

14 TH
ANNUAL
REPORT
2020-21



PARAS

**Pridhvi Asset Reconstruction
And Securitisation Company Limited**



Strategic Solutions to Unwind Stressed Assets

Board of Directors



Dr. Pamidi Kotaiah
Chairperson



Sri. Vepa Kamesam
Director



Ms. K. Sujatha Rao
Director



Sri. M. Gopala Krishnaiah
Whole-time Director



Sri M. Siva Rama Vara Prasad
Director



Sri. Richard B Saldanha
Director
Inducted w.e.f. 18.7.2020



**Sri. Vinayak Krishna
Sardeshpande**
Nominee Director



Sri. Koteswara Rao SSR
Director
Inducted w.e.f. 21.10.2020

Senior Executives



Sri. Ch. Rama Prasad
Chief Executive Officer



Sri. J. Mallaiah
Vice President



Sri. K. Ramakrishna Prasad
Vice President

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Auditors

M/s. C V Ramana Rao & Co.,
Chartered Accountants
D.No.1-88-19, Plot No.135/4, Sector-4,
MVP Colony, Visakhapatnam – 530 017, A.P. India
Tel: (91-891) 2754071

Bankers

Union of Bank of India
Mid Corporate Branch
Panjagutta, Hyderabad - 500 033

Registered & Corporate Office

D.No: 1-55, Raja Praasadamu, 4th Floor, Masjid Banda Road, Kondapur, Hyderabad – 500 084
Tel: 040-41413333, Fax: 040-41413301
Email: co@paras.org.in, Web: www.paras.org.in

The Philosophy....

Vision

To create value to the stakeholders through focused and pro-active approach in revival and reconstruction of impaired assets.

Mission

- To foster innovation and novelty in revival and resolution of stressed assets through application of best legal, financial and managerial skills.
- To contribute in developing a strong market for distressed assets.
- To build a strong brand, recognized for its transparency, ethical practices and efficiency in resolution of stressed assets.
- To grow constantly in its financial, human and intellectual capital to serve the growing demands of the industry.

Values

- **Efficient Management**

The Promoters, Directors and the Management team work with a deep sense of understanding and commitment in achieving Company's objectives.

- **Service**

To respond to clients' needs with passion; adding qualitative and quantitative value to the service.

- **Transparency**

To build a strong brand recognized for its transparency, ethical practices and efficiency in resolution of stressed assets.

- **Professional Excellence**

To act responsibly with high degree of honesty and integrity and to strive for personal and professional excellence.

- **Performance**

To provide effective, efficient and accountable support and be responsive to change, develop and execute plans that will deliver best results.

Journey thus far

(₹ in Lakhs)

Parameter	2016-17	2017-18	2018-19	2019-20	2020-21
Paidup Equity	10000	10000	10000	10000	10000
Tangible Networth	11235	11830	12351	11221	12547
Assets Acquired	52126	39496	6801	13039	47639
Acquisition Cost	14870	16477	1165	8068	35000
SRs issued during the year	14870	16477	1165	8068	35000
SRs redeemed during the year	3096	5714	6784	5770	1655
Total Income	1767	1683	1879	1628	2818
Profit Before Tax	1082	823	735	145	1792
Dividend %	-	-	10	-	10
Earnings per Share (₹)	6.94	5.95	5.21	0.75	13.26

Notice

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Friday, the 27th August, 2021 at 12.30 pm at Door No.1-55, 6th Floor, 'Raja Praasadamu', Masjid Banda Road, Kondapur, Hyderabad – 500084 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement for the year ended 31st March, 2021 together with Directors' and Auditors' Reports thereon.
2. To declare dividend on equity shares for the financial year 2020-21.
3. To appoint a Director in place of Sri. M. Siva Rama Vara Prasad (DIN No. 00170919), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder as amended or re-enacted from time to time, read with Schedule IV to the Act, 2013, Sri.Koteswara Rao SSR (DIN No. 00964290), was appointed by the Board of Directors as an Additional Director of the Company on 21st October, 2020 and holds office till the conclusion of this Annual General Meeting and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment under the provisions of the Companies Act, 2013 and Rules made thereunder and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, to hold office for five consecutive years on the Board of the Company from this Annual General Meeting upto the conclusion of the 19th Annual General Meeting of the Company to be held in the year 2026, whose term shall not be subject to retirement by rotation."

5. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, approval be and is hereby accorded for re-appointment of Sri. M. Gopala Krishnaiah (DIN No.00475030) as a Whole-time Director of the Company for a period of two years at a remuneration of Rs.2,00,000/- (Rupees Two Lakhs only) per month w.e.f. this Annual General Meeting till the conclusion of 16th Annual General Meeting to be held in the year 2023.

"RESOLVED FURTHER THAT notwithstanding anything contained in the above resolution Sri.M.Gopala Krishnaiah as a Whole-time Director of the Company be entitled to minimum remuneration as above, in case of loss or inadequacy of profits in any financial year."

Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY OR PROXIES WHO CAN ATTEND AND VOTE INSTEAD OF THE MEMBER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The Proxy Form duly completed must be lodged at the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.
- 3) Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 4) In terms of provisions of Section 152 of the Act, Sri. M. Siva Rama Vara Prasad, Director, retire by rotation at the Meeting set out in the Notice. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.
- 5) The requirement of ratification of appointment of statutory auditors by the Members every year is done away with in view of the amendments to the Companies Act, 2013 vide notification dated 7th May 2018. Accordingly, no resolution is proposed for ratification of appointment of statutory auditors who were appointed in the Annual General Meeting held on 16th September, 2017 for a period of 5 years i.e., up to the Annual General Meeting to be held in the year 2022.
- 6) Explanatory statement pursuant to section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
- 7) Subject to approval of the Members at the Annual General Meeting, the dividend will be paid to the Members whose names appear on the Company's Register of Members as on the Record Date, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited as beneficial owners as on that date. Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details.
- 8) Members holding physical shares are requested to intimate immediately any change in their address and updated email address by writing to the Company with details of registered folio number for future communication.
- 9) Members holding physical shares are requested to convert their shares into dematerialized form. As per the notification of the Ministry of Corporate Affairs vide no. G.S.R. 853 (E) dated 10th September, 2018, unless the shares are in the dematerialized form the request for transfer of shares shall not be accepted and processed.
- 10) Members holding shares in dematerialized form are requested to intimate any changes pertaining to their bank details, mandates, nominations, change of address, contact details, etc. to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. KFin Technologies Pvt. Ltd. to provide efficient and better services.
- 11) Attendance slip, proxy form and the route map showing directions to reach the venue of the Annual General Meeting are annexed hereto.

Registered Office:

D.No.1-55, Raja Praasadamu,
4th Floor, Wing-I,
Masjid Banda Road, Kondapur,
Hyderabad – 500 084.
CIN: U67120TG2007PLC053327
Website: www.paras.org.in
Email id: co@paras.org.in

Dated: 26.06.2021

By order of the Board

M. Gopala Krishnaiah
Whole-time Director
DIN 00475030

Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act")

The following Statement set out all material facts relating to Item No.4 and 5 mentioned in the accompanying Notice.

Item No. 4:

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, Sri. Koteswara Rao SSR (DIN No. 00964290) was appointed as an Additional Director of the Company by the Board through resolution by circulation dated 21.10.2020 who holds office up to the conclusion of this Annual General Meeting.

The Company has received declarations from Sri Koteswara Rao SSR confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and being eligible for appointment as an Independent Director provided his consent in writing to act as Directors in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time.

Sri Koteswara Rao SSR is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time.

In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from a member proposing his candidature to be re-appointed as Independent Non-Executive Director of the Company as per the provisions of the Companies Act, 2013.

Considering his rich experience and knowledge in financial and administrative matters and as per the recommendations of the Nomination and Remuneration Committee and the Board of Directors in their meetings held on 26th June, 2021, consider that his association would be of immense benefit to the Company. Accordingly, consent of the Members is sought for passing Special Resolution as set out in item 4 of the Notice for appointment of Sri Koteswara Rao SSR as an Independent Non-Executive Director of the Company and is not liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

None of the other Directors, Key Managerial Personnel of the Company or their relatives, except Sri Koteswara Rao SSR being appointee, and his relatives to the extent of their shareholding interest, if any, in the company may be deemed interested in the resolutions set out at Item No. 4 of the Notice with regard to his appointment.

The Board recommends the resolution set forth in Item No.4 of the Notice for approval of the members.

Item No.5

Pursuant to Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the tenure of Sri. M. Gopala Krishnaiah as the Whole-time Director of the Company was extended for a period of two years w.e.f. 27th June, 2019 till conclusion of 14th Annual General Meeting, by a Special Resolution passed in the Annual General Meeting held on 26th August, 2019.

Based on the recommendations of the Nomination and Remuneration Committee, the Board opines that Sri. M. Gopala Krishnaiah's continuance as a Whole-time Director will be of immense benefit to the Company. Hence, the Board of Directors of the Company in its meeting held on 26th June, 2021 recommended his reappointment for a further period of 2 years i.e., from this Annual General Meeting till the conclusion of 16th Annual General Meeting to be held in the year 2023.

The revised remuneration would be in line with the limits provided in Section 196 and 197 of the Companies Act, 2013 read with Schedule V.

None of the other Directors, Key Managerial Personnel of the company or their relatives, except Sri. M. Gopala Krishnaiah is interested in the above resolution.

The Board recommends the resolution set forth in Item No. 5 of the Notice for approval of the Members.

Registered Office:

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Hyderabad – 500 084.
CIN: U67120TG2007PLC053327
Website: www.paras.org.in
Email id: co@paras.org.in

Dated: 26.06.2021

By order of the Board

M. Gopala Krishnaiah
Whole-time Director
DIN 00475030

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 14th Annual Report together with the audited statements of accounts of the Company for the financial year ended 31st March, 2021.

Financial Results

The performance of the Company for the year ended 31st March, 2021 is summarized below:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Revenue from operations	2788.27	1509.38
Other income	30.18	118.68
Total Income	2818.45	1628.06
Total Expenditure	1026.08	1482.71
Profit Before Tax and Exceptional items (PBT)	1792.37	145.35
Less: Provision for Tax	465.91	70.36
Profit after Tax (PAT)	1326.46	74.99
Surplus brought forward from previous year	495.81	1626.37
Less: Dividend paid	-	1205.56
Profit available for Appropriation	1822.27	495.81
Appropriations: Transfer to general reserve	275.00	-
Balance carried to Balance Sheet	1547.27	495.81
Earnings Per Share of Rs.100 (in Rupees)	13.26	0.75

The Company's gross income for the financial year ended 31st March, 2021 was ₹ 2818.45 lakhs as against ₹ 1628.06 lakhs in the previous year. Profit Before Tax (PBT) of the Company was ₹ 1792.37 lakhs and net profit for the year after tax was ₹ 1326.46 lakhs as against ₹ 145.35 lakhs and ₹ 74.99 lakhs respectively in the previous year.

The Company's net worth as on 31st March, 2021 stood at ₹ 12547.27 lakhs.

Dividend

Your Directors' have recommended a dividend of ₹ 10/- per equity share of face value ₹ 100 each (previous year: Nil), aggregating to ₹ 1000 Lakhs for the financial year ended 31st March, 2021. The dividend payout is subject to approval of the Members at the ensuing Annual General Meeting.

Transfer to Reserves

Your Directors' approved to transfer ₹ 275.00 Lakhs to General Reserve for FY 2020-21. The net surplus of ₹ 1547.27 Lakhs is retained in the Statement of Profit and Loss Account.

Share Capital

There is no change in the capital structure of the Company during FY 2020-21.

Performance of the Company

A summary of the debts acquired and realized during FY 2020-21 is given below. A detailed analysis of the performance of the company is discussed in the management discussion and analysis.

(₹ in lakhs)

Acquisitions	2020-21	2019-20
Number of seller Banks/FIs	1	1
Debt acquired	47,639	13,040
Cost of acquisition	35,000	8,068

Redemptions	2020-21	2019-20
Number of Accounts	9	19
Amount redeemed	1,655	5,770

Management Discussion and Analysis

Acquisitions: During FY 2020-21 banks have offered for sale over 2,68,500 accounts with principal debt outstanding of ₹ 21,264 crores. Of the above about 2,68,000 accounts are MSME loans put for sale on portfolio basis, retail housing, education, consumer goods loans, clean loans, etc. in large baskets spread across the country. Your company placed bids for bid value of ₹ 403 crores, of which one account was allotted to the company at an acquisition cost of ₹ 350.00 crores. The acquisitions in the previous year amounted to ₹ 80.68 crores. Even under the category of industrial loans most of the accounts put for sale by banks are consortium advances with each bank holding very minor share in the total debt of the company. Bids are placed by your company after a careful scrutiny of the information provided in the information memorandums provided by the banks as well as at the time of due diligence, taking into consideration the realizable value of securities, stage of litigation, etc.

Your company participated as a co-investor in a bid placed by SC Lowy, a Hong Kong based investment company, for acquisition of a class of assets of DHFL. Though the bid was not accepted, your company is continuing association with SC Lowy for exploring business opportunities jointly.

Recoveries: The total recoveries in FY 2020-21 amounted to ₹ 51.49 crores in 28 trust accounts, with partial redemption of security receipts amounting to ₹ 16.55 crores in 9 trust accounts. In spite of the pandemic situation due to Covid-19 which prevailed throughout financial year, your company could show a good performance in recoveries. However, it needs to be mentioned that though few amendments were made in SARFAESI Act, 2002 and in Insolvency and Bankruptcy Code, 2016, they have not helped in improving the recoveries / resolution process as in practice, the timelines stipulated in the Acts for resolving various legal issues are still not observed.

Profitability: During FY 2020-21 your company earned a gross income of ₹ 28.18 crores (₹ 16.28 crores in the previous year) which includes recovery of management fee and expenses reversed in few trust accounts in previous years. The profit before tax was ₹17.92 crores and net profit after tax was ₹ 13.26 crores (₹ 1.45 crores and ₹ 0.75 crores respectively in the previous year). The profitability would have been

higher but for the technical write off and provisions made in certain accounts to comply with the guidelines of the Reserve Bank of India.

Brief back drop of issues affecting the performance of ARCs

In the annual report of FY 2019-20 a mention was made of several regulatory issues which were adversely affecting the performance of ARCs, notable among them being the directive of the RBI to banks on provisioning norms on assets sold to ARCs resulting in banks switching over to sale of NPAs on full cash basis (as against sale on SR basis) and that too fixing reserve prices of assets for sale at much higher value than the realizable values of such assets. Due to these adverse factors several ARCs kept away from the bid process for acquisitions since they did not have sufficient resources to acquire assets on cash basis. Your company made a representation to the Ministry of Finance, Govt. of India, seeking their indulgence in such and other related issues, for better functioning of the ARCs. Your company had also made representations to the Association of ARCs with a request to them to take up these issues with appropriate authorities and agencies for quick redressal. The Association of ARCs had made a representation to the Hon'ble Prime Minister of India seeking his intervention.

Committee set by the Reserve Bank of India

Due to the representations made to various agencies continuously, the Reserve Bank of India had, in April 2021 set up a six-member committee under the Chairmanship of Sri. Sudarshan Sen, former Executive Director, RBI. The scope of the Committee was to review the legal and regulatory framework, business models of ARCs and to recommend measures to improve efficacy, resolution of stressed assets including under IBC, to improve liquidity in and trading of SRs and other matters relating to transparency and governance of ARCs. The Directors of your company, in a special meeting of the Board held on 25th May 2021 discussed at length the legal and regulatory issues affecting the performance of ARCs, practical difficulties encountered in day to day working and sent a representation to the Chairperson of the Committee with suggestions on measures required for better functioning of ARCs. The major points brought out in the representation are:

- Need for reverting back to sale of assets by banks on SR basis (15:85)
- Fixation of reserve prices for assets put for sale on a formula-based discounting method on realizable values.
- Formulation of a scheme by the RBI for providing finance to ARCs by banks for acquisition of assets.
- Setting up a Standing Committee to review disposal of matters in DRTs/DRATs/other Civil Courts as per time lines stipulated in the Acts.
- The benefits, if any, to be extended to the National Asset Reconstruction Company (NARCL) be made applicable to all existing ARCs to ensure level playing field.

The suggestions were also forwarded to the Association of ARCs for taking up with the RBI Committee on behalf of the Association. It is hoped that the suggestions made would find favor with the Committee for making suitable recommendations to the RBI to provide for better functioning of ARCs in asset acquisition and reconstruction business.

Future Prospects

The pandemic situation due to COVID-19 virus has completely disrupted the lives of people world over during FY 2019-20 and FY 2020-21. Hundreds of thousands have lost their lives. The lock down observed in several nations has disrupted the economy of nations. In our country also business of industrial, financial, commercial and service sectors were very badly hit due to lock down. Millions have lost employment

due to shut down of commercial and industrial establishments and GDP has fallen sharply. To give a fillip to the sagging economy, the central and state governments have extended support to individuals, commercial and industrial entities in monetary terms and provided reliefs in meeting payment obligations. The Government of India and the Reserve Bank of India have extended concessions like deferment of instalments, permitted additional loans to industrial units to overcome the crisis, in spite of which the ill effects in the economy due to Covid-19 have continued during FY 2020-21, badly affecting the industrial and service sectors resulting in poor recovery.

The current financial FY 2021-22 is expected to be no better, in view of the prediction that new strains of Covid are likely to surface in the near future. As per the RBI stabilization report, the gross NPAs of banks would increase to about 13.5% of bank credit by the end of September 2021. It is estimated that this may increase to 15% by March 2022 from the current level of 11%.

The quantum of NPAs is huge providing abundant opportunities for acquisitions, if only the sale of assets is made on SR basis at realistic prices. It is hoped that the Committee appointed by the Reserve Bank of India would make suitable recommendations and the same will be accepted by the RBI to create a very congenial legal and regulatory framework for ARCs to function effectively in acquisition and resolution for the benefit of the economy.

Coming to the micro level, your company is confident of substantial recoveries in a few accounts which are in the final stages of resolution and are likely to add to the bottom line of the company. Further, the efforts of your company to mobilize additional resources to meet business requirements from like-minded investors are likely to fructify in the current year. A few AIFs and NBFCs have approached your company with proposals to co-invest in acquisitions to be made by your company. These developments are a reflection on the competence of your company in meeting business challenges and complying with statutory requirements.

Bad Bank: Non-performing loans in banks have been growing year on year. The Government of India has set up a Bad Bank in the name and style of 'National Asset Reconstruction Company Limited' (NARCL) will take over bad loans of Rs. 500 crores and above from public and private sector banks on Security Receipt basis in 15:85 structure. Canara Bank is the sponsor for the bad bank with 12% equity, the balance being contributed by other private and public sector banks. Initially non-performing loans to the tune of Rs.2 lakh crores will be assigned to the NARCL for resolution. In the first phase lenders have already identified 22 stressed accounts with total exposure of Rs. 89,000 crores for transferring to NARCL at a deep discount. The selling banks will be paid 15% of cost of acquisition and for the balance 85% Security Receipts will be issued with the Government of India providing guarantee for redemption of SRs. The further finer details of structure, method of resolution etc, are expected to be announced shortly.

The operations of NARCL are not likely to affect the performance of your company since it will take over accounts with outstandings of Rs. 500 crores and above for resolution. Your company has suggested to the RBI Committee that the benefits, if any, extended by the Government to the NARCL be extended to the existing ARCs to ensure a level playing field.

Risk Management

In the context of Asset Reconstruction Companies, the following 4 key challenges emerge, namely:

1. Availability of resources for acquisitions
2. Acquisition of assets at reserve prices fixed by selling banks
3. Resolution of stressed assets on account of delays in resolving legal issues
4. Lack of well-developed vibrant market for distressed assets

As stated above, your company has made representation to the committee appointed by the RBI to consider recommending to the RBI for reverting to sale of assets on 15:85 SR structure. This measure would provide a great relief to the company in acquisitions. Further, the Board of your company is also seized of the need for mobilizing financial resources for acquisitions. A consultant is appointed to identify suitable investors, and negotiations to raise funds are in progress. Hopefully the efforts would fructify and required resources will be made available in the current year. Your company is exercising caution while placing bids to ensure that the bid amounts quoted are realistic and based on the realizable value of securities.

In spite of stringent provisions under SARFAESI Act and IB Code, resolutions are not taking place at the expected pace at the ground level. This is due to the attitude of the borrowers to litigate continuously. In DRTs and DRATs also matters are pending for a very long time impacting the performance of ARCs. On account of such delays in realisations, there is considerable erosion in the value of underlying assets resulting in lower realisations. Your company is taking necessary steps to resolve legal issues by engaging senior counsel wherever required. The need for revamping the legal system was brought to the notice of the Government of India, Reserve Bank of India and the Committee appointed by the RBI.

Unlike well-developed and vibrant markets for stressed assets in western countries, the scope for sale of distressed assets is very limited in our country. There is a need for developing a secondary market for trading in security receipts so that more investors will participate in acquisition of non-performing assets. Your Company is observing necessary precautions at the acquisition stage by conducting a thorough due diligence of the NPA accounts proposed to be acquired, so that the risks are minimized. Your Company also has a robust mechanism of follow-up of issues in various courts by engaging experienced and senior counsel.

Internal financial Control and its adequacy

Your Company has aligned its current systems of internal financial control with the requirement of Companies Act 2013, on lines of accepted accounting principles. The internal control is intended to increase transparency and accountability in assuring achievement of an organization's objectives in operational effectiveness and efficiency.

Your Company's internal controls are commensurate with its size and the nature of operations. These were designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets, executing transactions with proper authorization and ensuring compliance with corporate policies. Your Company has a well-defined delegation of powers with authority and all processes and controls are aligned with the best practices.

Corporate Governance

Corporate governance is the system by which companies are directed and controlled to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the Company. The Board of Directors is responsible for the governance of the Company. Your Company's philosophy on corporate governance ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers and investors. Your Company has a legacy of fair, transparent and ethical governance practices.

Board of Directors and Committees of the Board

The Board of your Company formulates and evaluates policies and provides strategic direction to the management in achieving corporate objectives and further ensures the statutory and regulatory compliances, safeguarding the interest of the stakeholders.

The Board has constituted four committees, namely Audit Committee, Executive Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

The Board met 4 times during the year on 18.07.2020, 10.09.2020, 23.12.2020 and 27.03.2021.

Attendance of Directors at Board Meetings and at the last Annual General Meeting held on 19.09.2020 during 2020-21:

Name of the Director	Category	Attendance at meetings during 2020-21	
		Board Meetings	Last AGM
Late Sri. D. Seetharamaiah, ex-Chairperson*	Non-Executive Independent Director	NA	NA
Dr. Pamidi Kotaiah, Chairperson**	Non-Executive Independent Director	4	No
Sri. Vepa Kamesam	Non-Executive Independent Director	4	No
Ms. K. Sujatha Rao	Non-Executive Independent Director	4	No
Sri. Richard B Saldanha	Non-Executive Independent Director	4	No
Sri. M. Siva Rama Vara Prasad	Non-Executive Promoter Director	4	Yes
Sri. Koteswara Rao SSR***	Non-Executive Independent Director	3	NA
Sri. Vinayak Krishna Sardeshpande	Director nominated by Punjab National Bank	4	No
Sri. M. Gopala Krishnaiah	Executive Whole-time Director	4	Yes

* Sri. D. Seetharamaiah, Independent Director and Chairperson ceased to be a Director on the Board w.e.f. 19.07.2020 on his demise.

** Dr. Pamidi Kotaiah, Independent Director was appointed as Chairperson of the company w.e.f. 10.09.2020

*** Sri. Koteswara Rao SSR was appointed on the Board as Additional Director under Independent category with approval of the Reserve Bank of India w.e.f. 21.10.2020.

No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 2013.

Audit Committee

1. Sri. Vepa Kamesam – Chairperson, Non-Executive Independent Director
2. Dr. Pamidi Kotaiah, Non-Executive Independent Director
3. Sri Koteswara Rao SSR, Non-Executive Independent Director (Additional Director)
4. Sri. M. Gopala Krishnaiah – Executive Whole-time Director

The Audit Committee, inter-alia, oversees the financial reporting process aimed at ensuring correctness, fairness, sufficiency and credibility of financial statements, recommendation of appointment of statutory

auditors and their remuneration, review of quarterly and annual financial statements before submission to the Board, review of adequacy of internal control systems and internal audit functions.

The Audit Committee met 4 times during the financial year 2020-21 on 18.07.2020, 10.09.2020, 23.12.2020 and 27.03.2021. Sri D Seetharamaiah was not present for the meeting held on 18.07.2020. The other members were present for all the meetings.

Executive Committee

1. Dr. Pamidi Kotaiah - Chairperson, Non-Executive Independent Director
2. Sri. M. Siva Rama Vara Prasad, Non-Executive Promoter Director
3. Sri. Richard B Saldanha, Non-Executive Independent Director
4. Sri. Koteswara Rao SSR, Non-Executive Independent Director (Additional Director)
5. Sri. M. Gopala Krishnaiah, Executive Whole-time Director

The Executive Committee is empowered to take decisions relating to sanction of proposals for acquisition of financial assets, investments in security receipts, reconstruction and resolution of financial assets and matters relating to appointment of staff, fixation of their remuneration, promotions, etc. The Executive Committee also recommends policy matters to the Board.

The Committee met 8 times during the financial year 2020-21 on 12.06.2020, 24.06.2020, 14.09.2020, 12.10.2020, 25.11.2020, 23.12.2020, 22.01.2021 and 23.03.2021.

Corporate Social Responsibility Committee

1. Ms. K. Sujatha Rao – Chairperson, Non-Executive Independent Director
2. Sri. Vepa Kamesam, Non-Executive Independent Director
3. Sri. M. Siva Rama Vara Prasad, Non-Executive Promoter Director
4. Sri. M. Gopala Krishnaiah, Executive Whole-time Director

Pursuant to Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee with the above-mentioned Directors for carrying out CSR activities as per Schedule VII of the said Act. The CSR Committee formulated CSR policy for approval by the Board. The Committee oversees implementation of the CSR activities / programs / projects undertaken by implementing agencies and monitors the CSR policy.

The Committee met once during the financial year 2020-21 on 23.12.2020 and all the members of the Committee were present.

Nomination and Remuneration Committee

1. Sri. M. Siva Rama Vara Prasad – Chairperson, Non-Executive Promoter Director
2. Dr. Pamidi Kotaiah, Non-Executive Independent Director
3. Sri Koteswara Rao SSR, Non-Executive Independent Director (Additional Director)

Pursuant to Section 178 of the Companies Act, 2013, the Company has constituted a Nomination and Remuneration Committee. The Committee formulated the Nomination and Remuneration policy for approval by the Board. The Committee formulates the criteria for determining qualifications, positive attributes and independence of a director from time to time. The Committee also carries out evaluation of Directors' performance.

The Nomination and Remuneration Committee recommends to the Board of Directors on appointment of Directors, Key Managerial Personnel and on remuneration payable to them. The Nomination and Remuneration policy of the Company is made available on the website.

The Committee met once during the financial year 2020-21 on 18.07.2020. Sri D Seetharamaiah was not present for the meeting held on 18.07.2020. The other members were present for all the meetings.

Internal complaint committee (sexual harassment of women at workplace)

The Company has constituted a committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 complying with the provisions of the Act.

The Company is committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the financial year no complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Independent Directors meeting

Pursuant to Section 149(8) read with Clause VII (3) of Schedule IV of the Companies Act, 2013, the Independent Directors met separately during the financial year 2020-21 on 23.03.2021. All the Independent Directors were present to assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties and to review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors.

Board Evaluation

Pursuant to the provisions of the Act, the Nomination and Remuneration Committee has carried out an annual evaluation of performance of the Board, Board Committees and individual Directors for the financial year 2020-21, after seeking inputs from all the Directors on the basis of criteria such as Board composition and structure, effectiveness of Board processes, information, functioning, etc. and performance of the Committees on criteria such as composition of committees, effectiveness of committee meetings, etc.

Directors

- Sri. D. Seetharamaiah, Independent Director and Chairperson passed away on 19.07.2020.
- As per the provisions of Section 149 of the Companies Act, 2013, each of the Independent Directors has submitted declaration that he / she meets the criteria of independence as provided in Section 149(6) of the Act, and there has been no change in the circumstances which may affect their status as an independent director during the year.
- Sri. Koteswara Rao SSR was appointed as an Additional Director on the Board on 21.10.2020 after the Reserve Bank of India conveyed its no objection on 20.10.2020. He holds office upto the conclusion of this Annual General Meeting.
- Sri. Koteswara Rao is a Fellow of the Institute of Chartered Accountants of India and a senior partner in M/s. Brahmayya & Co., Hyderabad. Considering his vast experience and knowledge in financial matters and basing on the recommendations of the Nomination and Remuneration Committee, the Board appointed Sri. Koteswara Rao as an Additional Director of your company.
- The Board of Directors in its meeting held on 26.06.2021 recommended to the Members for confirmation and appointment of Sri. Koteswara Rao SSR for a term of 5 (five) years. The resolution seeking approval of the Members for confirmation of appointment of Sri. Koteswara Rao SSR as an

Independent Director is incorporated in the notice of the forthcoming Annual General Meeting of the company along with explanatory statement.

- The tenure of Sri. M. Gopala Krishnaiah, Whole-time Director is up to the conclusion of the ensuing Annual General Meeting. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 26.06.2021 recommended to Members for his reappointment for a further period of 2 years w.e.f. the ensuing Annual General Meeting.
- In accordance with the provisions of the Articles of Association of the Company and provisions of Section 152 of the Companies Act, 2013, Sri M. Siva Rama Vara Prasad, Non-Executive Promoter Director, retires by rotation at the ensuing General Meeting and being eligible, offers himself for re-appointment.

Key Managerial Personnel

There is no change in other Key Managerial Personnel - Sri. Ch. Rama Prasad, Chief Executive Officer, Sri. V. S. Ranga Rao, Chief Financial Officer and Smt. V. Vani, Company Secretary.

Auditors

M/s. C. V. Ramana Rao & Co., Chartered Accountants who were appointed as Auditors of the Company to hold office for a term of five years from the conclusion of the Tenth Annual General Meeting of the Company held on 16th September, 2017, shall continue as Auditors till the conclusion of the Annual General Meeting to be held in the year 2022.

Statutory Auditors' report and Secretarial Auditors' report

The reports of Statutory Auditors and Secretarial Auditors do not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as Annexure I which forms part of this report.

Particulars of loans, guarantees or investments

The Company has not granted any loans or made any investments and not extended guarantees for any individuals or corporates under Section 186 of the Act during the year 2020-21.

Particulars of contracts or arrangements with related parties

The Company has entered into contracts or arrangements pursuant to Section 188(1) of the Act during the financial year 2020-21 with related parties, in the ordinary course of business at arm's length basis. Further, the Company had not entered into any contract or arrangement with any related party during the year not at arm's length basis. Form AOC-2 is given as Annexure II.

Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure III of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

Extract of Annual Return

As provided under Section 92(3) of the Act, the extract of Annual Return is given in Annexure-IV in the prescribed Form MGT-9, which forms part of this Report. The same is available on the website of the Company.

Fixed Deposits

The Company has not accepted / invited any deposits from the public in terms of section 73 of the Companies Act, 2013.

Directors' Responsibility Statement

Pursuant to requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended on that date;
- (iii) The Directors have taken 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;
- (iv) The Directors have prepared the annual accounts of the Company for the year ended 31st March, 2021 on a going concern basis; and
- (v) 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.

Particulars of Employees

The statement showing details of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not required to be appended as none of the employees are drawing salary as stipulated in the section under reference.

Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

As the Company is engaged in asset reconstruction and securitisation activities, the particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 are not applicable to the Company.

Acknowledgements

Your Directors would like to express their sincere gratitude to the Shareholders, Reserve Bank of India, Banks, Financial Institutions, Government Authorities and other stakeholders for the continued support and faith reposed in the Company.

Your Directors also wish to place on record their deep sense of appreciation to all the members of staff for their dedication, commitment and contribution to the Company's growth.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 26.06.2021

Dr. Pamidi Kotaiah
Chairperson

ANNEXURE I TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 01.04.2020 TO 31.03.2021

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

To
The Members
Pridhvi Asset Reconstruction and Securitisation Company Limited
Hyderabad
Telangana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "**Pridhvi Asset Reconstruction and Securitisation Company 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 the 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering from **April 01st, 2020 to March 31st, 2021** 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by "**Pridhvi Asset Reconstruction and Securitisation Company Limited**" for the period covering from April 01st, 2020 to March 31st, 2021 according to the provisions of:
 - i. The Companies Act, 2013 (the Act), the rules and amendments made thereunder; The Memorandum and Articles of Association therein.
 - 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 Reserve Bank of India Act, 1934;
 - vi. The Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003;
 - vii. Secretarial Standards issued by "The Institute of Company Secretaries of India."

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

Note: The Company is not listed entity. Hence, the following regulations are Not Applicable

- viii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
2. We further report that the Company has, in our opinion, complied with the Provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company, with regard to:
- i. Maintenance of various statutory registers and documents and making necessary entries therein.
 - ii. Forms, Returns, Documents and Resolutions required to be filed with the Registrar of Companies.
 - iii. Service of documents by the Company on its Members, Auditors and the Registrar of Companies.
 - iv. Notice of the Board meetings and Committee meetings of Directors.
 - v. The 13th Annual General Meeting held on September 19th, 2020.
 - vi. The meetings of Members, Directors and Committees of Directors including passing of resolutions by circulation.
 - vii. Minutes of proceedings of the Board, its Committee and General Meetings.
 - viii. Approvals of the Board of Directors, the Committees, Members and the Government Authorities, wherever required.
 - ix. Constitution of the Board of Directors / Committee(s) of Directors.
 - x. Payment of Remuneration to Directors including the Whole-Time Director.
 - xi. Appointment and Remuneration of Auditors.
 - xii. There are no investments of the company funds made and no inter-corporate loans given for the period.
 - xiii. The Company doesn't have any subsidiaries.
 - xiv. Form of Balance Sheet as prescribed under Part I, Form of Statement of Profit and Loss as prescribed under Part II and General instructions for preparation of the same as prescribed in schedule VI to the Act.
 - xv. There are no allotments of securities for the period.
 - xvi. Director's report is in accordance to the provisions.
 - xvii. Contracts, Common seal, Registered Office and Publication of Name of the Company are as per the provisions.
 - xviii. The provisions with regard to appointment of Women director are complied.

- xix. The provisions of Corporate Social responsibility (CSR) are complied.
- xx. Transfer and Transmission of Shares.
- xxi. Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. We further report that:

- i. All the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other Companies and interests in other entities;
 - ii. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Managerial Personnel;
 - iii. The Company has obtained all necessary approvals under the various provisions of the Act; and
 - iv. There was no prosecution initiated and no fines or penalties were imposed during the period under review under the Companies Act, 2013, The Securities Contracts (Regulation) Act, 1956, The Reserve Bank of India Act, 1934, The Depositories Act, 1996 and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and with the Provisions of The Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 and the Rules made under that Act, with regard to;
- a) Filing of quarterly returns to RBI.
 - b) Issuing of Security Receipts, and
 - c) The Company has not accepted any deposits from Public.
5. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. There is no Foreign Exchange outflow and inflow during the period under review, hence, the Company need not comply with the provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made under the Act to the extent applicable to ODI, FDI and ECB.
7. We further report that based on the information received and records maintained, 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.

Signature:

Place: Hyderabad
Date: 15.06.2021
UDIN: A056115C000466932

Name of Company Secretary
PAVAN KRISHNA RAO PACHAVA
ACS: 56115 ; C.P NO: 20914
Partner
ARUN & PAVAN ASSOCIATES
Company Secretaries

This report is to be read with our letter of the even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure-A'

To
The Members
Pridhvi Asset Reconstruction and Securitisation Company Limited
Hyderabad
Telangana

Our report of even date is to be read along with this letter.

- 1) Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
- 6) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 15.06.2021

Name of Company Secretary
PAVAN KRISHNA RAO PACHAVA
ACS: 56115 ; C.P NO: 20914
Partner
ARUN & PAVAN ASSOCIATES
Company Secretaries

ANNEXURE II TO DIRECTORS' REPORT

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.

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2021, which were not at arm's length basis.

II. Details of contracts or arrangements or transactions at arm's length basis.

The details of contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2021, are as follows.

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances if any
M/s. Mezzequity Software Private Ltd. (Smt. M.Rajyalakshmi wife of Sri. M. Siva Rama Vara Prasad, Director, is a Director on the Board of M/s.Mezzequity Software Private Ltd.)	Maintenance of office premises	3 years w.e.f 01.04.2020	Maintenance charges@ ₹8.25 / sft. On par with other occupants of the building. Transactions during the year ₹11.61 lakhs.	Executive Committee approved on 21.03.2020	-
M/s. BitKemy Ventures India Ltd. (Sri. M. Siva Rama Vara Prasad, Director, is Director in M/s.BitKemy Ventures India Ltd.)	Maintenance of software for operations	Annual maintenance	Maintenance of ₹10 Lakhs p.a.	25.05.2016	-

For and on behalf of the Board of Directors

Place : Hyderabad

Date : 26.06.2021

M. Gopala Krishnaiah

Whole-time Director

ANNEXURE III TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21

1. A brief outline of the Company's CSR policy

The core theme of the Company's CSR policy is giving back to the society from which it draws its resources by extending a helping hand to the needy, the underprivileged and to contribute for activities that sustain economic development of local community at large. It is the contribution of the corporate for philanthropic and social causes like providing primary education and health, drinking water, sanitation and such other activities which would result in a better living environment.

Through CSR initiatives, the Company, in alignment with its vision and environmental concern, will continue to enhance value creation in the society, so as to promote sustained growth of the society, in fulfillment of its role as a Socially Responsible Corporate.

The CSR Policy of the Company is available on the website of the Company.

2. The Composition of the CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt. K. Sujatha Rao*	Non-Executive Independent Director	NA	NA
2.	Sri. Vepa Kamesam	Non-Executive Independent Director	1	1
3.	Sri. M. Siva Rama Vara Prasad	Non-Executive Promoter Director	1	1
4.	Sri. M. Gopala Krishnaiah	Executive Whole-time Director	1	1

* Smt. K. Sujatha Rao was appointed as a Member and the Chairperson of the Committee w.e.f. 23.12.2020

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

<https://paras.org.in/wp-content/plugins/uploads/CSR.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not applicable	

6. Average net profit of the company as per section 135(5) - ₹ 568.03 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) - ₹ 11.36 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

(c) Amount required to be set off for the financial year, if any – NIL

(d) Total CSR obligation for the financial year (7a+7b-7c) – ₹ 11.36 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ In Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11.36	NIL	-	NIL	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project State district	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
										Name	CSR Registration no.
1	NIL										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project: State & District	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency Name & CSR Registration no.
1	Medical services, vocational training and education	Promoting education, including vocation skills and Preventive healthcare	No	Andhra Pradesh West Godavari	7.75 Lakhs	No	Kovvali Development Trust -
2	Vocation training	Promoting Employment enhancing vocation skills in tribal	No	Andhra Pradesh East Godavari district	3.61 Lakhs	No	Centre for Development and Research -

- (d) Amount spent in Administrative Overheads – Nil
 (e) Amount spent on Impact Assessment, if applicable – Not applicable
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 11.36 Lakhs
 (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	11.36
(ii)	Total amount spent for the Financial Year	11.36
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
			NIL				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
			NIL					

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - NIL

- a) Date of creation or acquisition of the capital asset(s). - NIL
 b) Amount of CSR spent for creation or acquisition of capital asset. - NIL
 c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NIL
 d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) – NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not applicable

For and on behalf of the Board of Director

Place: Hyderabad
Date : 26.06.2021

M. Gopala Krishnaiah
Whole-time Director

K. Sujatha Rao
Chairperson - CSR Committee

ANNEXURE IV TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2021

[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:

1. CIN: **U67120TG2007PLC053327**
2. Registration Date: **27th March, 2007**
3. Name of the Company: **Pridhvi Asset Reconstruction and Securitisation Company Limited**
4. Category / Sub-Category of the Company: **Public Company / Limited by shares**
5. Address of the Registered Office and contact details:

**D.No.1-55, Raja Praasadamu,
4th Floor, Wing-I,
Masjid Banda Road,
Kondapur,
Hyderabad – 500 084.
Tel: 040-41413333
Fax: 040-41413301**

6. Whether listed Company: **No**
7. Name, Address and Contact details of Registrar and Transfer Agent, if any:

**KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
Tel: 040-67161700
Fax: 040-23114087
Toll Free No. 1800-309-4001**

II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the Company are given below:

S.No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1	Other financial service activities, except insurance and pension funding activities	64990	100%

III. Particulars of Holding, Subsidiary and Associate Company: NIL

IV. Shareholding 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 [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4104101	-	4104101	41.04	4369101	-	4369101	43.69	+2.65
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	150000	-	150000	1.50	150000	-	150000	1.50	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A1)	4254101	-	4254101	42.54	4519101	-	4519101	45.19	+2.65
(2) Foreign									
a) Individual/ HUF	1689753	1295636	2985389	29.85	1709753	1295636	3005389	30.05	+0.20
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A2)	1689753	1295636	2985389	29.85	1709753	1295636	3005389	30.05	+0.20
Total shareholding of Promoter A(1+2)	5943854	1295636	7239490	72.39	6228854	1295636	7524490	75.24	+2.85
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1600000	-	1600000	16.00	1600000	-	1600000	16.00	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1600000	-	1600000	16.00	1600000	-	1600000	16.00	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	150000	25000	175000	1.75	150000	25000	175000	1.75	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual share holders holding nominal share capital upto Rs. ₹ lakh	10	-	10	0.00	10	-	10	0.00	-
ii) Individual share holders holding nominal share capital in excess of Rs ₹ lakh	605500	360000	965500	9.66	485500	215000	700500	7.01	-2.65
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident									
Indians	-	20000	20000	0.20	-	-	-	-	-0.20
Overseas									
Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	755510	405000	1160510	11.61	635510	240000	875510	8.76	-2.85
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2355510	405000	2760520	27.61	2235510	240000	2475510	24.76	-2.85
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8299364	1700636	10000000	100.00	8464364	1535636	10000000	100.00	-

ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Sri. Motaparti Siva Rama Vara Prasad	1189753	11.89	-	1189753	11.89	-	-
2.	Smt. M. Rajya Lakshmi	1704101	17.04	-	2719101	27.19	-	10.15
3.	Sri.M.Rohit Prasad	500000	5.00	-	600000	6.00	-	1.00
4.	Dr. Murali Krishna Prasad Divi	1570000	15.70	-	1570000	15.70	-	-
5.	Smt. Swarna Latha Divi	415000	4.15	-	-	-	-	-4.15
6.	Sri. Satchandra Kiran Divi	415000	4.15	-	-	-	-	-4.15
7.	Sri.Mukesh Kumar Manubhai Patel	523909	5.24	-	523909	5.24	-	-
8.	Sri.Bimal Manubhai Patel	523909	5.24	-	523909	5.24	-	-
9.	Smt. Sushilaben Patel	123909	1.24	-	123909	1.24	-	-
10.	Smt. Mina H Patel	123909	1.24	-	123909	1.24	-	-
11.	M/s.Design Tribe India Pvt. Ltd	150000	1.50	-	150000	1.50	-	-
		7239490	72.39	-	7524490	75.24	-	+2.85

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	No. of Shares at the beginning of the year	% of total shares	Date	Increase / Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	% change in share holding during the year
1.	Sri. Motaparti Siva Rama Vara Prasad	1189753	11.89	-	-	-	1189753	-
2.	Smt. M. Rajya Lakshmi	1704101	17.04	19.06.2020 12.08.2020 21.10.2020 03.11.2020 20.11.2020	+25000 +120000 +445000 +415000 +10000	Transfer	2719101	+10.15
3.	Sri.M.Rohit Prasad	500000	5.00	15.07.2020	+100000	Transfer	600000	+1.00
4.	Dr. Murali Krishna Prasad Divi	1570000	15.70	-	-	-	1570000	-
5.	Smt. Swarna Latha Divi	415000	4.15	-	-415000	Transfer	-	-4.15
6.	Sri. Satchandra Kiran Divi	415000	4.15	-	-415000	Transfer	-	-4.15
7.	Sri.Mukesh Kumar Manubhai Patel	523909	5.24	-	-	-	523909	-
8.	Sri.Bimal Bhai Manubhai Patel	523909	5.24	-	-	-	523909	-
9.	Smt. Sushilaben Patel	123909	1.24	-	-	-	123909	-
10.	Smt. Mina H Patel	123909	1.24	-	-	-	123909	-
11.	M/s.Design Tribe India Pvt. Ltd	150000	1.50	-	-	-	150000	-
		7239490	72.39	-	285000	-	7524490	+2.85

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	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
1	Punjab National Bank				
	Opening balance:	1000000	10.00	1000000	10.00
	Transaction during the year:	-	-	-	-
	Closing balance:			1000000	10.00
2	UCO Bank				
	Opening balance:	500000	5.00	500000	5.00
	Transaction during the year:	-	-	-	-
	Closing balance:			500000	5.00
3	M/s.Zen Securities Ltd				
	Opening balance:	150000	1.50	150000	1.50
	Transaction during the year:	-	-	-	-
	Closing balance:			150000	1.50
4	Smt. Radhika Donepudi				
	Opening balance:	109000	1.09	109000	1.09
	Transaction during the year:	-	-	-	-
	Closing balance:			109000	1.09
5	Union Bank of India				
	Opening balance:	100000	1.00	100000	1.00
	Transaction during the year:	-	-	-	-
	Closing balance:			100000	1.00
6	Sri. D. Babu Rao				
	Opening balance:	100000	1.00	100000	1.00
	Transaction during the year:	-	-	-	-
	Closing balance:			100000	1.00
7	Sri. Balasubramanian M.K.				
	Opening balance:	100000	1.00	100000	1.00
	Transaction during the year:	-	-	-	-
	Closing balance:			100000	1.00
8	Sri. Satish Kantheti				
	Opening balance:	50000	0.50	50000	0.50
	Transaction during the year:	-	-	-	-
	Closing balance:			50000	0.50
9	Smt.Venkata Kameshwari Lakshmi Kumari				
	Opening balance:	50000	0.50	50000	0.50
	Transaction during the year:	-	-	-	-
	Closing balance:			50000	0.50
10	Smt. Sasi Rekha Devineni				
	Opening balance:	50000	0.50	50000	0.50
	Transaction during the year:	-	-	-	-
	Closing balance:			50000	0.50

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Director and each Key Managerial Personnel	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:				
	a) Directors:				
	Sri. Motaparti Siva Rama Vara Prasad	1189753	11.89	1189753	11.89
	Sri. M. Gopala Krishnaiah	10	0.00	10	0.00
	b) Key Managerial Personnel	Nil			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No other change in the shareholding pattern of Directors			

V) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2020)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	24.24	-	-	24.24
* Reduction	-	-	-	-
Net Change	24.24	-	-	24.24
Indebtedness at the end of the financial year (31.03.2021)				
i) Principal Amount	24.24	-	-	24.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	24.24	-	-	24.24

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Sri. M. Gopala Krishnaiah, WTD	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.70	20.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others: Conveyance, Medical expenditure, etc.	-	-
	Total (A)	20.70	20.70

B. Remuneration to other directors:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Fee for attending board committee meetings	Commission	Others, please specify	Total
1	Independent Directors				
	1. Sri. D. Seetharamaiah	0.60	-	-	0.60
	2. Dr. Pamidi Kotaiah	7.00	-	-	7.00
	3. Sri. Vepa Kamesam	6.10	-	-	6.10
	4. Ms. K. Sujatha Rao	2.00	-	-	2.00
	5. Sri. Richard B Saldanha	3.80	-	-	3.80
	6. Sri Koteswara Rao SSR	5.10	-	-	5.10
	Total (1)	24.60	-	-	24.60
2	Other Non-Executive Directors				
	1. Sri. M. Siva Rama Vara Prasad	6.80	-	-	6.80
	2. Sri. Vinayak Krishna Sardeshpande	1.00	-	-	1.00
	Total (2)	7.80	-	-	7.80
	Total (B)=(1+2)	32.40	-	-	32.40
	Total Managerial Remuneration (A+B)	53.10	-	-	53.10
	Overall Ceiling as per the Act	NA			

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		Sri. Ch. Rama Prasad, CEO	Sri. V. S. Ranga Rao, CFO	Smt. V. Vani, CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37.95	18.40	14.49	70.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others	3.30	1.45	1.20	5.95
	Total	41.25	19.85	15.69	76.79

VII. Penalties / Punishment / Compounding of Offence: Nil

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			NIL		
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other Officers in default					
Penalty			NIL		
Punishment					
Compounding					

INDEPENDENT AUDITORS' REPORT

To
The Members of
Pridhvi Asset Reconstruction and Securitisation Company limited,
Hyderabad

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Pridhvi Asset Reconstruction and Securitisation Company limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014, of the state of affairs of the Company as at 31st March, 2021, and its Profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board of Directors' Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statement and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure- A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 Statement of Cash Flow dealt with by this Report are in agreement with the relevant 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 March 31, 2021 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations that would impact its financial position.
 - 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.

For **C V Ramana Rao & Co.**
Chartered Accountants
Firm Regn No. 002917S

(G. Rajasekhar)
Partner
Membership No.236023
UDIN: 21236023AAAAAU7968

Place : Sambalpur
Date : 26.06.2021

Annexure-A to the Independent Auditors' Report

The **Annexure A** referred to in our Independent Auditor's report of even date, to the members of **Pridhvi Asset Reconstruction and Securitisation Company Limited, Hyderabad** for the year ended 31 March 2021. We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year. According to the information furnished to us, no material discrepancies have been noticed on such verification.
- c) According to the Information and explanations given to us and on the basis of our examination of the records of the company, the title deeds in respect of all immovable properties are held in the name of the company.
- ii) Physical verification of inventory is not applicable to the company due to nature of its business. Consequently, Paragraph 3(ii) of the order is not applicable to the company.
- iii) During the year the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, the company has neither given any loans to the directors or any other persons in whom the director(s) is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013. The investment made by the company in an earlier year does not exceed the limits prescribed under section 186 of the Companies Act, 2013. Consequently, paragraph 3 (iv) of the Order are not applicable
- v) The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under; do not apply to the Company.
- vi) Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.
- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

- b) As at 31st March, 2021, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Goods and Services Tax, duty of customs, duty of excise, value added tax and Cess.
- viii) According to the records of the Company examined by us and the information given to us, the company has availed the loan facility from nationalized bank and not defaulted in repayment.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). No term loans were raised during the year under report. Consequently, the paragraph 3(ix) of the order does not apply.
- x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the company is not a Nidhi Company. Consequently, the paragraph 3(xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 187 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Accounting Standards are disclosed in the financial statements.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review. Consequently, the paragraph 3(xiv) of the order is not applicable.
- xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them during the year under report. Consequently, the paragraph 3(xv) of the order is not applicable.
- xvi) According to the information and explanations given to the Company is exempted from registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **C V Ramana Rao & Co.**
Chartered Accountants
Firm Regn No. 002917S

(G. Rajasekhar)
Partner
Membership No.236023
UDIN: 21236023AAAAAU7968

Place : Sambalpur
Date : 26.06.2021

Annexure-B to the Independent Auditors' Report

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 **Pridhvi Asset Reconstruction and Securitisation Company Limited, Hyderabad** ("the Company") as of 31st March, 2021 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 Board of directors of the company 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 ('ICAI'). 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 internal financial controls over financial reporting of the company 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") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of Ind AS 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 (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, 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 **C V Ramana Rao & Co.**
Chartered Accountants
Firm Regn No. 002917S

(G. Rajasekhar)
Partner
Membership No.236023
UDIN: 21236023AAAAAU7968

Place : Sambalpur
Date : 26.06.2021

Balance Sheet as at 31st March, 2021

(₹ In Lakhs)

Particulars	Note	As at 31.03.2021	As at 31.03.2020
Equity and Liabilities			
i) Share holders' funds			
Share Capital	02	10000.00	10000.00
Reserves and Surplus	03	2547.27	1220.81
		12547.27	11220.81
ii) Non-current Liabilities			
Long-term borrowings	04	-	-
Deferred tax liability	29	-	-
Other long-term liabilities	05	-	-
		-	-
iii) Current Liabilities			
Short-term borrowings	06	2423.87	-
Trade Payables	07	-	-
Other current Liabilities	08	2253.56	2405.85
Short-term provisions	09	36.15	20.56
		4713.58	2426.41
Total		17260.85	13647.22
Assets			
1) Non-current Assets			
i) Property, Plant & Equipment			
Tangible Assets	10	561.42	581.96
Intangible Assets		5.30	14.85
		566.72	596.81
ii) Non-current investments			
Deferred Tax Asset (Net)	11	7880.76	4949.78
Long-term loans and advances	29	39.35	1.35
Long-term loans and advances	12	0.97	2.12
Other non-current assets	13	4.71	4.72
Other Investments	14	1740.11	1740.11
2) Current Assets			
Current investments		9665.90	6698.08
Current investments	11	5495.34	3605.70
Trade Receivables	15	1031.82	1170.66
Cash and bank balances	16	292.61	1289.76
Short-term loans and advances	12	14.87	13.92
Other current assets	13	193.59	272.29
		7028.23	6352.33
Total		17260.85	13647.22
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **C V Ramana Rao & Co**
Chartered Accountants
Firm Reg.No.002917S

G. Rajasekhar
Partner
Membership No.236023

Place: Sambalpur
Date: 26.06.2021

For and on behalf of the Board

M. Siva Rama Vara Prasad
Director

Ch. Rama Prasad
Chief Executive Officer

Place: Hyderabad
Date: 26.06.2021

V.S. Ranga Rao
Chief Financial Officer

M. Gopala Krishnaiah
Whole time Director

V. Vani
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2021

(₹ In Lakhs)

Particulars	Note	Year ended 31.03.2021	Year ended 31.03.2020
Income			
Revenue from operations	17	2788.27	1509.38
Other income	18	30.18	118.68
Total revenue (I)		2818.45	1628.06
Expenses			
Employee benefits expense	19	226.97	243.49
Finance Cost	20	217.54	86.23
Depreciation	10	37.01	42.07
Other expenses	21	544.56	1110.92
Total expenses (II)		1026.08	1482.71
Profit before tax and exceptional items (I) - (II)		1792.37	145.35
Exceptional items		-	-
Profit after exceptional items and before tax		1792.37	145.35
Tax expenses			
Current tax		496.73	79.94
Income Tax for earlier years		7.18	35.74
Deferred tax	29	(38.00)	(45.32)
Total tax expenses		465.91	70.36
Profit after tax		1326.46	74.99
Earnings per equity share (Face Value Rs.100/- each)			
Basic & Diluted	28	13.26	0.75

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **C V Ramana Rao & Co**
Chartered Accountants
Firm Reg.No.002917S

G. Rajasekhar
Partner
Membership No.236023

Place: Sambalpur
Date: 26.06.2021

For and on behalf of the Board

M. Siva Rama Vara Prasad
Director

Ch. Rama Prasad
Chief Executive Officer

Place: Hyderabad
Date: 26.06.2021

V.S. Ranga Rao
Chief Financial Officer

M. Gopala Krishnaiah
Whole time Director

V. Vani
Company Secretary

Cash flow statement for the year ended 31st March, 2021

(₹ In Lakhs)

S.No.	Particulars	As at 31.03.2021	As at 31.03.2020
A.	Cash flow from operating activities:		
	Profit/(Loss) for the year before Tax	1792.37	145.35
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation of property, plant and equipment	37.01	42.07
	Finance costs	217.54	86.23
	Receivable from trusts written off	200.35	116.29
	Security Receipts written off	-	697.02
	Provision made for down grade in rating of SRs	181.12	164.11
	Rental Income from investments	(5.53)	(10.24)
	Operating profit before working capital changes	2422.86	1240.83
	Movement in Working Capital:		
	(Increase)/Decrease in Trade receivables	(61.50)	(351.32)
	(Increase)/Decrease in Current assets	78.92	(153.59)
	(Increase)/Decrease in Current liabilities	(136.70)	(234.79)
	(Increase)/Decrease in Trade and other payables	-	(400.00)
	Cash generated from operations	2303.58	101.13
	Income tax (paid)/refund	(503.91)	115.68
	Net Cash generated in operations	1799.67	(14.55)
B.	Cash flow from investing activities:		
	Sale of investments	-	-
	Sale of fixed assets	0.10	2.00
	Additions of property, plant & equipment	(7.02)	(0.15)
	Amount received from Security Receipts (on redemption by trusts)	248.25	1305.90
	Amount paid towards Security Receipts	(5250.00)	(1210.23)
	Rental Income from investments	5.53	10.24
	Net cash flows used in investing activities	(5003.14)	107.76
C.	Cash flow from financing activities:		
	Secured loan from bank	2423.86	(0.16)
	Finance Costs	(217.54)	(86.23)
	Dividend and dividend distribution tax	-	(1205.55)
	Net cash flows/(used in) financing activities	2206.32	(1291.94)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(997.15)	(1198.73)
	Opening balance of cash and cash equivalents	1289.76	2488.49
	Closing balance of cash and cash equivalents	292.61	1289.76

Note: 1 Cash and cash equivalents include deposit of ₹ 20.02 lakhs in HDFC Bank, being amount paid by Keygien Global Ltd., in PARAS-SBIKG-033 Trust as per the order dated 04.08.2015 of DRT II, Mumbai. The deposit is placed for 91 days with auto renewal facility.

Note: 2 Cash and cash equivalents include deposits of ₹ 267.03 lakhs deposited by the company with Union Bank of India as cash collateral for SOD limit of ₹ 50 Crores sanctioned by bank.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For **C V Ramana Rao & Co**

Chartered Accountants

Firm Reg.No.002917S

M. Siva Rama Vara Prasad

Director

M. Gopala Krishnaiah

Whole time Director

G. Rajasekhar

Partner

Membership No.236023

Ch. Rama Prasad

Chief Executive Officer

V.S. Ranga Rao

Chief Financial Officer

V. Vani

Company Secretary

Place: Sambalpur

Date: 26.06.2021

Place: Hyderabad

Date: 26.06.2021

Notes on financial statements for the year ended 31st March, 2021

1. Summary of significant accounting policies

I. Basis of Preparation:

The accounting and reporting policies of the company are framed to comply with the Generally Accepted Accounting Principles (GAAP) in India, the guidelines and accounting standards issued by the Reserve Bank of India from time to time and the provisions of the Companies Act 2013. Financial statements are prepared under historical cost convention and all income and expenditure are accounted on accrual basis, except otherwise stated.

II. Principal Accounting Policies:

Revenue Recognition:

- i) Interest on bank deposits is recognized on accrual basis.
- ii) Interest income in respect of restructured /rescheduled financial assets which are held in the books of the company is recognized on accrual basis as long as the asset remains performing.
- iii)
 - a) Income from financial assets held in trusts is recognised after redemption of the entire principal amount of Security Receipts.
 - b) Upside income is recognised only after full redemption of Security Receipts.
- iv)
 - a) Management fee in respect of accounts acquired and held in trusts is recognized in the first year at the time of acquisition. For subsequent periods management fee is recognized only when the fee recognized earlier is realized in full. Any such management fee recognised during the planning period (planning period is 6 months from the date of acquisition) is reversed if the same is not recovered within 180 days from the date of expiry of the planning period. Likewise, management fee recognized after the planning period is reversed if the same is not realised within 180 days from the date of recognition. Further, any unrealized management fee is reversed if NAV of the Security Receipts of the financial asset falls below 50% of the face value below the prescribed time for realization.
 - b) Sale proceeds of secured assets/OTS payments/instalments of rescheduled debts are appropriated first towards expenses incurred for formation of trusts (either reversed or outstanding in account recoverable from trust), management fee (either reversed or outstanding in account recoverable from trust), other expenses, outstanding acquisition cost and the balance amount, if any, is recognized as gain.
 - c) Interest on expenses incurred in accounts held in trust(s) as a trustee is accounted for as and when amount is realized as per the terms of trust deed.

III. Asset classification and provisioning there on:

The company shall classify the financial assets acquired and held in the books of the company and make necessary provisions against non-performing assets, as per the guidelines issued by Reserve Bank of India from time to time.

IV. Rating of Security Receipts:

Security Receipts issued by the Trusts are rated by accredited Rating Agencies periodically as per guidelines of Reserve Bank of India.

V. Investments / Valuation of Security Receipts:

Investments in Security Receipts are aggregated for the purpose of arriving at net depreciation/ appreciation of investments under the category. Net depreciation if any, is provided for and net appreciation is ignored. Investments in SRs held by the company are treated as "Available for Sale Category."

VI. Property, Plant & Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes purchase cost and all expenditure such as installation costs incurred on the assets before it is put to use.

Depreciation is charged on straight line method in accordance with rates specified in Schedule II of the Companies Act, 2013.

Intangible Assets are amortized over a period of three years.

VII. Employee benefits:

The Company makes annual contribution to Gratuity Fund and Leave Encashment Fund administered by trustees and managed by LIC of India based on actuarial valuation done every year.

VIII. Pre-Acquisition Expenditure on Financial Assets:

Expenses incurred at pre-acquisition stage for performing due diligence etc., for acquiring financial assets from banks/FIs are expensed immediately by recognizing the same in the statement of Profit and Loss for the period in which such costs are incurred.

IX. Expenditure incurred after acquisition of Assets:

Expenses incurred after acquisition of assets on the formation of trusts like stamp duty, registration etc., which are recoverable from the trusts are charged to the respective trust accounts and the same are reversed if not realized within 180 days from the planning period or if the NAV of SRs falls below 50% of the face value, whichever is earlier.

X. Earnings per share:

The basic EPS is computed by dividing the net profit attributable to the equity shareholders by weighted average number of shares outstanding during the reporting year.

XI. Operating cycle concept under schedule III:

Liabilities due within one year are classified as "current liabilities" and assets maturing within one year along with cash and bank balances as "current assets".

Notes to financial statements for the year ended 31st March, 2021

2. Share capital

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Authorized shares 15,000,000 equity shares of ₹100/- each	15000.00	15000.00
Issued, subscribed and fully paid-up shares 10,000,000 equity shares of ₹100/- each	10000.00	10000.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(₹ in Lakhs)

Equity Shares	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
At the beginning of the period	10,000,000	10000.00	10,000,000	10000.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000,000	10000.00	10,000,000	10000.00

b. Rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 100/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend, if any, recommended by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.

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

Equity Shares	As at 31.03.2021		As at 31.03.2020	
	Number	% holding	Number	% holding
Smt.M.Rajya Lakshmi	2,719,101	27.19%	1,704,101	17.04%
Dr.Murali Krishna Prasad Divi	1,570,000	15.70%	1,570,000	15.70%
Sri.M.Siva Rama Vara Prasad	1,189,753	11.90%	1,189,753	11.90%
Punjab National Bank	1,000,000	10.00%	1,000,000	10.00%
Sri.M.Rohit Prasad	600,000	6.00%	500,000	5.00%
Sri. Mukesh Kumar Manubhai Patel	523,909	5.24%	523,909	5.24%
Sri. Bimal Bhai Manubhai Patel	523,909	5.24%	523,909	5.24%

d. Shares reserved for issue under options

The Company has not reserved any shares for issue under Employees Stock Option Scheme (ESOP).

e. In respect of the year ended 31st March 2021, the Board of Directors has proposed a dividend of ₹ 10/- per share (previous year 2019-20: Nil), subject to the approval by the share-holders at the ensuing Annual General Meeting after which the dividend would be accounted and paid out of the retained earnings available for distribution in accordance with the provisions of the Act.

Notes to financial statements for the year ended 31st March, 2021

3. Reserves and Surplus

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
A. General Reserve		
Balance as per the last financial statement	725.00	725.00
Add: Amount transferred from surplus in the statement of profit and loss	275.00	-
Total (A)	1000.00	725.00
B. Surplus in the statement of profit and loss		
Balance as per last financial statements	495.81	1626.37
Profit for the year	1326.46	74.99
	1822.27	1701.36
Less: Appropriations		
Dividend for FY 2018-19	-	1000.00
Dividend Distribution Tax	-	205.55
Transfer to general reserve	275.00	-
Total appropriations	275.00	1205.55
Net surplus in the statement of profit and loss	1547.27	495.81
Total reserves and surplus (A)+(B)	2547.27	1220.81

4. Long-term borrowings (Secured)

(₹ in Lakhs)

Particulars	Non-current portion		Current portion	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Total	-	-	-	-

5. Other Long-term liabilities & provisions

(₹ in Lakhs)

Particulars	Non-current portion		Current portion	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Total	-	-	-	-

Notes to financial statements for the year ended 31st March, 2021

6. Short-term borrowings (Secured)

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Overdraft from Union Bank of India	2423.87	-
Total	2423.87	-

Overdraft is secured by way of pledge of Security Receipts to the extent of 150% of the overdraft amount and hypothecation of present and future Financial Assets. Further secured by cash collateral of 5% of the limit and personal guarantee of Sri.M.S.R.V Prasad, Director. Rate of interest is 1-year MCLR (7.20%) + 2.00% p.a.= 9.20% p.a. Over Draft limit is ₹ 50.00 Crores and renewable every year.

7. Trade payables

(₹ in Lakhs)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Details	₹	Details	₹
(A) Total outstanding dues of Micro and Small Enterprises	-	-	-	-
(B) Total outstanding dues other than Micro and Small Enterprises	-	-	-	-
Total	-	-	-	-

Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the information available with the company regarding the status of suppliers.

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Principal amount and interest due thereon remaining unpaid but not due as at year end	NIL	NIL
(b) Interest paid in terms of Section 16 of MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year not due as at year end	NIL	NIL
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	NIL	NIL
(d) Interest accrued and remaining unpaid at the end of the year	NIL	NIL
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

Notes to financial statements for the year ended 31st March, 2021

8. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Money received against sale of Assets/OTS	2149.21	2253.54
Money payable to trusts *	20.02	19.23
Money payable to Sekhar Stores	21.52	21.67
Interest due on Inter Corporate Loans	-	-
Other Payables		
i) Statutory Dues		
a) Tax Deducted at Source	11.03	87.70
b) Profession Tax	0.03	-
c) Goods and Service Tax	38.07	8.68
ii) Others	13.68	15.03
Total	2253.56	2405.85

*Note: ₹ 15 lakhs received and placed in as a deposit in a bank with auto renewal every 91 days as per Court direction in PARAS-SBIKG-033 Trust (Present value ₹ 20.02 lakhs).

9. Short term provisions

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Gratuity and Leave encashment premium payable to LIC	8.03	20.56
Income tax payable net of prepaid taxes	28.12	-
Total	36.15	20.56

Notes to financial statements for the year ended 31st March, 2021

10. Property, Plant & Equipment

(₹. In Lakhs)

Description	Gross Block			Depreciation			Net Block		
	As at 31.03.2020	Additions	Deletions	As at 31.03.2021	For the Year	Deletions	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
A- Tangible Assets									
Buildings	586.68	-	-	586.68	9.29	-	74.05	512.63	521.92
Furniture and Fixtures	137.11	-	-	137.11	12.73	-	97.36	39.75	52.48
Data Processing Equipment	23.75	4.44	1.99	26.20	1.27	1.89	21.51	4.69	1.62
Office Equipment	15.79	-	-	15.79	0.01	-	15.21	0.58	0.59
Vehicles	20.87	-	-	20.87	1.58	-	17.10	3.77	5.35
Library	0.22	-	-	0.22	-	-	0.22	-	-
Total	784.42	4.44	1.99	786.87	24.88	1.89	225.45	561.42	581.96
Previous year	792.27	0.04	7.89	784.42	25.40	5.89	202.46	581.96	609.32

B- Intangible Assets

Description	Gross Block			Depreciation			Net Block		
	As at 31.03.2020	Additions	Deletions	As at 31.03.2021	For the Year	Deletions	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Computer software	56.22	2.58	-	58.80	12.13	-	53.50	5.30	14.85
Total	56.22	2.58	-	58.80	12.13	-	53.50	5.30	14.85
Previous Year	56.11	0.11	-	56.22	16.67	-	41.37	14.85	31.41
Grand Total	840.64	7.02	1.99	845.67	37.01	1.89	278.95	566.72	596.81

Notes to financial statements for the year ended 31st March, 2021

11. Investments

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Investment in special purpose vehicles (valued at cost and fully paid up unless stated otherwise) Unquoted security receipts				
1) PARAS-IOBPF -027 Trust 39 (31 st March 2020: 39) SRs of ₹1,00,000/- each	-	-	39.00	39.00
2) PARAS-VJBPF-028 Trust 4966 (31 st March 2020: 4966) SRs of ₹1,000/- each	-	-	49.66	49.66
3) PARAS-RTP-032 Trust 3575 (31 st March 2020: 3575) SRs of ₹1,000/- each	-	-	35.75	35.75
4) PARAS-SBIG-033 Trust 2457 (31 st March 2020: 2457) SRs of ₹10,000/- each	245.70	245.70	-	-
5) PARAS-RRSPG-034 Trust 1302 (31 st March 2020: 1302) SRs of ₹10,000/- each	-	-	130.20	130.20
6) PARAS-SBH2015-035 Trust 39960 (31 st March 2020: 42735) SRs of ₹1,000/- each	-	-	399.60	427.35
7) PARAS-SBH-2015-036 Trust 723 (31 st March 2020: 723) SRs of ₹10,000/- each	-	-	72.30	72.30
8) PARAS-RRSPGII-037 Trust 698 (31 st March 2020: 698) SRs of ₹10,000/- each	-	-	69.80	69.80
9) PARAS-SPML-038 Trust 3924 (31 st March 2020: 3924) SRs of ₹10,000/- each	-	-	392.40	392.40
10) PARAS-MACL-039 Trust 30105 (31 st March 2020: 30105) SRs of ₹1,000/- each	301.05	301.05	-	-
11) PARAS-SPEPL-040 Trust 3105 (31 st March 2020: 3105) SRs of ₹1,000/- each	-	31.05	31.05	-
12) PARAS-MSL-046 Trust 375 (31 st March 2020: 375) SRs of ₹1,00,000/- each	-	375.00	375.00	-
13) PARAS-ATL-047 Trust 3105 (31 st March 2020: 3105) SRs of ₹1,000 /- each	-	-	31.05	31.05
14) PARAS-SPPL-049 Trust 3808 (31 st March 2020: 3808) SRs of ₹10,000/- each	-	-	380.80	380.80
15) PARAS-HLPL-050 Trust 108 (31 st March 2020: 108) SRs of ₹10,000/- each	-	-	10.80	10.80
16) PARAS-KGF-051 TRUST 658 (31 st March 2020: 1378) SRs of ₹10,000/- each	-	-	65.80	137.80
17) PARAS-CMI-052 Trust 17640 (31 st March 2020: 17640) SRs of ₹1000/- each	-	-	176.40	176.40
CF	546.75	952.80	2259.61	1953.31

Notes to financial statements for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
BF	546.75	952.80	2259.61	1953.31
18) PARAS-SPPOBC-053 Trust 30402 (31 st March 2020: 30402) SRs of ₹1000/- each	-	-	304.02	304.02
19) PARAS-VMC-054 Trust 231 (31 st March 2020: 231) SRs of ₹1,00,000/- each	-	231.00	231.00	-
20) PARAS-SOUB-055 Trust 234 (31 st March 2020: 234) SRs of ₹1,00,000/- each	234.00	234.00	-	-
21) PARAS-DB2016-056 Trust 12757 (31 st March 2020: 12757) SRs of ₹1000/- each	-	-	127.57	127.57
22) PARAS-RVS-059 Trust 229 (31 st March 2020: 229) SRs of ₹100,000/- each	-	-	229.00	229.00
23) PARAS-MLA-060 Trust 120 (31 st March 2020: 120) SRs of ₹1,000/- each	-	-	1.20	1.20
24) PARAS-JSL-061 Trust 44715 (31 st March 2020: 44715) SRs of ₹1,000/- each	-	-	447.15	447.15
25) PARAS-DIL-062 Trust 92 (31 st March 2020: 92) SRs of ₹1,00,000/- each	42.00	92.00	50.00	-
26) PARAS-AWL-065 Trust 480 (31 st March 2020: 480) SRs of ₹1,00,000/- each	480.00	480.00	-	-
27) PARAS-VBI-067 Trust 4050 (31 st March 2020: 4050) SRs of ₹1,000/- each	40.50	40.50	-	-
28) PARAS-MAIPL-071 Trust 5804 (31 st March 2020: 8399) SRs of ₹1,000/- each	-	-	58.04	83.99
29) PARAS-VHPL-072 Trust 459 (31 st March 2020: 459) SRs of ₹1,00,000/- each	459.00	459.00	-	-
30) PARAS-SIPPL-073 Trust 99 (31 st March 2020: 99) SRs of ₹1,00,000/- each	99.00	99.00	-	-
31) PARAS-ST-074 Trust 4725 (31 st March 2020: 4725) SRs of ₹1,000/- each	47.25	47.25	-	-
32) PARAS-VEAL-075 Trust 8325 (31 st March 2020: 8325) SRs of ₹1,000/- each	83.25	83.25	-	-
33) PARAS-SBPL-076 Trust 8655 (31 st March 2020: 8655) SRs of ₹1,000/- each	86.55	86.55	-	-
34) PARAS-APM-079 Trust 2145 (31 st March 2020: 3330) SRs of ₹1,000/- each	-	-	21.45	33.30
35) PARAS-SSDF-080 Trust 465 (31 st March 2020: 465) SRs of ₹1,000/- each	-	-	4.65	4.65
CF	2118.30	2805.35	3733.69	3184.19

Notes to financial statements for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
BF	2118.30	2805.35	3733.69	3184.19
36) PARAS-SRPL-081 Trust 4830 (31 st March 2020: 4830) SRs of ₹1,000/- each	-	-	48.30	48.30
37) PARAS-DTPL-082 Trust 31500 (31 st March 2020: 31500) SRs of ₹1,000/- each	315.00	315.00	-	-
38) PARAS-AB2017-083 Trust 315 (31 st March 2020: 2040) SRs of ₹1,000/- each	-	-	3.15	20.40
39) PARAS-MRC-084 Trust 825 (31 st March 2020: 825) SRs of ₹1,000/- each	-	-	8.25	8.25
40) PARAS-SPKHL-085 Trust 30120 (31 st March 2020: 30120) SRs of ₹1,000/- each	201.20	201.20	100.00	100.00
41) PARAS-VAP-086 Trust 3525 (31 st March 2020: 3525) SRs of ₹1,000/- each	35.25	35.25	-	-
42) PARAS-VLT-089 Trust 17265 (31 st March 2020: 17265) SRs of ₹1,000/- each	172.65	172.65	-	-
43) PARAS-RC-090 Trust 1965 (31 st March 2020: 2625) SRs of ₹1,000/- each	-	-	19.65	26.25
44) PARAS-CRD-092 Trust 3750 (31 st March 2020: 3750) SRs of ₹1,000/- each	-	-	37.50	37.50
45) PARAS-GS-093 Trust 3450 (31 st March 2020: 3450) SRs of ₹1,000/- each	-	-	34.50	34.50
46) PARAS-SPMPL-094 Trust 2550 (31 st March 2020: 10050) SRs of ₹1,000/- each	-	-	25.50	100.50
47) PARAS-NPPL-095 Trust 11055 (31 st March 2020: 11700) SRs of ₹1,000/- each	60.55	117.00	50.00	-
48) PARAS-DFPPL-096 Trust 13500 (31 st March 2020: 13500) SRs of ₹1,000/- each	135.00	135.00	-	-
49) PARAS-VCMPL-097 Trust 5475 (31 st March 2020 :5475) SRs of ₹1,000/- each	-	-	54.75	54.75
50) PARAS-VPPL-099 Trust 12002 (31 st March 2020 :12002) SRs of ₹1,000/- each	120.02	120.02	-	-
51) PARAS-GTKVB-100 Trust 2445 (31 st March 2020: 2445) SRs of ₹10,000/- each	194.50	244.50	50.00	-
52) PARAS-RTKVB-101 Trust 1725 (31 st March 2020: 1725) SRs of ₹1,000/- each	17.25	17.25	-	-
53) PARAS-ATKVB-102 Trust 1155 (31 st March 2020: 1155) SRs of ₹10,000/- each	115.50	115.50	-	-
54) PARAS-NTKVB-103 Trust 39573 (31 st March 2020: 39573) SRs of ₹1,000/- each	195.73	395.73	200.00	-
55) PARAS-SNV-104 Trust 3675 (31 st March 2020: 3675) SRs of ₹1,000/- each	36.75	36.75	-	-
56) PARAS-SVRTC-105 Trust 3675 (31 st March 2020: 3675) SRs of ₹1,000/- each	36.75	36.75	-	-
CF	3754.45	4747.95	4365.29	3614.64

Notes to financial statements for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
BF	3754.45	4747.95	4365.29	3614.64
57) PARAS-HCT-106 Trust 195) (31 st March 2020: 195) SRs of ₹10,000/- each	19.50	19.50	-	-
58) PARAS-SVCM-107 Trust 1725) (31 st March 2020: 1725) SRs of ₹1,000/- each	17.25	17.25	-	-
59) PARAS-VNCT-108 Trust 342) (31 st March 2020: 342) SRs of ₹10,000/- each	34.20	34.20	-	-
60) PARAS-SLNGM-109 Trust 2985 (31 st March 2020: 3525) SRs of ₹1,000/- each	-	35.25	29.85	-
61) PARAS-SAA-110 Trust 3405 (31 st March 2020: 3405) SRs of ₹1,000/- each	34.05	34.05	-	-
62) PARAS-MGP-111 Trust 30 (31 st March 2020: 30) SRs of ₹1,00,000/- each	30.00	30.00	-	-
63) PARAS-CEF-112 Trust 15 (31 st March 2020: 15) SRs of ₹1,00,000/- each	-	15.00	15.00	-
64) PARAS-SKE-113 Trust 5625 (31 st March 2020: 5625) SRs of ₹1,000/- each	56.25	56.25	-	-
65) PARAS-SEKVB-114 Trust 27 (31 st March 2020: 27) SRs of ₹1,00,000/- each	27.00	27.00	-	-
66) PARAS-MKS-115 Trust 135 (31 st March 2020: 135) SRs of ₹10,000/- each	13.50	13.50	-	-
67) PARAS-SSKVB-116 Trust 45 (31 st March 2020: 45) SRs of ₹1,00,000/- each	45.00	45.00	-	-
68) PARAS-KMMT-117 Trust 30 (31 st March 2020: 30) SRs of ₹1,00,000/- each	30.00	30.00	-	-
69) PARAS-FAPL-118 Trust 5250 (31 st March 2020: Nil) SRs of ₹1,00,000/- each	4050.00	-	1200.00	-
Total	8111.20	5104.95	5610.14	3614.64
Less: Provision on SRs due to down grade in rating	230.44	155.17	114.80	8.94
Total of investments in SRs net of provisions	7880.76	4949.78	5495.34	3605.70

Out of the above total SRs of ₹133.76 crores outstanding as on 31.3.2021 (₹85.55 crores as on 31.03.2020). SRs of ₹80.75 crs are pledged with Union Bank of India. (₹57.25 crores as on 31.03.2020)

Notes to financial statements for the year ended 31st March, 2021

12. Loan and Advances

(₹ in Lakhs)

Particulars	Non-Current Portion		Current Portion		Total	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
(A) Financial Assets (Secured considered good)						
Loan Assets (A)	-	-	-	-	-	-
(B) Security Deposits						
Unsecured considered good	0.97	1.53	-	-	0.97	1.53
(B)	0.97	1.53	-	-	0.97	1.53
(C) Other Loans and Advances						
Prepaid Expenses	-	-	14.87	13.92	14.87	13.92
Advance for Expenses	-	0.59	-	-	-	0.59
(C)	-	0.59	14.87	13.92	14.87	14.51
Total (A+B+C)	0.97	2.12	14.87	13.92	15.84	16.04

13. Other Assets

(₹ in Lakhs)

Particulars	Non-Current Portion		Current Portion	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
A. Unsecured and considered good Expenses recoverable from trusts managed by the Company				
Over six months	4.35	4.56	-	-
Others	0.36	0.16	-	-
(A)	4.71	4.72	-	-
B. Others items				
Interest accrued on fixed deposits	-	-	0.12	0.29
Income Tax Refund Receivable	-	-	183.96	271.14
GST Input Tax Receivable	-	-	9.29	0.86
GST - ITC Receivable	-	-	0.22	-
(B)	-	-	193.59	272.29
Total (A +B)	4.71	4.72	193.59	272.29

Notes to financial statements for the year ended 31st March, 2021

14. Other Investments

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Investment in properties	1740.11	1740.11

15. Trade Receivables (Unsecured, considered Good)

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
A. Recoverable from Trusts managed by the Company		
Over six months	757.52	526.65
Others	274.30	643.75
(A)	1031.82	1170.40
B. Other Receivables		
Over six months	-	-
Others – Hackett India	-	0.26
(B)	-	0.26
Total (A)+(B)	1031.82	1170.66

16. Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Cash and cash equivalents		
Balances with Banks		
In current accounts	5.06	1.33
Debit balance in OD account	-	32.05
In fixed deposits *	287.05	1256.19
Cash on hand	0.50	0.19
Total	292.61	1289.76

*Note: Includes deposit of ₹ 15 lakhs (present value ₹ 20.02 lakhs) received and deposited in Bank as per Court direction in PARAS-SBIKG-033 Trust.

Notes to financial statements for the year ended 31st March, 2021

17. Revenue from operations

(₹ in Lakhs)

Particulars	2020-21	2019-20
Interest earned	11.63	3.42
Gain on Redemption of Security Receipts	31.60	805.25
Incentive	42.36	77.57
Income from reversal of NPA accounts	45.67	87.93
Advisory & consultancy / up-front fee	1400.00	30.00
(A)	1531.26	1004.17
Other Financial Services		
Management Fee	1257.01	505.21
(B)	1257.01	505.21
Total (A+B)	2788.27	1509.38

18. Other Income

(₹ in Lakhs)

Particulars	2020-21	2019-20
Interest on FDs with Banks	24.65	108.44
Others	5.53	10.24
Total	30.18	118.68

19. Employee benefits expense

(₹ in Lakhs)

Particulars	2020-21	2019-20
Salaries and wages	208.91	212.50
Contribution to gratuity and leave encashment fund	14.98	28.54
Staff Welfare	3.08	2.45
Total	226.97	243.49

Notes to financial statements for the year ended 31st March, 2021

20. Finance cost

(₹ in Lakhs)

Particulars	2020-21	2019-20
Interest expense		
Term Loan	-	0.78
Overdraft	180.89	0.28
Interest on Inter Corporate Loans	2.21	23.24
Bank charges	34.44	61.93
Total	217.54	86.23

21. Other Expenses

(₹ in Lakhs)

Particulars	2020-21	2019-20
Customer service expenditure	1.94	0.99
Electricity, water and house keeping	7.54	8.69
Rates and taxes, excluding taxes on income	1.91	5.44
Repairs and maintenance		
Plant and Machinery	-	-
Others	22.34	1.34
Vehicle maintenance	2.20	2.99
Office premises maintenance	10.73	10.73
Staff recruitment expenses	-	0.05
Insurance	1.42	1.27
Travelling and conveyance	0.98	7.52
Communication costs	3.13	3.20
Legal and professional charges	27.93	10.92
Directors' sitting fees	35.32	37.17
Printing and stationery	3.74	3.09
Enforcement of security interest (Notice & Publication)	0.69	1.52
Security expenses	3.53	4.19
Advertisement Expenses	10.64	-
Other Finance costs	3.98	-
Contributions under CSR Scheme	11.36	17.64
Reversal of unrealized management fee and expenses	200.35	116.29
Provision on SRs for reduction in NAV	181.13	164.11
Security Receipts written off	-	697.02
Miscellaneous expenses	6.97	10.19
Payment to Auditors		
Audit fee	5.45	5.45
Tax Audit Fee	0.25	-
GST Audit and Certification fee	1.03	1.11
Total	544.56	1110.92

Notes to financial statements for the year ended 31st March, 2021

22. The Security Receipts issued by Trusts which are managed by the Company as managing trustee are being rated by M/s.Brickwork Ratings India Pvt. Ltd., in accordance with the guidelines issued by the Reserve Bank of India for credit rating of SR's of the Trusts.
23. Differences in the number of security receipts between books of accounts and NSDL records are due to non updation in NSDL records.
24. Certain payables are subject to balance confirmations, reconciliation.
25. Employee benefits as per AS -15: As per actuarial valuation as on 31.03.2021 given by Independent Actuary and recognized in the financial statements in respect of employee gratuity and leave encashment benefit schemes.

i. Change in present value of obligation as on 31.03.2021

(₹ in Lakhs)

Particulars	Gratuity	Leave encashment
Present value of obligations as at the beginning of year	25.84	14.77
Interest cost	1.81	1.04
Current service cost	16.52	21.08
Benefits paid	(2.33)	(5.38)
Actuarial (gain)/loss on obligations	(14.71)	(3.16)
Present value of obligation as at end of year	27.13	28.35

ii. Changes in the fair value of plan assets as on 31.03.2021

(₹ in Lakhs)

Particulars	Gratuity	Leave encashment
Fair value of assets as at the beginning of year	5.28	16.38
Acquisition adjustments	5.16	(0.15)
Expected return on plan assets	0.37	1.15
Contributions made during the year	13.14	12.74
Benefits paid	(2.33)	(5.38)
Actuarial (gain)/loss on plan assets	1.11	(0.03)
Fair value of plan assets at end of year	22.73	24.71

iii. Fair value of plan assets

(₹ in Lakhs)

Particulars	Gratuity	Leave encashment
Fair value of plan assets as at the beginning of year	5.28	16.38
Actual return on plan assets	1.48	1.12
Contributions	13.14	12.74
Benefits paid	(2.33)	(5.38)
Fair value of plan assets at the end of year	22.73	24.71
Funded status	(4.40)	(3.63)
Excess of actual over estimated return on plan assets	1.11	(0.03)

Notes to financial statements for the year ended 31st March, 2021

iv. Actuarial Gain/Loss recognized as on 31.03.2021

(₹ in Lakhs)

Particulars	Gratuity	Leave encashment
Actuarial (gain)/loss on obligations	14.71	3.17
Actuarial (gain)/loss for the year – plan assets	1.11	(0.03)
Actuarial (gain)/loss on obligations	15.82	3.14
Actuarial (gain)/loss recognized in the year	15.82	3.14

v. The amounts to be recognized in the balance sheet and statement of profit and loss.

(₹ in Lakhs)

Particulars	Gratuity	Leave encashment
Present value of obligations as at the end of year	27.13	28.35
Fair value of plan assets as at the end of the year	22.73	24.71
Funded status	(4.40)	(3.63)
Net asset/(liability) recognized in balance sheet	(4.40)	(3.63)

vi. Expenses recognized in statement of Profit and Loss

(₹ in Lakhs)

Particulars	Gratuity	Leave encashment
Current service cost	16.52	21.08
Interest cost	1.81	1.03
Expected return on plan assets	0.37	1.15
Net actuarial (gain)/loss recognized in the year	15.82	3.14
Expenses recognized in statement of Profit and Loss	2.14	17.83

vii. Actuarial Value Assumptions

Particulars	Gratuity		Leave encashment	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Discount Rate	6.45%	7.25%	6.45%	7.25%
Salary Escalation	6.00%	6.00%	6.00%	6.00%

26. The Company has only one line of business and as such has no separate reportable segment to be disclosed under AS -17 "Segment Reporting"

Notes to financial statements for the year ended 31st March, 2021

27. Related Party disclosures

Name of the Party	Nature of Relationship
Sri. M. Siva Rama Vara Prasad	Promoter Non-Executive Director
Sri. Vinayak Krishna Sardeshpande	Punjab National Bank Nominee Director
Sri.M. Gopalakrishnaiah	Whole-time Director
M/s. Mezzequity Software Services Ltd	Entity controlled by director
M/s. Bitchemy Ventures Pvt Ltd	Entity controlled by director

Transactions with Related parties

(i) Remuneration to Executive Director:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Whole time Director		
Salary	20.70	21.17
Medical expenses reimbursed	-	-
Conveyance charges reimbursed	-	-
Telephone expenses reimbursed	-	-
Total:	20.70	21.17

(ii) Sitting fees to Non-Executive Directors:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Sri. M. Siva Rama Vara Prasad	6.80	7.00
Sri. Richard B Saldanha *	3.80	-
Sri. Koteswara Rao S S R**	5.10	-
Sri. Vinayak Krishna Sardeshpande	1.00	0.50
Sri. D. Seetharamaiah	0.60	8.50
Dr. Pamidi Kotaiah	7.00	8.20
Sri. Vepa Kamesam	6.10	7.90
Ms. K. Sujatha Rao	2.00	1.50
Dr. Murali Krishna Prasad Divi***	-	0.50
Total:	32.40	34.10

Note* : Sri.Richard B Saldanha was inducted as Independent Director on 18.07.2020.

Note** : Sri.Koteswara Rao SSR was inducted as Additional Director in the Board meeting held on 21.10.2020.

Note*** : Dr.Murali Krishna Prasad Divi resigned from the Board wef 02.01.2020.

iii) Transactions with related parties:

(a) M/s.Mezzequity Software Services Ltd.,

Nature of the transaction: Housekeeping and security services

(₹ in Lakhs)

Particulars	2020-21	2019-20
Amount outstanding at the beginning of the year	-	-
Amount paid during the year	11.61	11.61
Amount outstanding at the end of the year	-	-

(b) M/s. Bitchemy Ventures Pvt Ltd.,

Nature of the transaction: Software Development

(₹ in lakhs)

Particulars	2020-21	2019-20
Amount outstanding at the beginning of the year	10.00	-
Amount paid during the year	20.00	-
Amount outstanding at the end of the year	-	10.00

28. EPS Calculation

The basic and diluted EPS calculation based on effective capital is as under:

Particulars	2020-21	2019-20
Profit after tax (₹ in lakhs)	1326.46	74.99
Weighted average number of shares	10,000,000	10,000,000
Basic EPS (Face value ₹ 100/- per share)	13.26	0.75
Diluted EPS (Face value ₹ 100/- per share)	13.26	0.75

29. Taxes on Income (AS - 22)

(₹ in lakhs)

Items of Deferred Tax	2020-21	2019-20
Deferred Tax Liability		
Timing difference in respect of book depreciation and tax depreciation	55.35	53.18
Deferred Tax Asset		
Items related to 43B of I.T Act, expense provisions	94.70	54.53
Net Deferred Tax Liability/(Asset)at current rate of tax	(39.35)	(1.35)

Note 29A: Pursuant to Taxation Law (Amendment) Ordinance, 2019 issued by the Ministry of Law and Justice (Legislative Department) on 20 September 2019, which is effective from 01 April 2019, domestic companies have the option to pay corporate income tax at 22% plus applicable surcharge and cess as permitted under section 115BAA of the Income Tax Act subject to certain conditions. The company has opted for the new tax rate from the financial year 2019-20.

30. Contingent Liabilities Disclosures (To the extent not provided for)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Claims against the company not acknowledged as debt, in respect of		
Disputed amounts of income Tax	Nil	₹ 2,52,459

31. Previous year's figures are regrouped wherever necessary.

Notes to financial statements for the year ended 31st March, 2021

32. Additional Disclosures:

The following are the additional disclosures as required by “The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003”. The amounts shown below relate to total acquisitions including shares of Investors/Banks

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

Sponsors:

(₹ in lakhs)

Seller wise acquisition details till 31 st March, 2021		
Sellers	Address	Acquisition Price
Punjab National Bank	7, Bhikhajicama Place, New Delhi	8559.07

Non-Sponsors:

(₹ in lakhs)

Seller wise acquisition details till 31 st March, 2021		
Sellers	Address	Acquisition Price
Andhra Pradesh State Co-operative Bank Ltd	Troop Bazar, Hyderabad-500 001	200.00
Union Bank of India	Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai – 400 021, Maharashtra,	22036.00
Axis Bank Limited	Corporate Office, Bombay Dyeing Mills Compound, PandurangBudhkar Marg,Worli, Mumbai - 400 025	800.00
Bank of Baroda	Baroda Corporate Centre, Plot No.26, G-26, BandraKurla Complex, Bandra (East), Mumbai-400 051	5226.20
Bank of India	Star House, C-5, “G” Block, BandraKurla Complex, Bandra (East), Mumbai-400 051	3249.75
Bank of Maharashtra	‘Lokmangal’ 1501, Shivaji Nagar, Pune-411005	5700.00
Canara Bank	112, JC Road, Bangalore-560 002	1730.00
Central Bank of India	Corporate Office, Chander Mukhi, Nariman Point, Mumbai-400 021	4819.60
Deutsche Bank	DB House, HazarimalSomani Marg, Fort Mumbai-400 001	400.00
The Dhanalakshmi Bank Limited	Corporate Office, Naickanal, Thrissur-680 001.	550.00
The Federal Bank Limited	PB No.103, Federal Towers, Aluva-683 101, Ernakulam, Kerala	60.00
ICICI Bank Limited	ICICI Towers, BandraKurla Complex, Bandra, Mumbai-400 051	550.00

Notes to financial statements for the year ended 31st March, 2021

(₹ in lakhs)

Seller wise acquisition details till 31 st March, 2021		
Sellers	Address	Acquisition Price
IDBI Bank Limited	IDBI Towers, WTC Complex, Cuffe Parade, Mumbai-400 005	3159.40
IFCI Limited	IFCI Tower 61 Nehru Place, NewDelhi-110 019	512.86
Indian Bank	PB No.1384, 66, RajajiSalai, Chennai-600001	3779.10
Indian Overseas Bank	Central Office, PB.No.3765, 763, Anna Salai, Chennai-600 002	2067.00
IREDA Limited	3 rd Floor, August KrantiBhawan, BhikaijiCama Place, New Delhi-110 066	653.00
Karur Vysya Bank	Erode Road, Karur-639 002	8083.20
Kotak Mahindra Bank	36-38A, Nariman Bhavan,227, Nariman Point, Mumbai-400 021	415.00
The Lakshmi Vilas Bank Limited	Administrative Office, Salem Main Road, Karur-639 006	600.00
Stressed Assets Stabilization Fund	IDBI Towers, WTC Complex, Cuffe Parade, Colaba, Mumbai-400 005	350.00
State Bank of India	Madame Cama Road, Mumbai - 400 021	25104.76
ShikshakSahakari Bank Limited	Registered Office, Opposite Gandhi Sagar Lake, Mahal, Nagapur - 440 018	112.50
Standard Chartered Bank	90, Mahatma Gandhi Road, FortMumbai -400 001	50.00
UCO Bank	10, BiplabiTrailokyaMaharajSarani, (Formerly Brabourne Road) Kolkata – 700 001	131.00
ECL Finance Limited	Edelweiss House, Off CST Road, Kalina, Mumbai – 400 098	35000.00
	Total	133898.44

Notes to financial statements for the year ended 31st March, 2021

b) Dispersion of various financial assets industry-wise till 31st March, 2021:

(₹ in Lakhs)

Industry	No. of borrower/s	Acquisition Price	% of Total
Automobiles	3	1426.20	1.07
Agriculture - Allied Activities	3	555.00	0.41
Asbestos Roofing	1	20.00	0.01
Bio-Chemical & Pesticides	7	4896.03	3.66
Cement	1	25.00	0.02
Coir	1	729.76	0.55
Cold Storage	1	380.00	0.28
Consumer Durable Loans	1	50.00	0.04
Educational Institution	3	3351.00	2.50
Food Products	8	5150.18	3.85
House Hold Appliances	2	1000.00	0.75
Hospital	2	4671.00	3.49
Hotel	1	2025.00	1.51
Iron and Steel, Other Metals	14	14550.00	10.87
Information Technology	4	237.00	0.18
Industrial Gases	3	1325.00	0.99
Infrastructure	9	39333.10	29.38
Logistics	1	600.00	0.45
Metals and Mining	3	658.00	0.49
Media	2	1928.00	1.44
NBFC	11	882.50	0.66
Pharma	5	447.40	0.33
Plastics	2	830.00	0.62
Power	4	9786.07	7.31
Paper	3	3347.00	2.50
Poultry	3	384.00	0.29
Textiles	14	6811.00	5.09
Trading	29	15101.20	11.28
Wood	1	2050.00	1.53
Oil Refineries, Vegetable Oil.	4	1836.00	1.37
Others	23	9513.00	7.10
Total	169	133898.44	100.00

Notes to financial statements for the year ended 31st March, 2021

(₹ in lakhs)

c)	Details of related parties as per Accounting Standard and guidance notes issued by the Institute of Chartered Accountants of India and the amounts due to and from them	As disclosed in Note No.27 above
d)	A statement clearly charting therein the migration of financial assets from standard to non-performing	Nil
e)	Value of financial assets acquired during the financial year either on the books of the Company or in the books of the Trusts	35000.00
f)	Value of financial assets fully realized during the financial year	Nil
g)	Value of financial assets including assets acquired through Trust and outstanding for realization as at the end of the financial year	88199.02
h)	i. Value of Security Receipts redeemed partially during the financial year	1655.00
	ii. Value of Security Receipts redeemed fully during the financial year	Nil
i)	Value of Security Receipts pending for redemption as at the end of the financial year	88199.02
j)	Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6) (ii) or 7(6)(iii)	Nil
k)	Value of land and/or building acquired in ordinary course of business of reconstruction of assets (year wise)	FY 2015-16: 2600.20
l)	Details of assets where the value of acquisition is more than the book value (the value of assets as declared by the seller bank in the auction)	Nil
m)	Details of Assets disposed off (either by write off or by realisation) during the year at discount of more than 20% of valuation as on the previous year and reasons therefor	Nil
n)	Details of Assets where the value of the SR has declined more than 20% of below the acquisition value 1.PARAS-ATL-047 Trust: NAV of each SR reduced from Rs.1000 to Rs. 750/- 2.PARAS-SPML-038 Trust: NAV of each SR reduced from Rs. 10,000/- to Rs. 7,500/- 3.PARAS-MACL-039 Trust: NAV of each SR reduced from Rs.1,000to Rs.750/- 4.PARAS-RTP-032 Trust: NAV of each SR reduced from Rs.1,000 to Rs.750/- 5.PARAS-SBIG-033 Trust: NAV of each SR reduced from Rs.10,000/- to Rs.7,500 6.PARAS-MSL-046 Trust: NAV of each SR reduced from Rs.1,00,000/- to Rs.75,000/-	

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **C V Ramana Rao & Co**
Chartered Accountants
Firm Reg.No.002917S

G. Rajasekhara
Partner
Membership No.236023

Place: Sambalpur
Date: 26.06.2021

For and on behalf of the Board

M. Siva Rama Vara Prasad
Director

Ch. Rama Prasad
Chief Executive Officer

Place: Hyderabad
Date: 26.06.2021

V.S. Ranga Rao
Chief Financial Officer

M. Gopala Krishnaiah
Whole time Director

V. Vani
Company Secretary

CREATIVITY IS SEEING THE
SAME THING BUT THINKING
DIFFERENTLY

DR. A.P.J. ABDUL KALAM



PARAS

**Pridhvi Asset Reconstruction
And Securitisation Company Limited**

Registered & Corporate Office

D.No: 1-55, Raja Praasadamu, 4th Floor, Masjid Banda Road, Kondapur, Hyderabad - 500 084.

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