



The Thirteenth
Annual Report
2016-17

Reconstructing For Better Future

asREC
(India) Limited

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



Shri Sanjay Aggarwal

Nominee Director

CONTENTS

| | Page No. |
|--|----------|
| Notice | 01 |
| Directors' Report | 08 |
| Secretarial Audit Report | 32 |
| Auditors' Report | 36 |
| Comments of the Comptroller and Auditor General of India | 43 |
| Balance Sheet | 44 |
| Profit & Loss Account | 45 |
| Cash Flow Statement | 46 |
| Notes 1 to 34 | 47 |

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
Shri Sanjay Aggarwal

STATUTORY AUDITORS

CHOKSHI & CHOKSHI LLP

INTERNAL AUDITORS

M/s. Mithun Girish & Associates

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 13th Annual General Meeting of the ASREC (India) Limited will be held on Friday, September 15, 2017 at 12.15 p.m. 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, 2017 and the Reports of the Board of Directors and the Auditors thereon.
- 2 To declare dividend for the financial year ended 31st March, 2017 as recommended by the Board of Directors.

“RESOLVED THAT in terms of the recommendation of the Board of Directors of the Company, the approval of the members of the Company be and is hereby granted for payment of dividend @ 5% (₹0.50) on the fully paid-up Equity Share of ₹10 each of the Company for the year 2016-17 and the same be paid out of profits of the Company for the financial year ended March 31, 2017 to all the members whose names appear in the Register of Members on September 15, 2017 and in case of the shares held in the electronic mode to those members whose names appear in the records of the Depository Participants as on September 15, 2017.”

- 3 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, 2018.

”RESOLVED THAT the Board of Directors of the Company be and 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 2017-18.”

II. Special Business

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

- 4 Ordinary Resolution for Regularization of Additional Director Shri Sanjay Aggarwal 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 Sanjay Aggarwal (holding DIN- 07617030) who was appointed as an Additional Director- Nominee of Allahabad Bank, 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 MD & CEO and / or 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.”

- 5 Special Resolution for re-appointment and revision in Terms & Condition of appointment of Shri Dhananjay Kumar Jain, MD & CEO of the Company

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Reserve Bank of India (RBI) under the provisions of the SARFAESI Act, 2002, the Rules and

Regulations made thereunder, including the applicable RBI Guidelines, and subject to the requisite approval of the Central Government (if any), the consent of the shareholders be and is hereby accorded to re-appoint Shri Dhananjay Kumar Jain (holding DIN 06940533) as Managing Director & CEO subject to RBI approval for a period of 2 years from August 25, 2017 to August 24, 2019 or from and/or to such other date as may be approved by the RBI, who shall exercise such powers as may be delegated by the Board from time to time on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri Dhananjay Kumar Jain, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

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

RESOLVED FURTHER THAT pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Dhananjay Kumar Jain, Managing Director & CEO of the company, be and is hereby designated as Key Managerial Person of the Company with effect from RBI approval for his appointment.

RESOLVED FURTHER THAT Smt. Naina Hemant Kurane, Company Secretary and Shri A.K. Mahajan, CFO, be and are hereby authorised to approach Reserve Bank of India for the approval of re-appointment of Shri Dhananjay Kumar Jain as Managing Director & CEO of the Company, to file necessary forms with the Ministry of Corporate affairs and to comply with all the other statutory requirements as may be required in this regard from time to time."

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The 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 01, 2017 to September 15, 2017 (both days inclusive).
5. The amount of dividend for the year 2016-17 which has not been paid or claimed within a period of 30 days from the date of declaration i.e. September 15, 2017 shall be transferred to the Unpaid Dividend Account within 7 days from expiry of the said period of 30 days as per the provisions of section 124 of the Companies Act, 2013.
6. The amount of Dividend transferred to Unpaid Dividend Account as mentioned above shall be maintained in that account for a period of 7 years. The members, to whom the dividend could not be paid or who could not encash their dividend within period of 30 days from the date of declaration i.e. September 15, 2017, are requested to claim their cheque/pay-order/dividend warrants within the said period of 7 years.

7. As per the provisions of section 125 of the Companies Act, 2013, the amount of unpaid or unclaimed dividend lying in the Unpaid Dividend Account for the period of 7 years as mentioned above will be transferred to the Investors Education and Protection Fund established by the Central Government. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above no claim shall be entertained in respect thereof.
8. The dividend, if declared, will be paid on or after September 21, 2017 to the members so entitled, whose names appear in the register of members as on September 15, 2017 being the date of Annual General Meeting of the company. In respect of shares held in electronic form, the dividend will be paid to those beneficial owners whose name appears in the statement furnished by the depositories for the purpose.
9. Members/ Proxies are requested to bring the attendance slips duly filled in and copies of the Annual Report to the Meeting.
10. Members are requested to notify immediately any change of address:
 - (i) to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - (ii) to the Company and to its Share Transfer Agents in respect of their physical share folios, if any.

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



Naina Hemant Kurane
Company Secretary

Place : Mumbai
Date : August 21, 2017

Registered Office

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

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

Shri Sanjay Aggarwal General Manager of Allahabad Bank, after obtaining RBI's approval dated November 04, 2016 was appointed as Additional Director on the Board of ASREC (India) Limited by the Board of Directors on the basis of letter of Allahabad Bank, to hold office upto the ensuing Annual General Meeting.

Shri Sanjay Aggarwal is a post Graduate in M. Sc.(Agri.) and CAIIB (I). Presently Shri Sanjay Aggarwal is working as General Manager of Allahabad Bank.

Shri Sanjay Aggarwal 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 Sanjay Aggarwal as a candidate for the office of Director of the Company.

The Board recommends the resolution in relation to appointment of Shri Sanjay Aggarwal, for the approval by the shareholders of the Company.

Except Shri Sanjay Aggarwal, 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 was appointed as Managing Director & CEO of the Company in the Board Meeting held on July 15, 2014 by the Board of Directors after detailed evaluation. The appointment was subject to the approval of RBI and was to be effective from its date. The RBI approval was received on August 25, 2014 for the appointment of Shri Jain for a period of 3 years. Subsequently the approval of shareholders was received in the 10th Annual General Meeting held on September 02, 2014 for the said appointment.

Accordingly, the term of Shri Dhananjay Kumar Jain, Managing Director & CEO of the Company is expiring on August 24, 2017 and fresh approval is sought from RBI for period of 2 years.

The Company has made good progress during the tenure of Shri Dhananjay Kumar Jain which is evident from the numbers of the company as at March 31, 2017. In the financial year ended March 31, 2017, the company has made record operational income and profit.

The approval of the members is therefore being sought for re-appointment and revision in Terms & Condition of appointment of Shri Dhananjay Kumar Jain, MD & CEO of the Company.

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

| Sr. No. | Details | Particulars | | | |
|---------|---|--|------------------|-----------------|------------------|
| | | Existing | | Revised | |
| | | Monthly ₹ | Annual ₹ | Monthly ₹ | Annual ₹ |
| 1 | Appointment as MD & CEO for the period | 2 Years, w.e.f. the date of approval of Reserve Bank of India. | | | |
| 2 | Pay and Allowances | | | | |
| | Details | | | | |
| | Basic Salary | 1,10,000 | 13,20,000 | 1,26,500 | 15,18,000 |
| | Provident Fund (Company's Contribution) | 13,200 | 1,58,400 | 15,180 | 1,82,160 |
| | HRA | 50,000 | 6,00,000 | 57,500 | 6,90,000 |
| | Executive Allowance | 1,60,000 | 19,20,000 | 1,84,000 | 22,08,000 |
| | Total | 3,33,200 | 39,98,400 | 3,83,180 | 45,98,160 |

| Sr. No. | Details | Particulars |
|---------|------------------------|---|
| 3 | Leave Travel Allowance | Rs.57,500 per annum |
| 4 | Lunch Coupons | Rs.2,000 per month |
| 5 | Medical Facility | Reimbursement of medical expenses for self and spouse |
| 6 | Telephone Facility | Fixed residential line and mobile facility |
| 7 | Computer facility | At residence with internet connection |
| 8 | Leave | <ul style="list-style-type: none"> - 8 days of Casual Leave per calendar year; - Privilege Leave accruing @ 1 day for every 11 days service at ASREC; - The unavailed Privilege Leave shall be encashable at the end of every calendar year; - Pay and allowances shall be considered for encashment. |
| 9 | Gratuity | As per Company Rules |
| 10 | Termination | Contract can be terminated by either side by giving one month notice or one month compensation thereof |

In view of the provisions of Sections 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Special Resolution set out at item no.4 of the accompanying Notice for the approval of the Members.

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

Except Shri Dhananjay Kumar Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

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 |
| Specific Information: - | |
| 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: -

| Particulars | Current Year (From April 1, 2016 to March 31, 2017) | Previous Year (From April 1, 2015 to March 31, 2016) |
|--|---|--|
| Total Income | 2379.69 | 1988.88 |
| Expenses | 991.84 | 1611.75 |
| Profit Before Exceptional Items | 1387.85 | 377.13 |
| Exceptional Items | - | - |
| Profit Before Tax | 1387.85 | 377.13 |
| Tax Expenses | 483.11 | 133.20 |
| Adjustment of prior periods | 15.42 | (15.38) |
| Profit for the year | 888.68 | 259.31 |
| Paid Up Capital | 9800.00 | 9800.00 |
| Reserves And Surplus | 4386.52 | 3497.85 |

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

Shri Dhananjay Kumar Jain

| | |
|---|--|
| Background details | Given in the body of this statement |
| Past Remuneration | ₹ 43,95,578 |
| 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 for F.Y. 2017-18 Rs. 2500Lakhs (Rs.2319.05Lakhs last year)
- PBT Expected in F.Y. 2017-18 Rs.1400 Lakhs

DIRECTORS' REPORT

To,

The Members

ASREC (INDIA) LIMITED

Your Directors are pleased to present the Thirteenth 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, 2017.

1. FINANCIAL PERFORMANCE:

An overview of the financial performance of your Company for the Financial Year 2016-17 is as under.

(₹ in Lakh)

| Particulars | Current Year April 1, 2016 to March 31, 2017 | Previous Year April 1, 2015 to March 31, 2016 |
|--|--|---|
| Revenue from Operation | 2319.05 | 1975.15 |
| Other Income | 60.64 | 13.73 |
| Total Income | 2379.69 | 1988.88 |
| Expenses | 991.84 | 1611.75 |
| Profit Before Exceptional Items | 1387.85 | 377.13 |
| Exceptional Items | - | - |
| Profit Before Tax | 1387.85 | 377.13 |
| Tax Expenses | 499.17 | 117.82 |
| Profit for the year | 888.68 | 259.31 |
| Earnings per share | 0.91 | 0.26 |

Year in Retrospect

- Your Company's Income from Operations during the year amounted to ₹2319.05 Lakhs (₹1975.15 Lakhs in the previous year), earned Profit Before Tax (PBT) of ₹1387.85 Lakhs (₹377.13 Lakhs for the previous year).
- Net Owned Funds stood at ₹14186.52 Lakhs (₹13297.84 Lakhs for the previous year)
- During the year under review, your Company has acquired 24 NPAs having a book value (total dues) of ₹56546 Lakhs from 9 Banks against 43 NPAs having book value (total dues) of ₹86533 Lakhs from 12 Banks on both cash and SR basis in the previous year.
- Total recoveries increased to ₹14619.88 Lakhs during the year ending March 31, 2017 from ₹10869.44 Lakhs in previous year from realization of Financial Assets.

2. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹0.50 per Equity Share for the financial year ended March 31, 2017 amounting to ₹4,90,00,000/-. This recommendation takes into account the need to conserve the resources of the company for its operations.

The payment of the final dividend is subject to the approval of the members which is being sought at the ensuing Annual General Meeting and shall be paid to those members whose names appear in the Register of Members of the Company as on September 15, 2017. The Register of Members and the share transfer books will remain closed from September 01, 2017 to September 15, 2017, both days inclusive. The Annual General Meeting of the Company is scheduled to be held on September 15, 2017.

3. SHARE CAPITAL

As on 31st March, 2017, the issued, subscribed and paid up share capital of your Company stood at ₹9800 Lakh, 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, 2017, 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, 2017 was ₹4406.99 Lakhs. The Company continues to focus on judicious management of its working capital and strict check through continuous monitoring.

3. 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 145 accounts and were successful in acquisitions of 24 accounts, with investment of ₹12674.85 Lakhs.

During the year under review, your Company has acquired 24 NPAs having a book value (total dues) of ₹ 56546.00 Lakhs from 9 Banks. Thus, overall, the position of acquisition of NPAs by your Company since inception till date works out to 700 NPAs having aggregate book value (total dues) of around ₹624400 Lakhs from 42 Banks/Financial Institutions at acquisition price at ₹122032 Lakhs.

(₹ in Lakhs)

| Name of Bank/FIs | Total Dues/ AUM | Acquisition Price | % of Total Acquisition Price |
|--------------------------------|--------------------|----------------------|------------------------------------|
| Abhyudaya Co-Op. Bank Ltd | 815 | 419 | 0.34 |
| Allahabad Bank | 49,768 | 4,938 | 4.05 |
| Andhra Bank | 3875 | 1287 | 1.05 |
| Axis Bank | 15,982 | 3,820 | 3.13 |
| Bank of Baroda | 16,042 | 1,258 | 1.03 |
| Bank of India | 42,172 | 6,208 | 5.09 |
| Bank of Maharashtra | 16412 | 3412 | 2.80 |
| Canara Bank | 2,681 | 679 | 0.56 |
| Central Bank of India | 52,820 | 5,903 | 4.84 |
| Consortium(BOI,BOB,IOB,CBI,DB) | 3,776 | 2,788 | 2.28 |
| Corporation Bank | 109 | 110 | 0.09 |
| Dena Bank | 8778 | 1653 | 1.35 |
| Federal Bank | 995 | 515 | 0.42 |
| ICICI Bank Ltd | 1,106 | 395 | 0.32 |
| IFCI | 19,074 | 2,112 | 1.73 |
| Indian Bank | 6759 | 3377 | 2.77 |
| Indian Overseas Bank | 3,913 | 2,270 | 1.86 |

Contd...

| Name of Bank/FIs | Total Dues/ AUM | Acquisition Price | % of Total Acquisition Price |
|--|--------------------|----------------------|------------------------------------|
| Karnataka Bank | 24904 | 5606 | 4.59 |
| Karur Vysya Bank | 6,746 | 4,730 | 3.88 |
| Kotak Mahindra Bank Ltd. | 2,720 | 695 | 0.57 |
| Laxmi Vilas Bank | 4,311 | 1,076 | 0.88 |
| Mumbai District Central Co-op. Bank Ltd. | 1,852 | 751 | 0.62 |
| Oriental Bank of Commerce | 7,171 | 1,696 | 1.39 |
| Pune District Central Co.Op. Bank Ltd. | 2,051 | 812 | 0.67 |
| Punjab and Sind Bank | 1,041 | 329 | 0.27 |
| Punjab National Bank | 94 | 94 | 0.08 |
| Saraswat Bank | 1,189 | 284 | 0.23 |
| Standard Chartered Bank | 1,374 | 115 | 0.09 |
| State Bank of Bikaner and Jaipur | 22140 | 3844 | 3.15 |
| State Bank of Hyderabad | 90,874 | 13,827 | 11.33 |
| State Bank of India | 97658 | 14,136 | 11.58 |
| State Bank of Mysore | 5,649 | 312 | 0.26 |
| State Bank of Patiala | 14,465 | 3,281 | 2.69 |
| State Bank of Travancore | 8,635 | 2,995 | 2.45 |
| Syndicate Bank | 4495 | 1873 | 1.53 |
| The Karad Janata Sahakari Bank Ltd | 465 | 160 | 0.13 |
| The Royal Bank of Scotland | 2,367 | 500 | 0.41 |
| The Shamrao Vithal Co-op Bank Ltd | 290 | 239 | 0.20 |
| The Thane District Co-op. Bank Ltd | 448 | 289 | 0.24 |
| UCO Bank | 59,846 | 16,645 | 13.64 |
| United Bank of India | 16,130 | 5,040 | 4.13 |
| Vijaya Bank | 2,408 | 1,559 | 1.28 |
| Grand Total | 624400 | 122032 | 100 |

6. RESOLUTION OF ASSETS

During the year under review, your Company has successfully recovered an amount of ₹14619.88 Lakhs through resolution/recovery.

7. 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, 2016 as detailed below:

| Sr. No. | Name of Trust | Acquired From | Review Rating / Rating Range assigned as on 31.12.2016 |
|---------|---------------------|------------------|--|
| 1 | ASREC-PS02/2008-09 | UBI | NR-6 (0-25%) |
| 2 | ASREC-PS03/2008-09 | UBI | NR-6 (0-25%) |
| 3 | ASREC-PS04/2008-09 | Allahabad Bank | NR-6 (0-25%) |
| 4 | ASREC-PS01/2009-10 | UCO Bank | NR-6 (0-25%) |
| 5 | ASREC-PS04/2009-10 | Allahabad Bank | NR-6 (0-25%) |
| 6 | ASREC PS 01/2012-13 | UBI | NR-2 (100-150%) |
| 7 | ASREC PS 03/2012-13 | UBI | NR-3 (75-100%) |
| 8 | ASREC PS 04/2012-13 | UBI | NR-3 (75-100%) |
| 9 | ASREC PS 05/2012-13 | UBI | NR-2 (100-150%) |
| 10 | ASREC PS 06/2012-13 | UBI | NR-3 (75-100%) |
| 11 | ASREC PS 07/2012-13 | UBI | NR-5 (25-50%) |
| 12 | ASREC-PS 01/2013-14 | Laxmi Vilas Bank | NR-2 (100-150%) |
| 13 | ASREC-PS 02/2013-14 | UCO Bank | NR-3 (75-100%) |
| 14 | ASREC-PS 03/2013-14 | Bank of Baroda | NR-4 (50-75%) |
| 15 | ASREC-PS 04/2013-14 | Vijaya Bank | NR-3 (75-100%) |
| 16 | ASREC-PS 05/2013-14 | Indian Bank | NR-4 (50-75%) |
| 17 | ASREC-PS 01/2014-15 | OBC | NR-3 (75-100%) |
| 18 | ASREC-PS 02/2014-15 | SBBJ | NR-2 (100-150%) |
| 19 | ASREC-PS 03/2014-15 | Indian Bank | NR-3 (75-100%) |
| 20 | ASREC-PS 04/2014-15 | Vijaya Bank | NR-3 (75-100%) |
| 21 | ASREC-PS 05/2014-15 | UCO Bank | NR-5 (25-50%) |
| 22 | ASREC-PS 06/2014-15 | KVB | NR-2 (100-150%) |
| 23 | ASREC-PS 07/2014-15 | SBI | NR-3 (75-100%) |
| 24 | ASREC-PS 08/2014-15 | SBP | NR-3 (75-100%) |
| 25 | ASREC-PS 09/2014-15 | SBT | NR-3 (75-100%) |
| 26 | ASREC-PS 10/2014-15 | IOB | NR-3 (75-100%) |
| 27 | ASREC-PS 11/2014-15 | Syndicate Bank | NR-3 (75-100%) |
| 28 | ASREC-PS 12/2014-15 | KVB | NR-3 (75-100%) |
| 29 | ASREC-PS 13/2014-15 | SBP | NR-3 (75-100%) |
| 30 | ASREC-PS 14/2014-15 | SBM | NR-3 (75-100%) |
| 31 | ASREC-PS 15/2014-15 | BOM | NR-3 (75-100%) |
| 32 | ASREC-PS 16/2014-15 | SBI | NR-2 (100-150%) |
| 33 | ASREC-PS 17/2014-15 | SBH | NR-3 (75-100%) |
| 34 | ASREC-PS 18/2014-15 | SBH | NR-3 (75-100%) |
| 35 | ASREC-PS 19/2014-15 | SBI | NR-2 (100-150%) |
| 36 | ASREC-PS 20/2014-15 | SBT | NR-2 (100-150%) |
| 37 | ASREC-PS 21/2014-15 | SBI | NR-3 (75-100%) |
| 38 | ASREC-PS 23/2014-15 | SBT | NR-3 (75-100%) |
| 39 | ASREC-PS 24/2014-15 | SBI | NR-3 (75-100%) |
| 40 | ASREC-PS 25/2014-15 | BOI | NR-3 (75-100%) |
| 41 | ASREC-PS 26/2014-15 | SBI | NR-2 (100-150%) |

| Sr. No. | Name of Trust | Acquired From | Review Rating / Rating Range assigned as on 31.12.2016 |
|---------|---------------------|----------------|--|
| 42 | ASREC-PS 27/2014-15 | SBH | NR-3 (75-100%) |
| 43 | ASREC-PS 28/2014-15 | SBI | NR-3 (75-100%) |
| 44 | ASREC-PS 29/2014-15 | SBH | NR-3 (75-100%) |
| 45 | ASREC-PS 30/2014-15 | BOM | NR-3 (75-100%) |
| 46 | ASREC-PS 31/2014-15 | UCO Bank | NR-3 (75-100%) |
| 47 | ASREC-PS 01/2015-16 | UCO Bank | NR-3 (75-100%) |
| 48 | ASREC-PS 02/2015-16 | SBH | NR-3 (75-100%) |
| 49 | ASREC-PS 03/2015-16 | SBP | NR-3 (75-100%) |
| 50 | ASREC-PS 04/2015-16 | SBBJ | NR-2 (100-150%) |
| 51 | ASREC-PS 05/2015-16 | SBI | NR-3 (75-100%) |
| 52 | ASREC-PS 06/2015-16 | CBI | NR-3 (75-100%) |
| 53 | ASREC-PS 07/2015-16 | BOM | NR-3 (75-100%) |
| 54 | ASREC-PS 08/2015-16 | SBT | NR-2 (100-150%) |
| 55 | ASREC-PS 09/2015-16 | OBC | NR-3 (75-100%) |
| 56 | ASREC-PS 10/2015-16 | IOB | NR-3 (75-100%) |
| 57 | ASREC-PS 11/2015-16 | SBH | NR-2 (100-150%) |
| 58 | ASREC-PS 12/2015-16 | SBH | NR-2 (100-150%) |
| 59 | ASREC-PS 13/2015-16 | SBH | NR-3 (75-100%) |
| 60 | ASREC-PS 14/2015-16 | Allahabad Bank | NR-2 (100-150%) |
| 61 | ASREC-PS 16/2015-16 | SBT | NR-2 (100-150%) |
| 62 | ASREC-PS 17/2015-16 | SBT | NR-3 (75-100%) |
| 63 | ASREC-PS 18/2015-16 | 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, 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 following trusts as on March 31, 2017 as detailed below:

| Sr. No. | Name of the Trust | Acquired From | Review Rating / Rating Range assigned as on 31.03.2017 |
|---------|---------------------|---------------|--|
| 1 | ASREC-PS 01/2016-17 | Dena Bank | NR-2 (100-150%) |
| 2 | ASREC-PS 02/2016-17 | SBBJ | NR-3 (75-100%) |

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

1. ECONOMIC SCENARIO, ASSET RECONSTRUCTION INDUSTRY OUTLOOK - CHALLENGES AND OPPORTUNITIES:

India's domestic macroeconomic conditions remain stable with significant moderation in inflation. Moreover, reduced policy uncertainty and legislative and tax reforms such as implementation of goods and services sector tax and enactment of bankruptcy laws are expected to reinforce the benefits from the strong macro fundamentals. While the overall risks to the corporate sector moderated in 2016-17, concerns remain over its recovery.

As per financial stability report the risks to the banking sector remained elevated due to continuous deterioration in asset quality, low profitability and liquidity. The business growth of banks remained subdued. Gross bad loans at commercial banks could increase to 8.5 percent of total advances by March 2017, from 7.6 percent in March 2016.

With sizeable increase in stressed assets, it was expected that more structured sales would happen but that has not been the case. Sale of stressed assets by banks slowed sharply in the first half fiscal because of high pricing of assets for which banks invited bids. However, with new norms for sale for stressed assets ticking in from 01.04.2017 there was spurt in sale of large sized accounts in the last two quarters. The total stressed assets sold during the year by banks amounted to ₹35000 crore vis a vis ₹20000 crore in 2015-16. However, keeping in view the magnitude of problem assets the sales have not been significant.

In order to address the problems facing industry and facilitate ease of doing business, prompt banks to sell problem assets, Govt. /RBI, has amended relevant acts and made far reaching changes as under:

- 1) SARFEASI and recovery of debts laws and misc. provision act has been amended w.e.f. 01.09.2016
- 2) Insolvency and Bankruptcy code 2016 has come into effect from Dec. 2016
- 3) Sponsors of ARCs have been permitted 100% equity
- 4) Guidelines are being framed to permit non institutional investors to invest in SRs
- 5) FDI in ARCs has been raised to 100% under automatic route
- 6) Regulator has issued guidelines on a scheme for sustainable restructuring of stressed assets.
- 7) In a bid to promote long term resolutions for large amount of stressed assets in India, the Reserve Bank of India has framed new set of guidelines governing sale of these assets effective 1.4.2017. The said changes will prompt banks to sell troubled assets at reasonable price.
- 8) Raised capital requirement of ARCs to ₹100 crore to drive cash sales of NPAs.

Challenges of ARCs

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

- 1) regulatory changes
- 2) Increased competition from new players including banks, NBFCs, FIs as per new guidelines for sale of assets issued by RBI
- 3) Entry of global players i.e distressed asset funds, global investment PE firms
- 4) Inability to raise resources including participation in revival of accounts
- 5) Attrition of employees

Outlook

With favorable regulations for ARCs in place and spurt in NPAs, the growth prospects for ARC sector appear promising. Going forward it is expected that ARCs will participate in revival of large borrowers that have turn around potential rather than merely liquidating assets to recover their dues. RBI's new norms for sale of bad loans to ARCs effective 01.04.2017 will make the market move towards full cash transactions. Therefore capital is very important and every ARC that wants to be in business needs

- a) to find resources
- b) place greater emphasis on revival and accordingly build up operational skill-sets/strengthen capabilities around restructuring including partnering with credible turn around professional firms.

Our company is operating in SME/small loan segment and is seized of the rapid changes taking place in the industry and we are confident that the company shall be able to address the same by scouting suitable partner.

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.

9. CORPORATE GOVERNANCE:

Your Company being Unlisted is not governed by Regulation 27 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 containing mandatory provisions on 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.

10. DIRECTORS

During the year, Shri Sanjay Aggarwal was appointed as an Additional Director (Nominee Director-Allahabad Bank) of the Company after receiving RBI approval on November 4, 2016 in place of Shri Krishna Kumar Kansal- Nominee Director- Allahabad Bank who retired on August 31, 2016 on superannuation from Allahabad Bank.

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 seven directors consisting of four Independent Directors, one Nominee Director from Bank of India, one Additional Director- Nominee of Allahabad Bank and Managing Director who will not retire by rotation as per Articles of the Company.

11. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in Directors and Key Managerial Personnel are as follows:

| Sr. No. | Name of the Director/ Key Managerial Personnel | Particulars | Date of Appointment and resignation |
|---------|--|--|---|
| 1 | Shri Krishna Kumar Kansal | Additional Director – Nominee Allahabad Bank | Resigned on September 01, 2016 |
| 2 | Shri Sanjay Aggarwal | Additional Director – Nominee Allahabad Bank | Appointed on November 4, 2016 |
| 3 | Shri A. K. Mahajan | CFO | Term extended from April 1, 2017 to March 31, 2018. |

12. 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 | June 10, 2016 | Mumbai & 12:15 p.m. | 7 | All Directors present |
| 2 | Sept. 26, 2016 | Mumbai & 11:30 a.m. | 6 | All Directors present |
| 3 | Dec. 15, 2016 | Delhi & 12:10 p.m. | 7 | All Directors present |
| 4 | Mar. 17, 2017 | Mumbai & 1:15 p.m. | 6 | Shri Ramesh Chand Thakur, Nominee Director- Bank of India |

13. 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”.

14. 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.

15. CHANGE IN THE NATURE OF BUSINESS.

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

16. ANNUAL RETURN

The extract of annual return for the financial year 2016-17 is attached in **Annexure “II”**

17. 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

18. 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;

19. 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 Mithun Girish & Associates, Chartered Accountants for the F.Y. 2016-17. 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.

20. 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 |
|---------|----------------------------------|-------------------------------------|
| 1. | Shri V. K. Shunglu | September 02, 2014 |
| 2. | Shri M. M. Chitale | September 02, 2014 |
| 3. | Prof. (Dr.) N. L. Mitra | September 02, 2014 |
| 4. | Shri B. A. Prabhakar | September 02, 2014 |

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

21. 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 three 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 | June 16, 2016 | Mumbai & 11.30 a.m. | 4 | All members present |
| 2 | Sept. 26, 2016 | Mumbai & 10:50 a.m. | 4 | All members present |
| 3 | March 17, 2017 | Mumbai & 12:15 p.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 personnels.
- 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:

In accordance with Section 177 of the Companies Act, 2013 your company has “Audit Committee” comprising of seven 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 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 B. A. Prabhakar | : Chairman |
| Shri V. K. Shunglu | : Member |
| Shri M. M. Chitale | : Member |
| Prof. (Dr.) N.L. Mitra | : Member |
| Shri D. K. Jain | : Member |
| Shri R.C. Thakur | : Member (appointed as member of committee on September 26, 2016) |
| Shri Sanjay Aggarwal | : Member (appointed as member of committee on December 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. | June 10, 2016 | Mumbai & 11.45 a.m. | 6 | All members present |
| 2. | September 26, 2016 | Mumbai & 11.10 a.m. | 6 | All members present |
| 3. | December 15, 2016 | Delhi & 11:20 a.m. | 7 | All members present |
| 4. | March 17, 2017 | Mumbai & 12:30 p.m. | 6 | Shri Ramesh Chand Thakur- Nominee Director(Bank of India) |

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, Nominee Director- Allahabad Bank has resigned in view of superannuation as on August 31, 2016 and Shri Sanjay Aggarwal, General Manager, Allahabad Bank, was appointed as Additional Director (Nominee Director- Allahabad Bank) on the Board of the Company w.e.f. the date of RBI approval i.e. November 04, 2016.

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:

| Sr. No. | Date of Meeting | Venue & time of the Meeting | Members Present | Members to whom Leave of absence was granted |
|---------|--------------------|-----------------------------|-----------------|--|
| 1. | September 26, 2016 | 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. | Name of the Trust | Projects to be under taken | CSR Amount (₹) |
|---------|-------------------|--|------------------|
| 1 | Asmita Trust | E-Learning to KG to X Std. Total Students 1070 (KG Students = 159, Primary students = 336) and Secondary students = 575) | 20,11,000 |
| | | Total CSR Amount | 20,11,000 |

4. Valuation Committee

The Valuation Committee of the Board comprises of the following four 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 three 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. | June 10, 2016 | Mumbai & 11.15 a.m. | 4 | All members present |
| 2. | September 26, 2016 | Mumbai & 10.30 a.m. | 4 | All members present |
| 3. | March 17, 2017 | Mumbai & 12.00 p.m. | 4 | All members present |

5. Resolution Committee

The Resolution Committee comprises of the following four 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 & time of the Meeting | Members Present | Members to whom Leave of absence was granted |
|---------|--------------------|-----------------------------|-----------------|--|
| 1. | June 10, 2016 | Mumbai & 11.00 a.m. | 4 | All members present |
| 2. | September 26, 2016 | Mumbai & 10.40 a.m. | 4 | All members present |
| 3. | December 15, 2016 | Delhi & 11:00 a.m. | 4 | All members present |
| 4. | March 17, 2017 | Mumbai & 11:45 a.m. | 4 | All members present |

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

22. 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 2016-17, 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 2016-17.

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

3. Internal Auditors:

M/s Mithun Girish & Associates, Chartered Accountants, Mumbai, Company's Internal Auditors carried out internal audit for the financial year 2016-17.

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

23. 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

24. 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"

25. 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.

26. 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 Chairperson 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 17, 2017

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.

27. 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.

28. 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 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 behavior. 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 2017, 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, 2017, 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 2016-17 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 stakeholders. 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. Shrivastava
Chairman

Place : Mumbai

Date : June 09, 2017

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>

CSRPoly_ 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 ₹1005.75 Lakhs.

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

The Company is required to spend ₹20.11Lakhs towards CSR

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

a. Total amount to be spent for the financial year : ₹ 20.11 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 | 1. | Integrated Community Computer(K-Yan) with In-built Interactivity (Quantity 14@ Rs.1,20,000 per unit) - Model: K Yan with Intel i3 Processor - Windows 10 - K - Y a n M o u n t i n g Kit/Wireless Keyboard & Mouse in-built Wi-Fi | 16,80,000 | |
| | | VAT @ 6% | 1,00,800 | 17,80,800 |
| | 2. | Cost of Educational Software e-Sence | 2,73,000 | |
| | 3. | Cost of Quick Heal Internet Security for 3 Years (in 14 K-Yan computers @ Rs.860 each) | 12,040 | |
| | 4. | Cost of Microsoft office 365 (3 packs each for 5 users = 15 @Rs.900 each) | 13,500 | |
| | | Total Cost of the Project | *20,79,340 | |
| Total amount approved and contributed by Company for CSR | | | | *20,11,000 |

* Rs.68,340 to be paid by Asmita Trust.

***Details of Implementing Trust: -**

Asmita Trust

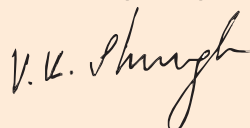
Asmita is an organization registered under Public Trust Act 1950 vides Reg. No.482/77 dated 5/11/77 and society registered under Societies Registration Act, 1860. It imparts services in the field of Social, Cultural, and Educational since May 1976. The said Trust is registered under Section 80G (5) of 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 Bandrekar Wadi, 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, 2017**

[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 | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| 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 |
| Sub-total (A) (1):- | 97500000 | 0 | 97500000 | 99.49 | 97500000 | 0 | 97500000 | 99.49 | 0 |
| (2) Foreign | | | | | | | | | |
| 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 |
| Sub-total (A) (2):- | 500000 | 0 | 500000 | 0.51 | 500000 | 0 | 500000 | 0.51 | 0 |
| Total shareholding of Promoter (A) | | | | | | | | | |
| = (A)(1)+(A)(2) | 98000000 | 0 | 98000000 | 100.00 | 98000000 | 0 | 98000000 | 100.00 | 0 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| 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 |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| 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 | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Public Shareholding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (B)=(B)(1)+ (B)(2) | | | | | | | | | |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 98000000 | 0 | 98000000 | 100.00 | 98000000 | 0 | 98000000 | 100.00 | No Change |

(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 |
| | Total | 9,80,00,000 | 100.00 | 0 | 9,80,00,000 | 100.00 | 0 | 0 |

(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 |
| Indebtedness at the beginning of the financial year | | | | |
| (i) Principal Amount(Canara bank OD a/c) | 2679.89 | | | 2679.89 |
| ii) Interest due but not paid | 25.43 | | | 25.43 |
| iii) Interest accrued but not due | 0 | | | 0 |
| Total (i+ii+iii) (A) | 2705.32 | | | 2705.32 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 20098.81 | | | 20098.81 |
| Reduction | (-)18296.94 | | | (-)18296.94 |
| Net Change (B) | 1801.87 | | | 1801.87 |
| Indebtedness at the end of the financial year (A+B) | | | | |
| i) Principal Amount | 4503.97 | | | 4503.97 |
| ii) Interest due but not paid | 3.22 | | | 3.22 |
| iii) Interest accrued but not due | 0 | | | 0 |
| Total (i+ ii+ iii) | 4507.19 | NIL | NIL | 4507.19 |

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) |
| Gross salary | | |
| 1. | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 43,95,578 |
| 2. | (b) Value of perquisites u/s 17(2)Income-tax Act, 1961 | 1,68,085 |
| 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 | - |
| | Total (A) | 45,63,663 |

| B. Remuneration to other directors: | | | | | | |
|--|--|-------------------|-----------------|------------------|--------------------|-----------------|
| 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 | | | | | |
| | • Fee for attending board/committee meetings | 2,00,000 | 1,70,000 | 1,70,000 | 2,10,000 | 7,50,000 |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | Total (1) | 2,00,000 | 1,70,000 | 1,70,000 | 2,10,000 | 7,50,000 |
| 2. | Other Non-Executive Directors | - | - | - | - | - |
| | • Fee for attending board/committee meetings | - | - | - | - | - |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (B)=(1+2) | 2,00,000 | 1,70,000 | 1,70,000 | 2,10,000 | 7,50,000 |

| C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD | | | | |
|--|---|--------------------------|------------------|------------------|
| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount |
| | | Company Secretary | CFO | |
| | Gross salary | | | |
| 1. | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 9,33,663 | 29,75,800 | 39,09,463 |
| 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 |
| | Total | 9,33,663 | 29,75,800 | 39,09,463 |

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) |
|--------------------------------------|------------------------------|-------------------|--|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty Punishment Compounding | | | None | | |
| B. DIRECTORS | | | | | |
| Penalty Punishment Compounding | | | None | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty Punishment Compounding | | | None | | |

Annexure-III

Pramod S. Shah & Associates

Practising Company Secretaries

3rd Floor, LA-SHEVA Bldg., Next to Fedex, 233, P. D'Mello Road, Opp. St. George Hospital, Near CST, Mumbai - 400 001.
Tel. : 91-22-2271 7700 / 91-22-2270 1040 ● E-mail : saurabhshah@psaprofessionals.com ● Website : cpsa.co.in

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 (hereinafter 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 Company's 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 31st March 2017, 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 31st March, 2017 and according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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).

We further report that

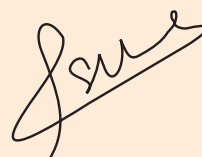
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions 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 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 : 08th May, 2017

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 arm's 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 | 47.27 | 3.02 | - | - |
| Purchase of Financial Assets | 747.00 | - | - | - |
| Remuneration | - | - | 84.73 | 112.14 |
| Receipts of Resolution Fees | - | - | - | - |
| Previous year's figures | 794.27 | 3.02 | 84.73 | 112.14 |

(c) Duration of the contracts / arrangements/transactions: April 1, 2016 to March 31, 2017

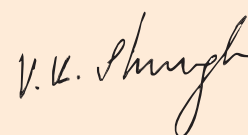
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA

(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 09, 2017

Place : Mumbai

CHOKSHI & CHOKSHI LLP

Chartered Accountants

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, 2017 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, 2017, 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.

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.

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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 (as amended by Notification no- G.S.R. 307(E); dated 30th March, 2017, in our opinion and to the best of our information and according to the explanations given to us:

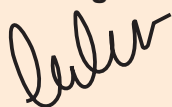
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 21 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, as stated in notes 32 to the financial statements as represented to us by the Management that an amount aggregating Rs. 40,000 (Rupees forty thousand only) has been received in Bank account in non permitted receipts.
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.

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 09, 2017.

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, 2017 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, 2017 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

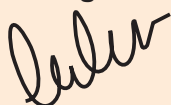
- viii. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of loan or borrowing to the financial institutions, banks, government or dues to debenture holders.
- ix. The Company has not raised money by way of initial public 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. Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 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 25 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 09, 2017.

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 31st March 2017 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

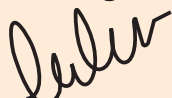
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 31st March 2017, 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 09, 2017.

भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
तथा पदेन सदस्य, लेखापरीक्षा बोर्ड - I, मुंबई



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

गोपनीय/शीघ्र डाक

संख्या: जी ए/सीए-1/ASREC/लेखा/2016-17/83

03 AUG 2017

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 2017

The preparation of Financial Statements of ASREC (India) Limited for the year ended 31 March 2017 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 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 9 June 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6)(a) of the Act of the Financial Statements of ASREC (India) Limited. for the year ended 31 March 2017. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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 : 03 August, 2017

BALANCE SHEET As At March 31, 2017

(INR Lakh)

| PARTICULARS | Note No. | AS AT | |
|---|----------|------------------|------------------|
| | | March 31, 2017 | March 31, 2016 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 9,800.00 | 9,800.00 |
| (b) Reserves and Surplus | 2 | 4,386.52 | 3,497.84 |
| | | 14,186.52 | 13,297.84 |
| (2) Non-Current Liabilities | | | |
| Long-term Provisions | 4 | 22.49 | 17.26 |
| (3) Current Liabilities | | | |
| (a) Short-terms Borrowings | 5 | 4,507.19 | 2,705.32 |
| (b) Other Current Liabilities | 6 | 881.41 | 257.62 |
| (c) Short-term Provisions | 7 | 25.45 | 84.06 |
| | | 5,414.05 | 3,047.00 |
| TOTAL | | 19,623.06 | 16,362.10 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets - Tangible Assets | 8 | 1051.22 | 1,079.23 |
| (b) Non-Current Investment | 9 | 7265.35 | 7132.73 |
| (c) Deferred Tax Assets (Net) | 3 | 402.92 | 350.56 |
| (d) Other Non-Current Assets | 11 | 4.00 | 6.00 |
| | | 8,723.49 | 8,568.52 |
| (2) Current Assets | | | |
| (a) Current Investments | 10 | 6,212.96 | 6,460.11 |
| (b) Cash and Cash Equivalents | 12 | 4,406.99 | 1,166.38 |
| (c) Short-term Loans and Advances | 13 | 272.09 | 160.42 |
| (d) Other Current Assets | 14 | 7.53 | 6.67 |
| | | 10,899.57 | 7,793.58 |
| TOTAL | | 19,623.06 | 16,362.10 |
| Significant Accounting Policies and Notes to Financial Statements | 20-34 | | |

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

As per our report of even date

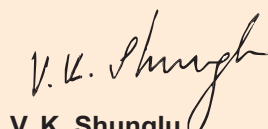
For and on behalf of the Board of Directors

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



Hardik K. Chokshi
(Partner)
Membership No: 115774

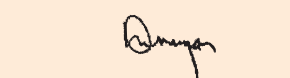
Place: Mumbai
Date: June 9, 2017



V. K. Shunglu
(Chairman)
DIN-00032683



M. 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, 2017

(INR Lakh)

| PARTICULARS | Note No. | Year ended | |
|---|----------|-----------------|-----------------|
| | | March 31, 2017 | March 31, 2016 |
| I. Revenue from operations | 15 | 2,319.05 | 1,975.15 |
| II. Other Income | 16 | 60.64 | 13.73 |
| III. Total Revenue (I + II) | | 2,379.69 | 1,988.88 |
| IV. Expenses: | | | |
| Employee benefits Expenses | 17 | 426.01 | 349.17 |
| Finance Costs | 18 | 89.40 | 224.50 |
| Depreciation and Amortization Expenses | 8 | 31.14 | 33.67 |
| Other Expenses | 19 | 445.29 | 1,004.41 |
| Total Expenses | | 991.84 | 1,611.75 |
| V. Profit before Exceptional items (III- IV) | | 1,387.85 | 377.13 |
| VI. Exceptional Items | | - | - |
| VII Profit before Tax (V+VI) | | 1,387.85 | 377.13 |
| VIII Tax Expenses | | | |
| (1) Current Tax | | 536.11 | 379.69 |
| (2) Deferred Tax | | (52.36) | (246.49) |
| (3) Adjustment of prior periods | | 15.42 | (15.38) |
| IX Profit for the year (VII-VIII) | | 888.68 | 259.31 |
| X Earnings per Equity Share, Basic & Diluted (Nominal Value INR 10 per share) | | 0.91 | 0.26 |
| Significant Accounting Policies and Notes to Financial statements | 20-34 | | |

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

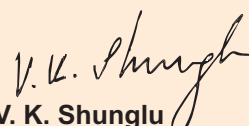
As per our report of even date

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 9, 2017


V. K. Shunglu
 (Chairman)
 DIN-00032683


M. M. Chitale
 (Director)
 DIN-00101004


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


A. K. Mahajan
 (Chief Financial Officer)


Naina H. Kurane
 (Co. Secretary)

CASH FLOW STATEMENT for the year ended March 31, 2017

(INR Lakh)

| PARTICULARS | Year ended | |
|---|-----------------|-------------------|
| | March 31,2017 | March 31,2016 |
| I CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before Exceptional items and Tax | 1,387.85 | 377.13 |
| Exceptional Items | - | - |
| Profit before Tax as per Profit & Loss Statement | 1,387.85 | 377.13 |
| Other items | (0.01) | (0.02) |
| Add: Finance Cost | 89.40 | 224.50 |
| Non-Cash Items | | |
| - Depreciation and Amortization Expenses | 31.14 | 33.67 |
| - Impairment of Investments | 178.14 | 744.83 |
| Profit before working capital changes [A] | 1,686.52 | 1,380.11 |
| Adjustments for Working Capital : | | |
| (Increase)/Decrease in Current Investments | 159.41 | 1,237.48 |
| (Increase)/Decrease in Short-term Loans & Advances | (43.73) | (61.34) |
| (Increase)/Decrease in Other Current Assets | (0.86) | 1.07 |
| Increase/(Decrease) in Short-terms Borrowings | 1,801.87 | (1,945.27) |
| Increase/(Decrease) in Other Current Liabilities | 623.79 | (203.56) |
| Increase/(Decrease) in Short-term Provisions | 2.25 | (1.73) |
| Adjustment for Non-Current Items: | | |
| (Increase)/Decrease in Non-Current Investment | (219.50) | (1,578.00) |
| (Increase)/Decrease in Other Non Current Assets | 2.00 | 2.00 |
| Increase/(Decrease) in Long Term Provision | 5.23 | 0.24 |
| TOTAL [B] | 2,330.46 | (2,549.11) |
| [A+B] | 4,016.98 | (1,169.00) |
| Less Income tax paid (Net of Refund) | (683.79) | (324.83) |
| Net Cash flow from Operating Activities [C] | 3,333.19 | (1,493.83) |
| II CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed Assets : Purchase | (3.29) | (2.81) |
| Disposal | 0.11 | - |
| Net Cash flow from Investing Activities [D] | (3.18) | (2.81) |
| III CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Finance Cost | (89.40) | (224.50) |
| Dividend Paid | - | (490.00) |
| Dividend Distribution Tax paid | - | (97.97) |
| Net Cash flow from Financing Activities [E] | (89.40) | (812.47) |
| IV NET INCREASE IN CASH AND CASH EQUIVALENTS [C+D+E] | 3,240.61 | (2,309.11) |
| V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 1,166.38 | 3,475.49 |
| VI CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 4,406.99 | 1,166.38 |
| Significant Accounting Policies and Notes to Financial statements | Note 20-34 | |

As per our report of even date

For CHOKSHI & CHOKSHI LLP

Chartered Accountants

Firm Reg. No: 101872W/W100045



Hardik K. Chokshi

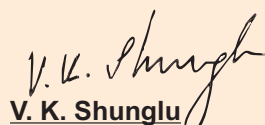
(Partner)

Membership No: 115774

Place: Mumbai

Date: June 09, 2017

For and on behalf of the Board of Directors



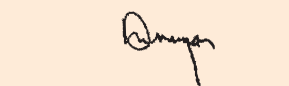
V. K. Shunglu
(Chairman)
DIN-00032683



M. M. Chitale
(Director)
DIN-00101004



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



A. K. Mahajan
(Chief Financial Officer)



Naina H. Kurane
(Co. Secretary)

NOTES

FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(INR Lakh)

| PARTICULARS | AS AT | |
|---|-----------------|-----------------|
| | March 31, 2017 | March 31, 2016 |
| NOTE - 01 : SHARE CAPITAL | | |
| AUTHORISED CAPITAL: 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 |
| ISSUED , SUBSCRIBED & PAID UP: 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 |
| TOTAL | 9,800.00 | 9,800.00 |

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

| Name of Shareholder | Current Year | | Previous Year | |
|-------------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|
| | No. of shares held (of 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% |
| Total | 97,499,900 | 99.48% | 97,499,900 | 99.48% |

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

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

| | | |
|--|-----------------|-----------------|
| Note - 02 : RESERVES AND SURPLUS | | |
| Surplus in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | 3,497.84 | 3,238.53 |
| Net Profit for the year | 888.68 | 259.31 |
| Balance as at the end of the year | 4,386.52 | 3,497.84 |

(INR Lakh)

| PARTICULARS | AS AT | |
|--|-----------------|-----------------|
| | March 31, 2017 | March 31, 2016 |
| NOTE - 03 : DEFERRED TAX ASSETS (NET) | | |
| <u>Deferred Tax Assets arising on account of :</u> | | |
| Provision for Impairment | 565.53 | 503.88 |
| Provision for Other Expenses | 8.01 | 6.15 |
| Total (A) | 573.53 | 510.03 |
| <u>Deferred Tax Liabilities arising on account of :</u> | | |
| Depreciation | 168.54 | 156.70 |
| Prepaid Expenses | 2.08 | 2.77 |
| Total (B) | 170.62 | 159.47 |
| Net Deferred Tax Assets (A-B) | 402.92 | 350.56 |
| NOTE - 04 : LONG TERM PROVISIONS | | |
| Provision for Employees Benefit- Leave | 20.34 | 15.89 |
| Provision for Employees Benefit- Gratuity | 2.15 | 1.37 |
| TOTAL | 22.49 | 17.26 |
| NOTE - 05 : SHORT TERMS BORROWINGS | | |
| Loan Repayable on demand: | | |
| Secured (Secured by Current Assets including hypothecation of Investment in Financial Assets and Security Receipts) | | |
| Schedule Bank | 4,507.19 | 2,705.32 |
| TOTAL | 4,507.19 | 2,705.32 |
| NOTE - 6 : OTHER CURRENT LIABILITIES | | |
| Liabilities for Expenses | 135.52 | 36.02 |
| Payable to Employee | 0.84 | 0.06 |
| Provident Fund payable | 1.17 | 1.24 |
| Profession Tax payable | 0.05 | 0.10 |
| Service Tax Payable | 12.50 | 11.02 |
| TDS Payable | 12.66 | 12.11 |
| Others | 718.67 | 197.07 |
| TOTAL | 881.41 | 257.62 |
| NOTE - 7 : SHORT TERM PROVISIONS | | |
| Provision for Employee Benefit- Leave | 0.67 | 0.54 |
| Provision for tax (net) | - | 60.86 |
| Provision for Expenses | 24.78 | 22.66 |
| TOTAL | 25.45 | 84.06 |

Note - 8 :

Notes are forming part of the Balance Sheet as at 31st March, 2017

(INR Lakh)

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--------------------------------|----------------------|-------------|-----------------|----------------------|----------------------|-----------------|--------------------|----------------------|----------------------|----------------------|
| | As at April 01, 2016 | Addition | Sale/ Deduction | As at March 31, 2017 | Up to April 01, 2016 | During the year | on Sale/ Deduction | Up to March 31, 2017 | As at March 31, 2016 | As at March 31, 2017 |
| TANGIBLE ASSETS | | | | | | | | | | |
| Building | 1,141.36 | - | - | 1,141.36 | 112.78 | 19.05 | - | 131.83 | 1,028.58 | 1,009.52 |
| Motor Cars | 12.74 | - | - | 12.74 | 4.27 | 1.64 | - | 5.91 | 8.47 | 6.84 |
| Computer | 41.98 | 1.16 | - | 43.14 | 36.09 | 2.39 | - | 38.48 | 5.89 | 4.65 |
| Office Equipment | 4.08 | 0.81 | - | 4.90 | 4.07 | 0.04 | - | 4.10 | 0.02 | 0.79 |
| Electric Equipment | 11.19 | - | 0.05 | 11.14 | 5.04 | 1.49 | 0.02 | 6.51 | 6.15 | 4.63 |
| Furniture & Fixture | 53.84 | 0.95 | 0.27 | 54.53 | 24.02 | 6.49 | 0.14 | 30.37 | 29.82 | 24.16 |
| Air Conditioner | 0.31 | 0.37 | - | 0.68 | 0.01 | 0.04 | - | 0.05 | 0.30 | 0.63 |
| TOTAL (A) | 1,265.50 | 3.29 | 0.32 | 1,268.48 | 186.28 | 31.14 | 0.17 | 217.25 | 1,079.23 | 1,051.22 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| Computer Softwares | 2.18 | - | - | 2.18 | 2.18 | - | - | 2.18 | 0.00 | 0.00 |
| TOTAL (B) | 2.18 | - | - | 2.18 | 2.18 | - | - | 2.18 | 0.00 | 0.00 |
| TOTAL (A + B) | 1,267.68 | 3.29 | 0.32 | 1,270.65 | 188.45 | 31.14 | 0.17 | 219.43 | 1,079.23 | 1,051.22 |
| <i>Previous year's figures</i> | 1,264.87 | 2.81 | - | 1,267.68 | 154.78 | 33.67 | - | 188.45 | 1,079.23 | 1,079.23 |

(INR Lakh)

| PARTICULARS | March 31, 2017 | | | March 31, 2016 | | |
|--|----------------|-----------|--------|----------------|-----------|--------|
| | Cost | Provision | Net | Cost | Provision | Net |
| NOTE - 09 : NON CURRENT INVESTMENT- Investments in Government or Trust Securities (Unquoted) | | | | | | |
| (I) Controlled Special Purpose Entities - Security Receipts of Trusts | | | | | | |
| ASREC PS-01/2016-17 TRUST SR | 49.50 | - | 49.50 | - | - | - |
| ASREC PS-02/2016-17 TRUST SR | 50.25 | 6.28 | 43.97 | - | - | - |
| ASREC PS-03/2016-17 TRUST SR | 825.00 | - | 825.00 | - | - | - |
| ASREC PS-05/2016-17 TRUST SR | 75.30 | - | 75.30 | - | - | - |
| ASREC PS-01/2015-16 TRUST SR | 34.00 | 4.25 | 29.75 | 44.00 | 5.50 | 38.50 |
| ASREC PS-02/2015-16 TRUST SR | 53.00 | 6.63 | 46.37 | 74.00 | 9.25 | 64.75 |
| ASREC PS-03/2015-16 TRUST SR | 317.00 | 39.63 | 277.37 | 317.00 | 39.63 | 277.37 |
| ASREC PS-04/2015-16 TRUST SR | 138.00 | - | 138.00 | 138.00 | - | 138.00 |
| ASREC PS-05/2015-16 TRUST SR | 118.00 | 14.75 | 103.25 | 118.00 | 14.75 | 103.25 |
| ASREC PS-06/2015-16 TRUST SR | 90.00 | 11.25 | 78.75 | 90.00 | 11.25 | 78.75 |
| ASREC PS-07/2015-16 TRUST SR | 136.00 | 17.00 | 119.00 | 136.00 | 17.00 | 119.00 |
| ASREC PS-08/2015-16 TRUST SR | 91.00 | - | 91.00 | 91.00 | - | 91.00 |
| ASREC PS-09/2015-16 TRUST SR | 60.00 | 7.50 | 52.50 | 60.00 | 7.50 | 52.50 |
| ASREC PS-10/2015-16 TRUST SR | 54.00 | 6.75 | 47.25 | 54.00 | 6.75 | 47.25 |
| ASREC PS 11/2015-16 TRUST SR | 327.00 | - | 327.00 | 327.00 | - | 327.00 |
| ASREC PS-12/2015-16 TRUST SR | 153.00 | - | 153.00 | 175.00 | - | 175.00 |
| ASREC PS-13/2015-16 TRUST SR | 105.00 | 13.13 | 91.87 | 105.00 | - | 105.00 |
| ASREC PS-14/2015-16 TRUST SR | 293.00 | - | 293.00 | 321.00 | - | 321.00 |
| ASREC PS-16/2015-16 TRUST SR | 28.00 | - | 28.00 | 28.00 | - | 28.00 |
| ASREC PS-17/2015-16 TRUST SR | 91.80 | 11.48 | 80.32 | 105.00 | - | 105.00 |
| ASREC PS-18/2015-16 TRUST SR | 70.65 | - | 70.65 | 105.00 | - | 105.00 |
| ASREC PS-01/2014-15 TRUST SR | 24.00 | 3.00 | 21.00 | 36.00 | 4.50 | 31.50 |
| 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 | 16.13 | 112.87 |
| ASREC PS-04/2014-15 TRUST SR | 28.00 | 3.50 | 24.50 | 62.00 | 7.75 | 54.25 |
| ASREC PS-05/2014-15 TRUST SR | 11.00 | 6.87 | 4.13 | 11.00 | 1.37 | 9.63 |
| 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 | 91.00 | 11.37 | 79.63 |
| ASREC PS-08/2014-15 TRUST SR | 82.00 | 10.25 | 71.75 | 82.00 | 10.25 | 71.75 |
| ASREC PS-09/2014-15 TRUST SR | 51.00 | 6.37 | 44.63 | 51.00 | 6.37 | 44.63 |
| 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 | 158.00 | 19.75 | 138.25 |
| ASREC PS-12/2014-15 TRUST SR | 132.00 | 16.50 | 115.50 | 140.00 | 17.50 | 122.50 |
| ASREC PS-13/2014-15 TRUST SR | 44.00 | 5.50 | 38.50 | 96.00 | 12.00 | 84.00 |
| ASREC PS-14/2014-15 TRUST SR | 27.00 | 3.37 | 23.63 | 27.00 | 3.37 | 23.63 |
| ASREC PS 15/2014-15 TRUST SR | 185.00 | 23.11 | 161.89 | 185.00 | 23.12 | 161.88 |
| ASREC PS-16/2014-15 TRUST SR | 253.00 | - | 253.00 | 253.00 | - | 253.00 |
| 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 | 210.00 | 26.24 | 183.76 | 243.00 | 30.37 | 212.63 |
| ASREC PS-19/2014-15 TRUST SR | 12.00 | - | 12.00 | 85.00 | 10.62 | 74.38 |
| 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 |
| ASREC PS-22/2014-15 TRUST SR | - | - | - | 39.00 | 4.87 | 34.13 |
| ASREC PS-23/2014-15 TRUST SR | 49.00 | 6.13 | 42.87 | 94.00 | 11.75 | 82.25 |
| ASREC PS-24/2014-15 TRUST SR | 156.00 | 19.49 | 136.51 | 181.00 | 22.62 | 158.38 |
| ASREC PS-25/2014-15 TRUST SR | 25.00 | 3.13 | 21.87 | 25.00 | 3.13 | 21.87 |
| ASREC PS-26/2014-15 TRUST SR | 114.00 | - | 114.00 | 114.00 | - | 114.00 |
| ASREC PS-27/2014-15 TRUST SR | 452.00 | 56.50 | 395.50 | 486.00 | 60.75 | 425.25 |

(INR Lakh)

| PARTICULARS | March 31, 2017 | | | March 31, 2016 | | |
|---|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|
| | Cost | Provision | Net | Cost | Provision | Net |
| ASREC PS-28/2014-15 TRUST SR | 97.00 | 12.13 | 84.87 | 116.00 | 14.50 | 101.50 |
| ASREC PS-29/2014-15 TRUST SR | 81.00 | 10.13 | 70.87 | 104.00 | 13.00 | 91.00 |
| ASREC PS-30/2014-15 TRUST SR | 82.00 | 10.25 | 71.75 | 82.00 | 10.25 | 71.75 |
| ASREC PS-31/2014-15 TRUST SR | 151.00 | 18.88 | 132.12 | 151.00 | 18.88 | 132.12 |
| ASREC-PS 01/2013-14 TRUST SR | 24.00 | - | 24.00 | 27.00 | - | 27.00 |
| ASREC-PS 02/2013-14 TRUST SR | 350.00 | 43.75 | 306.25 | 410.00 | 51.25 | 358.75 |
| ASREC PS-03/2013-14 TRUST SR | 29.00 | 10.88 | 18.12 | 38.00 | 14.25 | 23.75 |
| ASREC PS-04/2013-14 TRUST SR | 48.00 | 6.00 | 42.00 | 48.00 | 6.00 | 42.00 |
| 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 | 7.00 | - | 7.00 |
| 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 | 18.00 | 2.25 | 15.75 | 19.00 | 2.38 | 16.62 |
| 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 | 10.00 | 70.00 |
| ASREC PS-07/2012-13 TRUST SR | 35.00 | 21.87 | 13.13 | 35.00 | 13.13 | 21.87 |
| ASREC PS-01/2009-10 TRUST SR | 4.00 | 3.80 | 0.20 | 5.00 | 4.44 | 0.56 |
| ASREC PS-04-2009-10 TRUST SR | 11.00 | 10.45 | 0.55 | 11.00 | 7.29 | 3.71 |
| ASREC PS-02/2008-09 TRUST SR | 242.00 | 242.00 | - | 242.00 | 105.88 | 136.12 |
| ASREC PS-03/2008-09 TRUST SR | 12.00 | 12.00 | - | 12.00 | 7.95 | 4.05 |
| ASREC PS-04/2008-09 TRUST SR | - | - | - | 132.00 | 112.20 | 19.80 |
| ASREC PS-03/2007-08 TRUST SR | 18.00 | 18.00 | - | 20.00 | 20.00 | - |
| ASREC PS-05/2007-08 TRUST SR | 6.00 | 6.00 | - | 7.00 | 7.00 | - |
| TOTAL (a) | 7,358.50 | 867.13 | 6,491.37 | 7,139.00 | 866.25 | 6,272.75 |
| (ii) Investment in the Security Receipts of Trust of Other ARC | | | | | | |
| INVENT/1011/S4 TRUST | 859.98 | 86.00 | 773.98 | 859.98 | - | 859.98 |
| TOTAL (b) | 859.98 | 86.00 | 773.98 | 859.98 | - | 859.98 |
| (iii) Trusts where in all SRs have been redeemed (Rs 1 Lakh assigned for all unresolved A/c) | | | | | | |
| ASREC PS-21/2014-15 TRUST SR | 1.00 | 1.00 | - | - | - | - |
| ASREC PS-22/2014-15 TRUST SR | 1.00 | 1.00 | - | - | - | - |
| ASREC PS-02/2012-13 TRUST SR | - | - | - | 1.00 | 1.00 | - |
| ASREC PS-02/2009-10 TRUST SR | 4.00 | 4.00 | - | 5.00 | 5.00 | - |
| ASREC PS-03/2009-10 TRUST SR | 4.00 | 4.00 | - | 4.00 | 4.00 | - |
| ASREC PS-05/2009-10 TRUST SR | 4.00 | 4.00 | - | 4.00 | 4.00 | - |
| ASREC PS-06/2009-10 TRUST SR | 33.00 | 33.00 | - | 35.00 | 35.00 | - |
| ASREC PS-07/2009-10 TRUST SR | 17.00 | 17.00 | - | 18.00 | 18.00 | - |
| ASREC PS-01/2008-09 TRUST SR | 8.00 | 8.00 | - | 8.00 | 8.00 | - |
| ASREC PS-01/2007-08 TRUST SR | 1.00 | 1.00 | - | 1.00 | 1.00 | - |
| ASREC PS 02/2007-08 TRUST SR | 1.00 | 1.00 | - | 2.00 | 2.00 | - |
| ASREC PS-04/2007-08 TRUST SR | - | - | - | 1.00 | 1.00 | - |
| ASREC PS-01/06 TRUST SR | 2.00 | 2.00 | - | 2.00 | 2.00 | - |
| ASREC PS-04/06 TRUST SR | 1.00 | 1.00 | - | 2.00 | 2.00 | - |
| ASREC PS-05/06 TRUST SR | 5.00 | 5.00 | - | 5.00 | 5.00 | - |
| ASREC PS-07/06 TRUST SR | 5.00 | 5.00 | - | 5.00 | 5.00 | - |
| TOTAL (c) | 87.00 | 87.00 | - | 93.00 | 93.00 | - |
| TOTAL (a+b+c) | 8,305.48 | 1,040.13 | 7,265.35 | 8,091.98 | 959.25 | 7,132.73 |

(INR Lakh)

| PARTICULARS | March 31, 2017 | | | March 31, 2016 | | |
|--|-----------------|---------------|-----------------|-----------------|---------------|-----------------|
| | Cost | Provision | Net | Cost | Provision | Net |
| NOTE - 10: CURRENT INVESTMENTS | | | | | | |
| Financial Assets acquired from various Banks and Financial Institutions | | | | | | |
| Andhra Bank | 145.00 | - | 145.00 | 490.00 | - | 490.00 |
| Allahabad Bank | 620.10 | 2.10 | 618.00 | 622.10 | 4.00 | 618.10 |
| Axis Bank | 200.25 | 109.19 | 91.06 | 302.13 | 58.60 | 243.53 |
| Abhyudaya Co-Op.Bank Ltd. | 124.30 | - | 124.30 | 0.20 | - | 0.20 |
| Bank of India (BOI) | 1,095.95 | 140.98 | 954.97 | 1,124.47 | 47.55 | 1,076.92 |
| Bank of Baroda (BOB) | 40.00 | 20.00 | 20.00 | 40.00 | 10.00 | 30.00 |
| Bank of Maharastra | 439.00 | - | 439.00 | 239.00 | - | 239.00 |
| Central Bank of India (CBI) | 59.50 | 59.50 | - | 60.00 | 60.00 | - |
| Consortium(BOI,BOB,IOB,CBI&Dena Bank) | - | - | - | 350.00 | 175.00 | 175.00 |
| Canara Bank | 193.04 | - | 193.04 | 551.55 | - | 551.55 |
| Dena Bank | 397.68 | 166.77 | 230.91 | 472.39 | 69.85 | 402.54 |
| Indian Overseas Bank (IOB) | 97.31 | - | 97.31 | 450.81 | - | 450.81 |
| ICICI Bank | 226.52 | - | 226.52 | 226.52 | - | 226.52 |
| Kotak Mahindra Bank | 625.00 | - | 625.00 | 625.00 | - | 625.00 |
| Karnataka Bank | 31.54 | - | 31.54 | 94.54 | 6.30 | 88.24 |
| 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 |
| The Shamrao Vithal Co.Op.Bank Ltd. | - | - | - | 0.99 | 0.99 | - |
| The Karad Janata Sahakari Bank Ltd. | - | - | - | 0.81 | 0.08 | 0.73 |
| State Bank of India | 1,754.20 | - | 1,754.20 | 447.98 | - | 447.98 |
| Syndicate Bank | 368.10 | - | 368.10 | - | - | - |
| United Bank of India | 28.00 | - | 28.00 | 327.00 | - | 327.00 |
| UCO Bank | 201.00 | 109.99 | 91.01 | 241.00 | 74.50 | 166.50 |
| TOTAL | 6,821.49 | 608.53 | 6,212.96 | 6,980.90 | 520.79 | 6,460.11 |

| PARTICULARS | AS AT | |
|--|-----------------|-----------------|
| | 31 March, 2017 | 31 March, 2016 |
| NOTE -11 : OTHER NON CURRENT ASSETS | | |
| (i) <u>Long -term Trade Receivables</u> | - | - |
| (ii) <u>Others</u> | | |
| Prepaid Expenses | 4.00 | 6.00 |
| TOTAL | 4.00 | 6.00 |
| NOTE -12: CASH AND CASH EQUIVALENTS | | |
| Cash on Hand | 0.54 | 0.23 |
| Balances with Banks | 4144.15 | 339.55 |
| Bank deposits - | | |
| Maturity within 12 months | 262.30 | 826.60 |
| TOTAL | 4,406.99 | 1,166.38 |

(INR Lakh)

| PARTICULARS | AS AT | |
|--|-----------------|-----------------|
| | 31 March, 2017 | 31 March, 2016 |
| NOTE - 13: SHORT TERMS LOANS AND ADVANCES | | |
| OTHERS: | | |
| (a) Secured, Considered good | - | - |
| (b) Unsecured, Considered good | | |
| Account Receivable | 0.44 | 0.11 |
| Deposits | 7.94 | 8.06 |
| Income Tax Refund | 65.55 | 62.56 |
| Advance Tax (Net) | 68.48 | - |
| Service Tax Receivable | 1.04 | 0.07 |
| Receivable from Various Trusts | 128.64 | 89.62 |
| (c) Doubtful : | | |
| Receivable from Various Trusts | 72.42 | 68.89 |
| Less : Provision | (72.42) | (68.89) |
| TOTAL | 272.09 | 160.42 |
| NOTE - 14 : OTHER CURRENT ASSETS | | |
| <i>Prepaid Expenses</i> | 7.53 | 6.67 |
| TOTAL | 7.53 | 6.67 |
| NOTE - 15 : REVENUE FROM OPERATIONS | | |
| Income From Investment in Financial Assets | 1,011.19 | 1,055.53 |
| Income From Investment in Security Receipts | 495.58 | 240.66 |
| Income From Agency Business | - | 25.61 |
| Management Fee | 812.28 | 653.35 |
| TOTAL | 2,319.05 | 1,975.15 |
| NOTE - 16 : Other Income | | |
| Interest Income | 59.66 | 12.81 |
| Processing Fee | 0.87 | 0.89 |
| Miscellaneous Income | 0.05 | 0.03 |
| TOTAL | 60.64 | 13.73 |
| NOTE - 17 : EMPLOYEE BENEFITS EXPENSES | | |
| Salary | 369.65 | 297.54 |
| Contribution to provident fund | 8.02 | 8.25 |
| Staff welfare Expenses | 28.62 | 33.26 |
| Gratuity Expenses | 2.66 | 0.51 |
| Leave Encashment | 17.06 | 9.61 |
| TOTAL | 426.01 | 349.17 |
| NOTE - 18 : FINANCE COST | | |
| Bank Interest | 89.40 | 224.50 |
| TOTAL | 89.40 | 224.50 |

(₹ in Lakh)

| PARTICULARS | AS AT | |
|--------------------------------------|----------------|-----------------|
| | 31 March, 2017 | 31 March, 2016 |
| NOTE - 19: OTHER EXPENSES | | |
| <u>Payments to the auditor</u> | | |
| -Audit Fees | 6.82 | 6.72 |
| -Tax Audit Fees | 1.08 | 1.08 |
| -For re-imbursment of Expenditure | 0.37 | 0.15 |
| Rent | 20.52 | 17.68 |
| Bank Charges | 1.06 | 1.51 |
| Business Development Expenses | 2.08 | 2.11 |
| Demat Charges | 0.06 | 0.06 |
| Directors Sitting Fees | 8.26 | 6.75 |
| Electricity Charges | 9.17 | 11.27 |
| Housekeeping, Security & Runner | 32.51 | 28.99 |
| Insurance | 4.31 | 5.09 |
| Internet and Web Site Expenses | 5.82 | 5.78 |
| Legal Expenses | 10.69 | 7.86 |
| Membership & Subscription | 3.95 | 3.86 |
| Newspaper, books and periodicals | 0.51 | 0.28 |
| Postage and Courier Expenses | 2.00 | 1.80 |
| Printing and Stationery | 6.30 | 5.66 |
| Professional Fees | 58.89 | 47.66 |
| Registration Fees | 7.11 | 10.60 |
| Repairs and Maintenance | 5.40 | 3.68 |
| Resolution Fee | 11.83 | 22.00 |
| Telephone, Fax & Mobile Expenses | 7.03 | 7.06 |
| Traveling and Conveyance | 26.77 | 24.26 |
| Valuation and Due Diligence Expenses | 4.12 | 1.62 |
| Impairment of Investment(Net) | 178.14 | 744.83 |
| Rate and Taxes | 7.83 | 7.87 |
| CSR Expenditure [Refer Note 31] | 20.11 | 26.43 |
| Miscellaneous Expenses | 2.55 | 1.75 |
| TOTAL | 445.29 | 1,004.41 |

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO FINANCIAL STATEMENTS

NOTE - 20: SIGNIFICANT ACCOUNTING POLICIES

i. Company Overview:

ASREC (INDIA) LIMITED is a Asset 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 acquiring Financial Assets

Acquisition Expenses at pre acquisition stage towards due diligence, valuation and bidding fee etc. for acquiring financial assets 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
21. Contingent liabilities and commitments (to the extent not provided for):

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

22. 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.

23. 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.

24. As per Reserve Bank of India Guidelines, the Capital Adequacy Ratio of the Company at the year end worked out at 93.05% as given below:

| Particular | (INR Lakh) | |
|-------------------------------|--------------|---------------|
| | Current Year | Previous Year |
| (i) Paid up Capital & Reserve | 14,186.52 | 13,297.84 |
| (ii) Risk Weighted Assets | 15,246.87 | 15,195.72 |
| (iii) Capital Adequacy Ratio | 93.05% | 87.51% |

25. 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 |

(INR Lakh)

| b) Transaction with Related Parties | | | | |
|--|-----------------|---------------|--------------------------|---------------|
| Type of Transactions | Investing Party | | Key Management Personnel | |
| | Current Year | Previous Year | Current Year | Previous Year |
| Interest Income from FDs | 47.27 | 3.02 | - | - |
| Purchase of Financial Assets | 747.00 | - | - | - |
| Remuneration | - | - | 84.73 | 112.14 |
| Total | 794.27 | 3.02 | 84.73 | 112.14 |

26. 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.
27. 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.
28. 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:

(INR Lakh)

| PARTICULARS | Current Year | Previous Year |
|---|--------------|---------------|
| Employers' contribution to Provident Fund | 8.02 | 8.25 |

DEFINED BENEFIT PLAN:

A. Actuarial Assumptions

| PARTICULARS | Gratuity (Funded) | | Leave Encashment (Not Funded) | |
|-------------------|-------------------------|-------------------------|-------------------------------|-------------------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Discount Rate | 7.43% | 7.95% | 7.43% | 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

(INR Lakh)

| PARTICULARS | Graduity (Funded) | | Leave Encashment (Not Funded) | |
|---|-------------------|---------------|-------------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Obligation at the beginning of the year | 9.26 | 9.17 | 16.43 | 16.64 |
| Interest Cost | 0.75 | 0.81 | 1.47 | 1.49 |
| Service Cost | 2.41 | 2.36 | 4.71 | 4.77 |
| Benefit paid | (1.61) | (0.95) | (12.48) | (9.82) |
| Actuarial (Gain) Loss on obligations | (0.03) | (2.13) | 10.88 | 3.35 |
| Obligation at the end of the year | 10.78 | 9.26 | 21.01 | 16.43 |

C. Change in Fair Value of Plan Assets

(INR Lakh)

| PARTICULARS | Graduity (Funded) | | Leave Encashment (Not Funded) | |
|---|-------------------|---------------|-------------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Fair Value at the beginning of the year | 7.89 | 8.24 | 0 | 0 |
| Expected Return on Plan Assets | 0.55 | 0.61 | 0 | 0 |
| Contributions | 1.87 | 0.07 | 0 | 0 |
| Benefits paid | (1.61) | (0.95) | 0 | 0 |
| Actuarial Gain/ (Loss) on plan Assets | (0.07) | (0.08) | 0 | 0 |
| Fair Value at the end of year | 8.63 | 7.89 | 0 | 0 |

D. The Amounts to be recognized in Balance Sheet

(INR 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 | 10.78 | 9.26 | 21.01 | 16.43 |
| Less: Fair Value of Plan Assets at the end of the year | 8.63 | 7.89 | 0.00 | 0.00 |
| Net Liability recognized in Balance Sheet | 2.15 | 1.37 | 21.01 | 16.43 |

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

(INR Lakh)

| PARTICULARS | Graduity (Funded) | | Leave Encashment (Not Funded) | |
|---|-------------------|---------------|-------------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Current Service Cost | 2.41 | 2.36 | 4.71 | 4.77 |
| Interest Cost | 0.75 | 0.81 | 1.47 | 1.49 |
| Expected Return on Plan Assets | (0.55) | (0.61) | 0.00 | 0.00 |
| Net actuarial (Gain)/Loss recognised in the year | 0.05 | (2.05) | 10.87 | 3.35 |
| Expenses recognised in the Statement of Profit & Loss | 2.66 | 0.51 | 17.06 | 9.61 |

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

(INR Lakh)

| PARTICULARS | Graduity (Funded) | | Leave Encashment (Not Funded) | |
|---|-------------------|---------------|-------------------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| Fair Value of Plan Assets, End of period | 8.63 | 7.89 | 0.00 | 0.00 |
| Projected Benefit obligation, End of period | 10.78 | 9.26 | 21.01 | 16.43 |
| (Surplus)/Deficit in the plan | 1.37 | 0.93 | 21.01 | 16.43 |
| Experience Adjustments on Plan Assets | (0.07) | (0.08) | 0.00 | 0.00 |
| (Gain)/ Losses due to change in Assumptions | 0.39 | 0.00 | 1.02 | 0.00 |
| Experience (Gain)/ Losses on PBO | (0.42) | (2.13) | 9.86 | 3.35 |
| Total (Gain)/Loss on PBO | (0.02) | (2.13) | 10.88 | 3.35 |

-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.

29. 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 (INR in Lakh) | 490.00 | - |
| Dividend (INR) 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.

30. EARNINGS PER EQUITY SHARE(EPS)

| PARTICULARS | Current Year | Previous Year |
|---|--------------|---------------|
| Profit before Tax (INR in Lakh) | 1387.85 | 377.13 |
| Less : | | |
| Tax Expenses (including prior year tax adjustment); (INR in Lakh) | 499.17 | 117.82 |
| Net profit after tax attributable to Equity Share holder for EPS | 888.68 | 259.31 |
| 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 (INR) per Equity Share (Basic & Diluted) | 0.91 | 0.26 |

31. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has spent an amount of ₹ 20.11 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 : ₹ 20.11 Lakh

(b) Amount spent during the year-

(INR Lakh)

| Particulars | In Cash | Yet to be paid in cash | Total |
|---|---------|------------------------|-------|
| (i) On Construction/ Acquisition of any asset | 20.11 | 0.00 | 20.11 |
| (ii) On purposes other than (i) above | 0.00 | 0.00 | 0.00 |

32. The details of Specified Bank Notes (SBN) held and transacted during the period 8th November 2016 to 30th December 2016 as provided in the Table below-

(INR Lakh)

| | Specified Bank Notes | Other Denomination Notes | Total |
|---------------------------------------|----------------------|--------------------------|-------|
| Closing cash in hand as on 08-11-2016 | 0.06 | 1.32 | 1.38 |
| (+) Permitted receipts | 0.00 | 2.14 | 2.14 |
| (+) Non permitted receipts | 0.40 | 0.00 | 0.40 |
| (-) Permitted payments | 0.00 | 2.12 | 2.12 |
| (-) Non permitted payments | 0.00 | 0.00 | 0.00 |
| (-) Amount deposited in Banks | 0.46 | 0.11 | 0.57 |
| Closing cash in hand as on 30-12-2016 | 0.00 | 1.23 | 1.23 |

33. 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 (INR in Lakh) Cumulative as at year end | |
|-----------------|---|---|------------------|
| | | Current Year | Previous Year |
| Sponsors | | | |
| Allahabad Bank | 2, Netaji Subhas Road, Kolkata - 700 001 | 4,938.00 | 4,938.00 |
| 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 | 1,287.00 | 540.00 |
| Indian Bank | 254, Avvai Shanmughan Salai, Royya Pettha, Chennai - 600 014. | 3,377.00 | 2,875.00 |
| | Sub-Total (A) | 18,598.33 | 17,349.33 |

| Name | Address | Acquisition Price (INR in Lakh) Cumulative as at year end | |
|--------------------------------------|--|--|---------------|
| | | Current Year | Previous Year |
| Non Sponsors | | | |
| Axis Bank | Trishul, 3 rd 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 | 419.30 | 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 | 3412.00 | 3212.00 |
| Central Bank of India | Chander Mukhi, Nariman Point, Mumbai – 400 021, Maharashtra | 5903.00 | 5903.00 |
| 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 | 1653.00 | 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 | 2269.54 |
| 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 | 5605.54 | 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 | Kathaparai, 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 | 1696.00 |
| 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 | 14136.20 | 9811.00 |
| State Bank of Hyderabad | Hybank Towers, Gunfoundry, Hyderabad-500 001 | 13827.00 | 13827.00 |
| 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 | 3844.00 | 3509.00 |
| Standard Chartered Bank | 90, Mahatma Gandhi Road, Mumbai- 400 001, Maharashtra | 114.50 | 114.50 |

| Name | Address | Acquisition Price (INR in Lakh) Cumulative as at year end | |
|---|--|--|------------------|
| | | Current Year | Previous Year |
| State Bank of Patiala | Head Office Building, 4 th Floor, The Mall, Patiala-147001. | 3281.00 | 3281.00 |
| State Bank of Travancore | Head Office Poojappura, Thiruvananthapuram-695012 | 2995.00 | 2995.00 |
| Syndicate Bank | Corporate Office, 2 nd Floor, 2 nd Cross, Gandhi Nagar, Bangalore- 560009 | 1873.70 | 1347.35 |
| The Saraswat Bank 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 | 5040.00 |
| UCO Bank | 10, BTM Sarani, Kolkata – 700 001 | 16645.00 | 16645.00 |
| Vijaya Bank | 41/2, M. G. Road, Trinity Circle, Bangalore | 1559.00 | 1559.00 |
| | Sub Total (B) | 103434.01 | 92008.16 |
| | Grand Total (A+B) | 122032.34 | 109357.49 |

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

| Industry | No. of cases | Acquisition Price (INR Lakh) | Percentage (%) to total acquisition price |
|--------------------|--------------|------------------------------|---|
| Sponsor | | | |
| Agro Products | 3 | 55.00 | 0.05 |
| Alumainium | 1 | 225.00 | 0.18 |
| Auto Ancillary | 1 | 103.00 | 0.08 |
| Cement | 3 | 30.00 | 0.02 |
| Chemical | 3 | 375.00 | 0.31 |
| Construction | 2 | 935.00 | 0.77 |
| Consumer Products | 5 | 84.80 | 0.07 |
| Edible Oil | 2 | 595.00 | 0.49 |
| Electronics | 9 | 193.00 | 0.16 |
| Engineering | 5 | 558.00 | 0.46 |
| Financial Services | 2 | 52.00 | 0.04 |
| Food Industry | 2 | 2.10 | 0.00 |
| Iron and Steel | 12 | 143.00 | 0.12 |
| Leather | 3 | 375.00 | 0.31 |
| Non Ferrous metal | 1 | 1530.00 | 1.25 |

| Industry | No. of cases | Acquisition Price (INR Lakh) | Percentage (%) to total acquisition price |
|--------------------------------|--------------|------------------------------|---|
| Others | 55 | 8321.83 | 6.81 |
| Petrochemicals | 1 | 410.00 | 0.34 |
| Pharma | 1 | 20.00 | 0.02 |
| Plastic | 2 | 70.00 | 0.06 |
| Tea | 10 | 719.00 | 0.59 |
| Textiles | 16 | 3356.00 | 2.74 |
| Trading | 12 | 445.60 | 0.37 |
| Sponsor Total (A) | 151 | 18598.33 | 15.24 |
| <u>Non - Sponsor</u> | | | |
| Agro Products | 21 | 3496.85 | 2.87 |
| Aluminium | 1 | 390.00 | 0.32 |
| Animal Husbandry | 7 | 855.25 | 0.70 |
| Auto Ancillary | 8 | 676.00 | 0.55 |
| Cement | 1 | 21.14 | 0.02 |
| Chemical | 8 | 1038.48 | 0.85 |
| Construction | 12 | 5562.50 | 4.56 |
| Consumer Products | 11 | 1347.02 | 1.10 |
| Edible Oil | 15 | 1623.08 | 1.33 |
| Electronics | 8 | 3057.71 | 2.51 |
| Engineering | 12 | 4328.90 | 3.55 |
| Entertainment | 1 | 225.29 | 0.18 |
| Financial Services | 6 | 92.98 | 0.08 |
| Food Industry | 17 | 3401.42 | 2.79 |
| Hospitality | 1 | 50.00 | 0.04 |
| Iron and Steel | 31 | 9859.69 | 8.08 |
| Jewellery | 13 | 4971.00 | 4.07 |
| Leather | 11 | 1138.00 | 0.93 |
| Others | 172 | 25477.91 | 20.88 |
| Petrochemicals | 2 | 42.00 | 0.03 |
| Pharma | 17 | 4096.10 | 3.36 |
| Plastic | 6 | 151.10 | 0.12 |
| Steel | 15 | 3026.20 | 2.48 |
| Tea | 37 | 2649.20 | 2.17 |
| Textiles | 52 | 16678.3 | 13.67 |
| Trading | 59 | 9177.89 | 7.52 |
| Non Sponsor – Total (B) | 544 | 103434.01 | 84.76 |
| Grand Total (A+B) | 695 | 122032.34 | 100 |

*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:

(INR Lakh)

| Bank Name | No. of Accounts | Outstanding Acquisition Price as on 31.3.2017 |
|--------------------|-----------------|---|
| Axis Bank | 1 | 17.75 |
| Allahabad Bank | 1 | 0.10 |
| Dena Bank | 3 | 128.29 |
| Grand Total | | 146.14 |

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

(INR Lakh)

| Name of the Banks/Financial institutions | Name of the Trusts/Company | Value of Financial assets acquired during the financial year |
|--|----------------------------|--|
| Abhyudaya Cooperative Bank Ltd | ASREC | 209.30 |
| Andhra Bank | ASREC | 747.00 |
| Bank of Maharashtra | ASREC | 200.00 |
| Dena Bank | 01/2016-17 Trust | 330.00 |
| Indian Bank | 05/2016-17 Trust | 502.00 |
| Karnataka Bank | 03/2016-17 Trust | 5500.00 |
| State Bank of Bikaner and Jaipur | 02/2016-17 Trust | 335.00 |
| State Bank of India | ASREC | 4325.20 |
| Syndicate Bank | ASREC | 526.35 |
| Grand Total | | 12674.85 |

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

| Name of the Banks/FIs | Name of the Trusts/Company | (INR Lakh) |
|--------------------------------|----------------------------|------------|
| Abhyudaya Cooperative Bank Ltd | ASREC | 85.21 |
| Allahabad Bank | 04/2008-09 Trust | 240.00 |
| | 06/2009-10 Trust | 140.66 |
| | 14/2015-16 Trust | 227.58 |
| | ASREC | 37.09 |
| Andhra Bank | ASREC | 1157.00 |
| Axis Bank | ASREC | 256.88 |
| Bank of Baroda | 03/2013-14 Trust | 251.00 |
| Bank of India | 01/2008-09 Trust | 0.10 |
| | ASREC | 125.04 |
| Bank of Maharashtra | 15/2014-15 Trust | 40.00 |
| | 07/2015-16 Trust | 32.36 |
| Canara Bank | ASREC | 407.22 |
| Central Bank of India | ASREC | 0.50 |
| | 06/2015-16 Trust | 10.00 |

| Name of the Banks/FIs | Name of the Trusts/Company | (INR Lakh) |
|--|----------------------------|------------|
| Consortium (BOI,BOB,IOB,CBI,DB) | ASREC | 531.69 |
| Dena Bank | ASREC | 74.71 |
| Indian Bank | 03/2014-15 Trust | 25.00 |
| Indian Overseas Bank | ASREC | 408.50 |
| Karnataka Bank | ASREC | 76.77 |
| Karur Vysya Bank | 12/2014-15 Trust | 33.00 |
| | 06/2014-15 Trust | 10.00 |
| Laxmi Vilas Bank | 04/06 Trust | 14.00 |
| | 01/2013-14 Trust | 75.00 |
| Oriental Bank of Commerce | ASREC | 1.49 |
| | 01/2014-15 Trust | 240.42 |
| Pune District Central Co.Op. Bank Ltd. | ASREC | 147.41 |
| Saraswat Bank | ASREC | 10.00 |
| State Bank of Bikaner and Jaipur | 04/2007-08 Trust | 5.47 |
| | 02/2014-15 Trust | 13.43 |
| | 18/2015-16 Trust | 284.00 |
| State Bank of Hyderabad | 02/06 Trust | 26.24 |
| | 17/2014-15 Trust | 70.25 |
| | 18/2014-15 Trust | 240.00 |
| | 22/2014-15 Trust | 305.69 |
| | 27/2014-15 Trust | 277.00 |
| | 29-2014-15 Trust | 155.00 |
| | 02/2015-16 Trust | 155.50 |
| | 12/2015-16 Trust | 169.02 |
| | 13/2015-16 Trust | 0.16 |
| State Bank of India | 05/06 Trust | 1.50 |
| | 16/2014-15 Trust | 3.00 |
| | 19/2014-15 Trust | 525.00 |
| | 21/2014-15 Trust | 435.00 |
| | 24/2014-15 Trust | 181.15 |
| | 28/2014-15 Trust | 149.00 |
| | ASREC | 3171.00 |
| State Bank of Patiala | 13/2014-15 Trust | 390.00 |
| | 03/2015-16 Trust | 42.10 |
| State Bank of Travancore | 23/2014-15 Trust | 315.00 |
| | 17/2015-16 Trust | 111.00 |
| Syndicate Bank | 11/2014-15 Trust | 25.00 |
| | ASREC | 158.25 |
| The Karad Janata Sahakari Bank Ltd. | ASREC | 0.85 |
| The Shamrao Vithal Co-op. Bank Ltd. | ASREC | 1.05 |
| UCO Bank | 01/2009-10 Trust | 24.57 |
| | 02/2007-08 Trust | 160.00 |
| | 02/2009-10 Trust | 40.70 |
| | 03/2007-08 Trust | 50.34 |
| | 05/2007-08 Trust | 7.00 |
| | 07/2009-10 Trust | 12.60 |
| | 02/2013-14 Trust | 1357.99 |
| | 31/2014-15 Trust | 24.99 |

| Name of the Banks/FIs | Name of the Trusts/Company | (INR Lakh) |
|-----------------------|----------------------------|-----------------|
| United Bank of India | 01/2015-16 Trust | 82.50 |
| | ASREC | 65.78 |
| | 02/2008-09 Trust | 0.80 |
| | 03/2009-10 Trust | 0.50 |
| | 04/2009-10 Trust | 15.00 |
| | 02/2012-13 Trust | 9.11 |
| Vijaya Bank | 04/2012-13 Trust | 12.50 |
| | ASREC | 462.00 |
| | 04/2013-14 Trust | 14.22 |
| | 04/2014-15 Trust | 410.00 |
| Total | | 14619.89 |

f) Value of financial assets outstanding for realisation as at the end of the current financial year

| Particulars | (INR Lakh) |
|--|--------------------|
| Value of financial assets outstanding for realization as at 31st March, 2017 | 66838 [*] |

¹Trusts (SRs): 60017, Asrec: 6821 (INR Lakh)

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 (INR Lakh) |
|-------------------|-------------------------|--------------------------------------|
| 21/2014-15 Trust | State Bank of India | 301.00 |
| 22/2014-15 Trust | State Bank of Hyderabad | 255.00 |
| 04/2008-09 Trust | Allahabad Bank | 132.00 |
| Total | | 688.00 |

SECURITY RECEIPTS REDEEMED PARTIALLY:

| Name of the Trust | Name of seller Bank/FIs | Value of Security Receipt (INR Lakh) |
|-------------------|---------------------------|--------------------------------------|
| 03/2007-08 Trust | Uco Bank | 36.00 |
| 05/2007-08 Trust | Uco Bank | 18.00 |
| 01/2009-10 Trust | Uco Bank | 10.00 |
| 04/2012-13 Trust | United Bank of India | 5.00 |
| 01/2013-14 Trust | Laxmi Vilash Bank | 58.00 |
| 02/2013-14 Trust | Uco Bank | 1183.00 |
| 03/2013-14 Trust | Bank of Baroda | 194.00 |
| 01/2014-15 Trust | Oriental Bank of Commerce | 231.00 |
| 04/2014-15 Trust | Vijaya Bank | 335.00 |
| 12/2014-15 Trust | Karur Vysya Bank | 52.00 |
| 13/2014-15 Trust | State Bank of Patiala | 343.00 |
| 18/2014-15 Trust | State Bank of Hyderabad | 216.00 |

| Name of the Trust | Name of seller Bank/Fis | Value of Security Receipt (INR Lakh) |
|-------------------|--------------------------------|--------------------------------------|
| 19/2014-15 Trust | State Bank of India | 487.00 |
| 23/2014-15 Trust | State Bank of Travancore | 300.00 |
| 24/2014-15 Trust | State Bank of India | 163.00 |
| 27/2014-15 Trust | State Bank of Hyderabad | 228.00 |
| 28/2014-15 Trust | State Bank of India | 118.00 |
| 29/2014-15 Trust | State Bank of Hyderabad | 151.00 |
| 01/2015-16 Trust | Uco Bank | 68.00 |
| 02/2015-16 Trust | State Bank of Hyderabad | 141.00 |
| 12/2015-16 Trust | State Bank of Hyderabad | 144.00 |
| 14/2015-16 Trust | Allahabad Bank | 172.00 |
| 17/2015-16 Trust | State Bank of Travancore | 80.00 |
| 18/2015-16 Trust | State Bank of Bikaner & Jaipur | 229.00 |
| | Total | 4962.00 |

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, 2017 (INR in Lakh) |
|--------------------|--------------------------------|--|
| 03/2007-08 Trust | UCO Bank | 360 |
| 05/2007-08 Trust | UCO Bank | 120 |
| 02/2008-09 Trust | United Bank of India | 242 |
| 03/2008-09 trust | United Bank of India | 232 |
| 01/2009-10 Trust | UCO Bank | 79 |
| 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 | 90 |
| 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 | 478 |
| 02/2013-14 Trust | UCO Bank | 7000 |
| 03/2013-14 Trust | Bank of Baroda | 566 |
| 04/2013-14 Trust | Vijaya Bank | 950 |
| 05/2013-14 Trust | Indian Bank | 935 |
| 01/2014-15 Trust | Oriental Bank of Commerce | 472 |
| 02/2014-15 Trust | State Bank of Bikaner & Jaipur | 900 |
| 03/2014-15 Trust | Indian Bank | 1940 |
| 04/2014-15 Trust | Vijaya Bank | 274 |
| 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 |

| Name of the Trusts | Name of the Seller Banks/FIs | Value of Security Receipts pending redemption as at 31st March, 2017 (INR in Lakh) |
|----------------------|--------------------------------|--|
| 10/2014-15 Trust | Indian overseas Bank | 141 |
| 11/2014-15 Trust | Syndicate Bank | 1050 |
| 12/2014-15 Trust | Karur Vysya Bank | 876 |
| 13/2014-15 Trust | State Bank of Patiala | 290 |
| 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 | 1400 |
| 19/2014-15 Trust | State Bank of India | 79 |
| 20/2014-15 Trust | State Bank of Travancore | 550 |
| 23/2014-15 Trust | State Bank of Travancore | 326 |
| 24/2014-15 Trust | State Bank of India | 1040 |
| 25/2014-15 Trust | Bank of India | 165 |
| 26/2014-15 Trust | State Bank of India | 758 |
| 27/2014-15 Trust | State Bank of Hyderabad | 3007 |
| 28/2014-15 Trust | State Bank of India | 643 |
| 29/2014-15 Trust | State Bank of Hyderabad | 539 |
| 30/2014-15 Trust | Bank of Maharashtra | 546 |
| 31/2014-15 Trust | UCO Bank | 1001 |
| 01/2015-16 Trust | UCO Bank | 223 |
| 02/2015-16 Trust | State Bank of Hyderabad | 347 |
| 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 | 1020 |
| 13/2015-16 Trust | State Bank of Hyderabad | 700 |
| 14/2015-16 Trust | Allahabad Bank | 1950 |
| 16/2015-16 Trust | State Bank of Travancore | 185 |
| 17/2015-16 Trust | State Bank of Travancore | 612 |
| 18/2015-16 Trust | State Bank of Bikaner & Jaipur | 471 |
| 01/2016-17 Trust | Dena Bank | 330 |
| 02/2016-17 Trust | State Bank of Bikaner & Jaipur | 335 |
| 03/2016-17 Trust | Karnataka Bank | 5500 |
| 05/2016-17 Trust | Indian Bank | 502 |
| INVENT/1011/S4 TRUST | Federal Bank | 860 |
| | Total | 60017 |

- i) Value of Security Receipts which could not be redeemed as a result of non realization of the financial assets as per the policy formulated by the Asset 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, 2017 (INR Lakh) |
|--------------------|-----------------------------|---|
| 02/2008-09 Trust | United Bank of India | 242 |
| 03/2008-09 Trust | United Bank of India | 232 |
| 03/2007-08 Trust | UCO Bank | 360 |
| 05/2007-08 Trust | UCO Bank | 120 |
| Total | | 954 |

- 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 : NIL
- 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/ Assets | Seller Bank/FI | Rating (Recovery) | Face Value of SRs (₹) | Net Asset Value as on 31st March 2017 (₹) |
|----------------------------|----------------------|-------------------|-----------------------|---|
| 02/2008-09 Trust | United Bank of India | NR-6 (0-25%) | 1,00,000 | 12,500 |
| 03/2008-09 Trust | United Bank of India | NR-6 (0-25%) | 1,00,000 | 12,500 |
| 04/2008-09 Trust | Allahabad Bank | NR-6 (0-25%) | 1,00,000 | 12,500 |
| 01/2009-10 Trust | UCO Bank | NR-6 (0-25%) | 1,00,000 | 12,500 |
| 04/2009-10 Trust | United Bank of India | NR-6 (0-25%) | 1,00,000 | 12,500 |
| 07/2012-13 Trust | United Bank of India | NR-5 (25-50%) | 1,00,000 | 37,500 |
| 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 |
| 05/2014-15 Trust | UCO Bank | NR-5 (25-50%) | 1,00,000 | 37,500 |

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



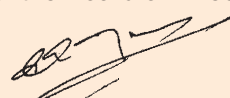
Hardik K. Chokshi
 (Partner)
 Membership No: 115774

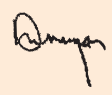
Place: Mumbai
 Date: June 09, 2017


For and on behalf of the Board of Directors


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

1. Name : _____
Address : _____
Email Id : _____
Signature : _____ , or falling him
2. Name : _____
Address : _____
Email Id : _____
Signature : _____ , or falling him
3. Name : _____
Address : _____
Email Id : _____
Signature : _____ , or falling him

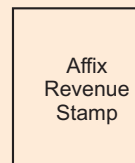
as my /our proxy to attend and vote (on a poll) for me/us on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held on Friday, September 15, 2017 at 12.15 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

| Reso. No. | Description | For * | Against* |
|-----------|---|-------|----------|
| 1. | Adoption of Financial Statements and Reports thereon for the financial year ended 31st March, 2017 | | |
| 2. | Declaration of dividend for the financial year ended 31st March, 2017 as recommended by the Board of Directors. | | |
| 3. | 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, 2018. | | |
| 4. | Ordinary Resolution for Regularization of Additional Director Shri Sanjay Aggarwal as Nominee Director | | |
| 5. | Special Resolution for re-appointment and revision in Terms & Conditions of appointment of Shri Dhananjay Kumar Jain, MD & CEO of the Company. | | |

Signed this _____ day of _____ 2017

Signature of Shareholder _____

Signature of Proxy Holder (s) _____



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 _____

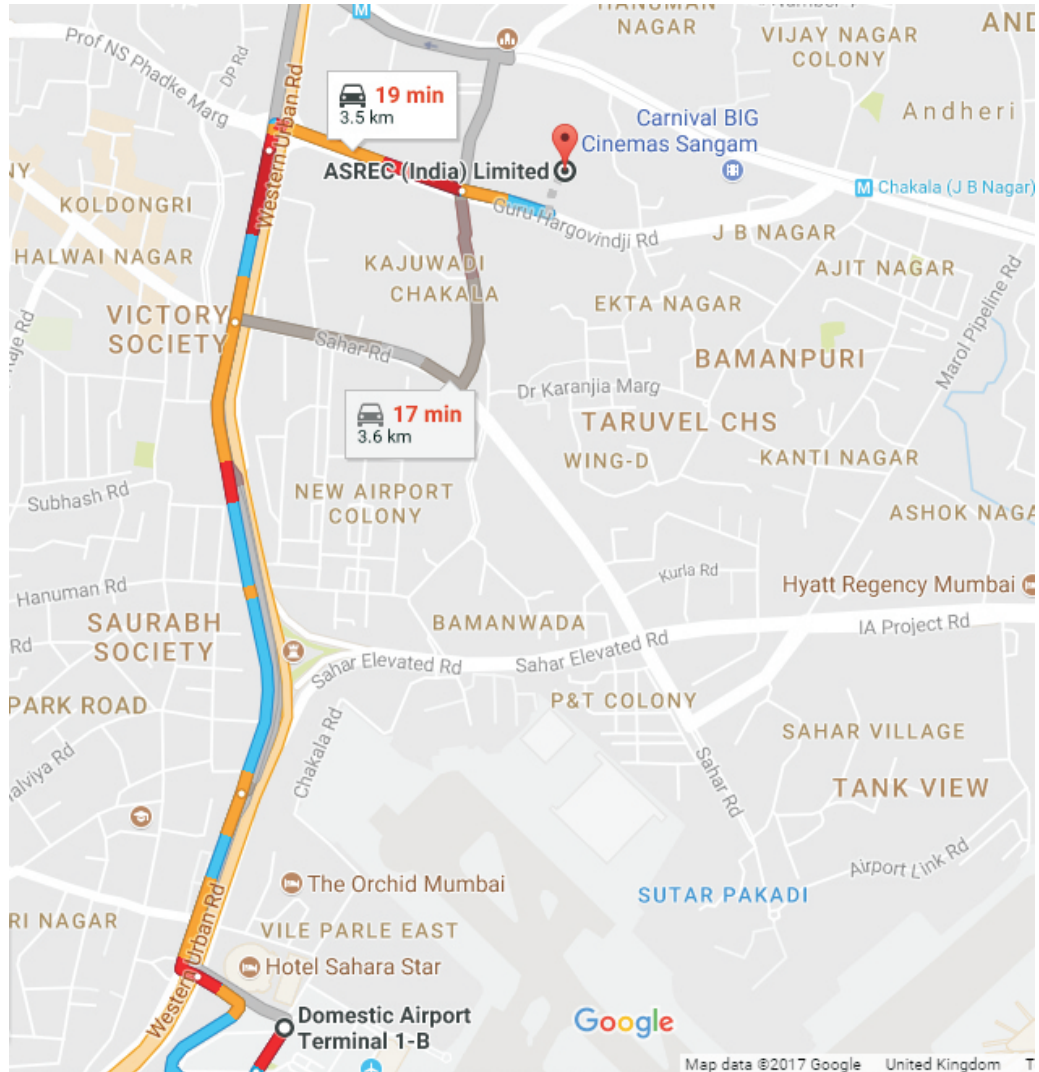
(To be filled in if the Proxy attends instead of the Member)

I hereby record my presence at the Thirteenth Annual General Meeting of ASREC (INDIA) Ltd. on Friday, September 15, 2017 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

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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



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.