank of Travancore	08/2015-16 trust	602
	16/2015-16 trust	185
	17/2015-16 trust	692
UCO Bank	01/2015-16 trust	401
United Bank of India	ASREC	310
<b>Grand Total</b>		<b>17,209</b>

## e) Value of Financial Assets realized during the current financial year.

Name of the Banks/Fis	Name of the Trusts	(₹ in Lakh)
Abhyudaya Co .Operative Bank Ltd	ASREC	74.83
Allahabad Bank	06/2009-10 trust	81.10
	ASREC	69.25
	14/2015-16 trust	58.32
Axis Bank	ASREC	533.19
Bank of Baroda	05/2009-10 trust	1.50
	ASREC	210.00
Bank of India	01/2008-09 trust	0.50
	ASREC	220.00
Bank of Maharashtra	15/2014-15 trust	20.50
	ASREC	5.00
	30/2014-15 trust	388.76
Canara Bank	ASREC	102.53
Central Bank of India	ASREC	24.90
	06/2015-16 trust	58.00
Consortium(BOI,BOB,IOB,CBI,DB)	ASREC	707.31
Corporation Bank	ASREC	54.00
Dena Bank	ASREC	27.83
ICICI Bank Ltd	ASREC	100.00
Indian Overseas Bank	10/2014-15 trust	5.00
	ASREC	63.59
Karnataka Bank	ASREC	22.36
Karur Vysya Bank	12/2014-15 trust	121.66
	06/2014-15 trust	12.00
Kotak Mahindra Bank Ltd.	ASREC	69.38
Laxmi Vilas Bank	01/2013-14 trust	70.00
Oriental Bank of Commerce	ASREC	235.22
	01/2014-15 trust	140.01
	09/2015-16 trust	2.00
Pune District Central Co.Op. Bank Ltd.	ASREC	222.25
Saraswat Bank	ASREC	140.00
State Bank of Bikaner and Jaipur	04/2007-08 trust	58.90
	15/2015-16 trust	677.83
State Bank of Hyderabad	18/2014-15 trust	560.00
	22/2014-15 trust	25.00
	27/2014-15 trust	252.10
	29/2014-15 trust	583.00
	02/2015-16 trust	9.00
	11/2015-16 trust	70.00
	12/2015-16 trust	50.99
State Bank of India	05/06 trusts	5.00
	16/2014-15 trust	130.00
	ASREC	380.01
	19/2014-15 trust	235.00
	21/2014-15 trust	5.00
	24/2014-15 trust	164.00

## e) Value of Financial Assets realized during the current financial year.

Name of the Banks/Fis	Name of the Trusts	(₹ in Lakh)
	26/2014-15 trust	35.00
	28/2014-15 trust	25.00
	07/2014-15 trust	50.00
State Bank of Mysore	14/2014-15 trust	13.50
State Bank of Travancore	20/2014-15 trust	17.50
	23/2014-15 trust	25.00
Syndicate Bank	11/2014-15 trust	102.02
	ASREC	200.97
The Karad Janata Sahakari Bank Ltd	ASREC	11.19
The Shamrao Vithal Co-operative Bank Ltd.	ASREC	0.23
UCO Bank	01/2009-10 trust	2.63
	02/2007-08 trust	40.00
	02/2009-10 trust	107.50
	03/2007-08 trust	1.49
	05/2007-08 trust	5.00
	07/2009-10 trust	6.10
	ASREC	15.00
	02/2013-14 trust	2,289.71
	05/2014-15 trust	80.00
	31/2014-15 trust	25.00
	01/2015-16 trust	126.50
United Bank of India	02/2008-09 trust	106.70
	03/2008-09 trust	19.00
	03/2009-10 trust	5.70
	04/2009-10 trust	1.00
	ASREC	116.00
	01/2012-13 trust	302.45
	02/2012-13 trust	55.00
	04/2012-13 trust	20.00
Vijaya Bank	04/2013-14 trust	17.44
<b>Total</b>		<b>10,869.44</b>

## f) Value of financial assets (acquisition price) outstanding for realisation as at the end of the current financial year

Particulars	(₹ in Lakh)
Value of financial assets outstanding for realization as at 31st March, 2016	63,038.75*

\*Trusts: ₹56,057.85, Asrec: ₹6,980.90

- 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 Trust	Name of Seller Bank/Fis	Value of Security Receipt (₹ in Lakh)
02/2009-10 Trust	Uco Bank	8.00
06/2009-10 Trust	Allahabad Bank	71.00
02/2012-13 Trust	United Bank of India	62.00
15/2015-16 Trust	State Bank of Bikaner & Jaipur	526.00
<b>Total</b>		<b>667.00</b>

**SECURITY RECEIPTS REDEEMED PARTIALLY:**

Name of the Trust	Name of seller Bank/Fis	Value of Security Receipt (₹ in Lakh)
02/2008-09 Trust	United Bank of India	121.00
03/2008-09 Trust	United Bank of India	30.00
01/2012-13 Trust	United Bank of India	253.00
04/2012-13 Trust	United Bank of India	26.00
01/2013-14 Trust	Laxmi Vilash Bank	40.00
02/2013-14 Trust	Uco Bank	2262.00
01/2014-15 Trust	Oriental Bank of Commerce	120.00
05/2014-15 Trust	Uco Bank	104.00
07/2014-15 Trust	State Bank of India	16.00
11/2014-15 Trust	Syndicate Bank	72.00
12/2014-15 Trust	Karur Vysya Bank	64.00
14/2014-15 Trust	State Bank of Mysore	11.00
16/2014-15 Trust	State Bank of India	90.00
18/2014-15 Trust	State Bank of Hyderabad	498.00
19/2014-15 Trust	State Bank of India	200.00
22/2014-15 Trust	State Bank of Hyderabad	15.00
24/2014-15 Trust	State Bank of India	117.00
26/2014-15 Trust	State Bank of India	15.00
27/2014-15 Trust	State Bank of Hyderabad	175.00
29/2014-15 Trust	State Bank of Hyderabad	505.00
30/2014-15 Trust	Bank of Maharashtra	300.00
01/2015-16 Trust	Uco Bank	110.00
06/2015-16 Trust	Central Bank of India	36.00
11/2015-16 Trust	State Bank of Hyderabad	25.00
12/2015-16 Trust	State Bank of Hyderabad	16.00
<b>Total</b>		<b>5221.00</b>

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

Name of the Trusts	Name of the Seller Banks/Fis	Value of Security Receipts pending redemption as at 31st March, 2016 (₹ in Lakh)
03/2007-08 Trust	UCO Bank	396
05/2007-08 Trust	UCO Bank	138
02/2008-09 Trust	United Bank of India	242
03/2008-09 trust	United Bank of India	232
04/2008-09 Trust	Allahabad Bank	132
01/2009-10 Trust	UCO Bank	89
04/2009-10 Trust	United Bank of India	217
01/2012-13 Trust	United Bank of India	32
03/2012-13 Trust	United Bank of India	161
04/2012-13 Trust	United Bank of India	95
05/2012-13 Trust	United Bank of India	141
06/2012-13 Trust	United Bank of India	400
07/2012-13 Trust	United Bank of India	175
01/2013-14 Trust	Laxmi Vilas Bank	536
02/2013-14 Trust	UCO Bank	8183
03/2013-14 Trust	Bank of Baroda	760
04/2013-14 Trust	Vijaya Bank	950
05/2013-14 Trust	Indian Bank	935
01/2014-15 Trust	Oriental Bank of Commerce	703
02/2014-15 Trust	State Bank of Bikaner & Jaipur	900
03/2014-15 Trust	Indian Bank	1940
04/2014-15 Trust	Vijaya Bank	609
05/2014-15 Trust	Uco Bank	216
06/2014-15 Trust	Karur Vysya Bank	3662
07/2014-15 Trust	State Bank of India	606
08/2014-15 Trust	State Bank of Patiala	538
09/2014-15 Trust	State Bank of Travancore	340
10/2014-15 Trust	Indian overseas Bank	141
11/2014-15 Trust	Syndicate Bank	1050
12/2014-15 Trust	Karur Vysya Bank	928
13/2014-15 Trust	State Bank of Patiala	633
14/2014-15 Trust	State Bank of Mysore	179
15/2014-15 Trust	Bank of Maharashtra	1222
16/2014-15 Trust	State Bank of India	1682
17/2014-15 Trust	State Bank of Hyderabad	1520
18/2014-15 Trust	State Bank of Hyderabad	1616
19/2014-15 Trust	State Bank of India	566
20/2014-15 Trust	State Bank of Travancore	550
21/2014-15 Trust	State Bank of India	301
22/2014-15 Trust	State Bank of Hyderabad	255
23/2014-15 Trust	State Bank of Travancore	626
24/2014-15 Trust	State Bank of India	1203
25/2014-15 Trust	Bank of India	165
26/2014-15 Trust	State Bank of India	758



Name of the Trusts	Name of the Seller Banks/Fis	Value of Security Receipts pending redemption as at 31st March, 2016 (₹ in Lakh)
27/2014-15 Trust	State Bank of Hyderabad	3235
28/2014-15 Trust	State Bank of India	761
29/2014-15 Trust	State Bank of Hyderabad	690
30/2014-15 Trust	Bank of Maharashtra	546
31/2014-15 Trust	UCO Bank	1001
01/2015-16 Trust	UCO Bank	291
02/2015-16 Trust	State Bank of Hyderabad	488
03/2015-16 Trust	State Bank of Patiala	2110
04/2015-16 Trust	State Bank of Bikaner & Jaipur	913
05/2015-16 Trust	State Bank of India	782
06/2015-16 Trust	Central Bank of India	600
07/2015-16 Trust	Bank of Maharashtra	900
08/2015-16 Trust	State Bank of Travancore	602
09/2015-16 Trust	Oriental Bank of Commerce	400
10/2015-16 Trust	Indian overseas Bank	360
11/2015-16 Trust	State Bank of Hyderabad	2175
12/2015-16 Trust	State Bank of Hyderabad	1164
13/2015-16 Trust	State Bank of Hyderabad	700
14/2015-16 Trust	Allahabad Bank	2122
16/2015-16 Trust	State Bank of Travancore	185
17/2015-16 Trust	State Bank of Travancore	692
18/2015-16 Trust	State Bank of Bikaner & Jaipur	700
<b>Total</b>		<b>58140</b>

- l) 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):

Name of the Trusts	Name of the Seller Banks/FI	Value of Security Receipts pending redemption as at 31st March, 2016 (₹ in Lakh)
03/2007-08 Trust	UCO Bank	396
05/2007-08 Trust	UCO Bank	138
<b>Total</b>		<b>534</b>

- j) Value of land and/or building acquired in ordinary course of business of reconstruction of assets (year wise) : Nil
- k) The basis of valuation of assets if the acquisition value of the assets is more than the Book Value : Nil

- l) The details of the assets disposed of (either by write off or by realisation) during the year at a discount of more than 20% of valuation as on the previous year end and the reasons there for.

(₹ in Lakh)

Name of the Trusts	No. of Account	Cost	Recovery	Remarks
02/2013-14 trust	1	224.00	110.50	<ul style="list-style-type: none"> <li>Valuation, as per assignor bank's (UCO Bank) valuer, dated 16.08.2011- ₹ 293.64 Lakh</li> <li>Value as per valuation report dated 30.06.2015 – ₹ 100.32 Lakh (Market Value)</li> <li>Value as per valuation report dated 22.08.2015 ₹ 97.88 Lakh</li> <li>Property sold in Public Auction held on 08.10.2015 for ₹ 110.50 Lakh</li> <li>One property is yet to be sold, expected recovery around ₹ 20 Lakh</li> </ul>
12/2014-15 Trust	1	30.00	21.01	<ul style="list-style-type: none"> <li>Valuation, as per assignor bank's (KVB Bank) valuer, dated 11.04.2014- ₹ 37.31 Lakh (Market Value)</li> <li>Value as per valuation report dated 16.11.2015 – ₹ 27.56 Lakh (Market Value)</li> <li>First Public Auction for ₹ 27 Lakh held on 07.01.2016 failed for want of buyer/bidder.</li> <li>Property sold in 2nd Public Auction held on 24.02.2016 for ₹ 21.01 Lakh.</li> <li>No property remains for sale. Suit has been filled against borrower but no more recovery expected.</li> </ul>

- m) The detail of the assets where the value of the SRs has declined more than 20% below the acquisition value:

Name of the Trusts	Seller Bank/FI	Rating (Recovery)	Face Value of SRs (₹)	Net Asset Value as on 31st March 2016 (₹)
03/2007-08 Trust	UCO Bank	NR-6 (0-25%)	1,00,000	12,500
05/2007-08 Trust	UCO Bank	NR-6 (0-25%)	1,00,000	12,500
02/2008-09 Trust	United Bank of India	NR-4 (50-75%)	1,00,000	62,500
03/2008-09 Trust	United Bank of India	NR-5 (25-50%)	1,00,000	37,500
04/2008-09 Trust	Allahabad Bank	NR-5 (25-50%)	1,00,000	37,500
01/2009-10 Trust	UCO Bank	NR-6 (0-25%)	1,00,000	12,500
04/2009-10 Trust	United Bank of India	NR-5 (25-50%)	1,00,000	37,500
07/2012-13 Trust	United Bank of India	NR-4 (50-75%)	1,00,000	62,500
03/2013-14 Trust	Bank of Baroda	NR-4 (50-75%)	1,00,000	62,500
05/2013-14 Trust	Indian Bank	NR-4 (50-75%)	1,00,000	62,500

36. 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 and on behalf of the Board of Directors

**For CHOKSHI & CHOKSHI LLP**  
**Chartered Accountants**  
Firm Reg. No: 101872W/W100045



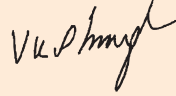
**Hardik K. Chokshi**

(Partner)

Membership No: 115774

Place: Mumbai

Date: June 10, 2016



**V. K. Shunglu**  
(Chairman)  
**DIN-00032683**



**Mukund M. Chitale**  
(Director)  
**DIN-00101004**



**D. K. Jain**  
(MD & CEO)  
**DIN-06940533**



**A. K. Mahajan**  
(Chief Financial Officer)



**Naina H. Kurane**  
(Co. Secretary)

**ASREC (INDIA) LTD.**

CIN: U67100MH2003GOI143291

**Regd. Office:** Unit No. 201, 202A, Ground floor, Building No. 2, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (E), Mumbai – 400 093. Tel. No.: 022-61387000, Web: www.asrecindia.co.in

**Form No. MGT-11**

**PROXY FORM**

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

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

- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_  
Signature : \_\_\_\_\_ , or falling him
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_  
Signature : \_\_\_\_\_ , or falling him
- 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 Twelfth Annual General Meeting of the Company to be held on Monday, September 26, 2016 at 12.15 noon and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description	For *	Against*
1.	Adoption of Financial Statements and Reports thereon for the financial year ended 31st March, 2016		
2.	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, 2017.		
3.	Ordinary Resolution for Regularization of Additional Director Shri Ramesh Chand Thakur as Nominee Director		
4.	Special Resolution for ratification of the remuneration of Shri Dhananjay Kumar Jain-Managing Director & CEO of the Company		
5.	Special Resolution for Credit Limit / Borrowings upto ₹ 200 Crore		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder \_\_\_\_\_

Signature of Proxy Holder (s) \_\_\_\_\_

Affix  
Revenue  
Stamp

**Notes:**

1. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
3. This form of Proxy, to be effective, should be deposited 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 – 400 093 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

## ATTENDANCE SLIP

Name of the Attending Member \_\_\_\_\_

Member's Folio No. \_\_\_\_\_ No of shares held \_\_\_\_\_

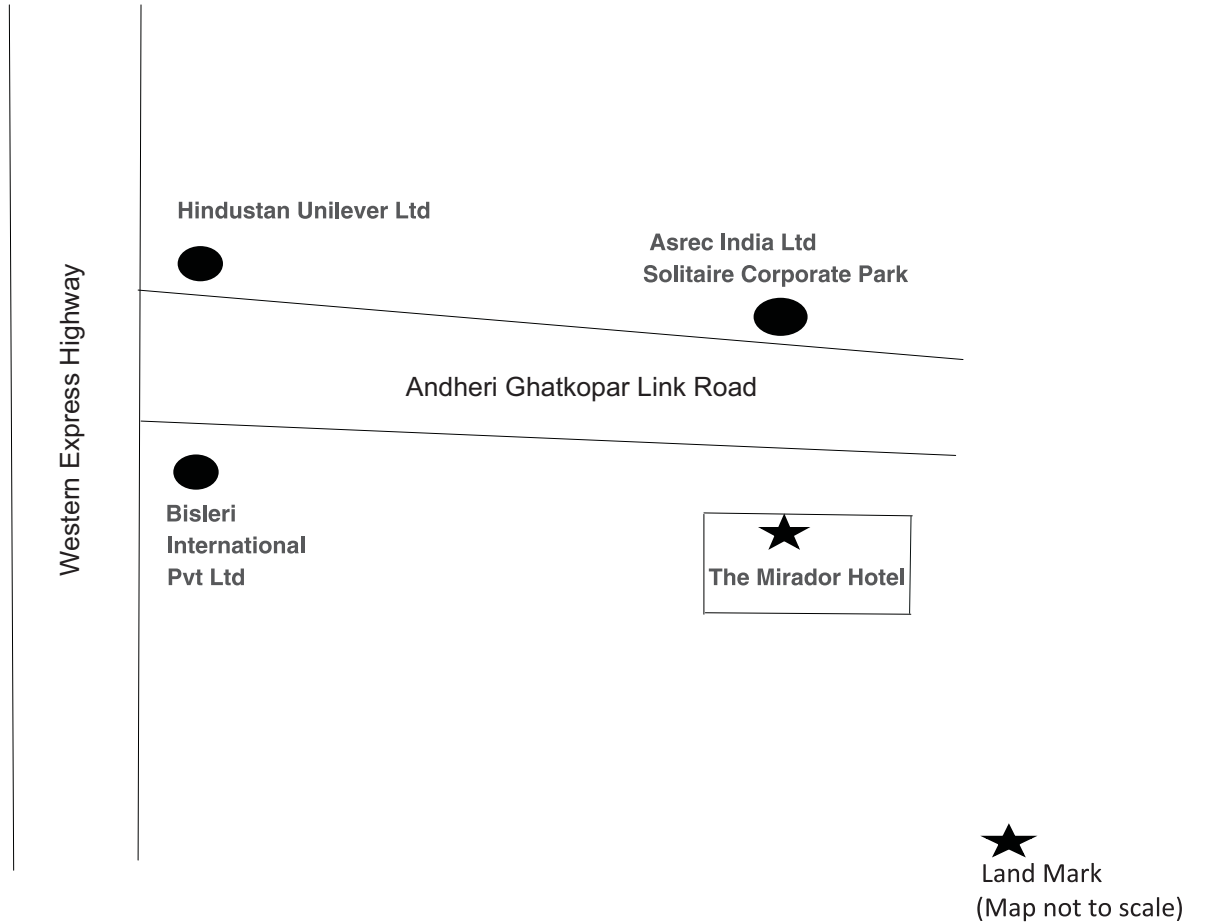
Name of Proxy \_\_\_\_\_

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

I hereby record my presence at the Twelfth Annual General Meeting of ASREC (INDIA) Ltd. on Monday, September 26, 2016 at 12.15 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

## Route Map to AGM



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

**asREC**  
**(India) Limited**

**CIN - U67100MH2003GOI143291**

**Regd. 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.