



PARAS

Pridhvi Asset Reconstruction And Securitisation Company Limited



Unlocking value in Non Performing Assets - PARAS sets milestones

Board of Directors



Sri. D. Seetharamaiah
Chairman



Dr. Pamidi Kotaiah
Director



Sri. Vepa Kamesam
Director



Sri. M. Gopalakrishnaiah
Whole-time Director



Sri. M. Sivarama Vara Prasad
Director



Dr. Murali Krishna Prasad Divi
Director



Ms. K. Sujatha Rao
Director

Senior Executives



Sri. D. Nanha Ram
Chief Executive Officer



Sri. M.S. Hussain
Senior Vice President



Sri. K. Balakoteswara Rao
Vice President

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Auditors

M/s. K.S. Rao. & Co.
Chartered Accountants
403 & 404, Golden Green Apts.,
Irrum Manzil Colony, Hyderabad - 500 082.
Tel: 040 - 23370002 /4 Fax: 040 - 23370005

Bankers

HDFC Bank
Rajbhavan Road, Hyderabad.
Andhra Bank
Corporate Finance Branch, Hyderabad.

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 Milestones

(₹ in Lakhs)

Parameter	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Equity	5105	5739	10000	10000	10000	10000	10000
Assets Acquired	78841	9345	26630	13455	5604	157864	67410
Acquisition Cost	5148	1273	3156	3846	3101	6790	26133
SRs issued during the year	5148	-	-	1235	7349	7216	26133
SRs redeemed during the year	-	58	188	1072	1063	5771	5119
Total Income	256	1044	1951	1684	1951	2887	1943
Profit Before Tax	171	883	1778	1469	1535	2353	1395
Dividend %	-	9	10	10	9	11	9
Earnings per Share (In ₹)	4.46	10.56	14.34	9.92	10.35	15.53	8.68

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 distressed assets through application of the 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.



Notice

Notice is hereby given that the Eighth Annual General Meeting of the Company will be held on Monday, the 7th September, 2015 at 12.15 p.m. 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, 2015 together with Directors' and Auditors' Report thereon.
2. To declare a dividend for the financial year 2014-15.
3. To appoint a Director in place of Sri. M. Siva Rama Vara Prasad, who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Auditors

To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. K.S.Rao & Co., Chartered Accountants, as Auditors for a period of 3 years made at the 7th Annual General Meeting be and hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to be held in the year 2016 and authorize the Board of Directors to fix their remuneration."

Special Business:

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

"RESOLVED THAT Ms. Kanuru Sujatha Rao (DIN No. 07129022) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 20th March, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

6. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder as amended or re-enacted from time to time, read with Schedule IV to the Companies Act, 2013, Ms. Kanuru Sujatha Rao (DIN No. 07129022), who qualifies for being appointed as an Independent Director, be and is appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years from this Annual General Meeting upto the conclusion of the 13th Annual General Meeting of the Company to be held in the year 2020, not liable to retire by rotation."

7. 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 the 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. Gopalakrishnaiah (DIN No.00475030) as the Whole-time Director of the Company for a period of two years from 27th June, 2015 with a remuneration of ₹1,50,000/- (Rupees One Lakh and Fifty Thousand only) per month w.e.f. 1st August, 2015.”

“RESOLVED FURTHER THAT notwithstanding anything contained in the above resolution Sri.M.Gopalakrishnaiah, 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”

8. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT Sri. Raj Kumar Chatterjee (DIN No. 07222033), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 9th July, 2015, subject to the approval of the Reserve Bank of India and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company and shall not liable to retire by rotation.”

For and on behalf of the Board

Place: Hyderabad
Date : 09.07.2015

M. Gopalakrishnaiah
Whole-time Director



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) Members are requested to intimate immediately any change in their address quoting their Registered Folio enabling the Company to address future communication.
- 5) Members holding shares in dematerialized form are requested to intimate all 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. Karvy Computershares Pvt. Ltd. to provide efficient and better services.
- 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.

Item No. 5 & 6:

The Board appointed Ms. Kanuru Sujatha Rao as an Additional Director with effect from 20th March, 2015. The Board has also appointed her as an Independent Director effective from the same date, for a period of five years, subject to the approval of the Members.

As per the provisions of Section 161(1) of the Companies Act, 2013 she holds office of Additional director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The company has received a notice under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company along with the requisite deposit.

Ms. Kanuru Sujatha Rao is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has given her consent to act as Director.

In the opinion of the Board, Ms. K. Sujatha Rao fulfills the conditions specified in the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 made thereunder. She is not liable to retire by rotation.

Ms. K. Sujatha Rao is a retired Indian Administrative Service Officer. Ms. K. Sujatha Rao held the office of Commissioner of Institutional Finance and Secretary, Ministry of Finance in the state of Andhra Pradesh during 1997-98. As Commissioner, Institutional Finance, she was closely associated with the financial aspects governing implementation of projects in key sectors like irrigation, education and health etc. and was also the nodal officer for all matters related to Institutional finance, namely:

- a. Overseeing project implementation and ensuring proper utilization of funds granted to the departments by the financial institutions;
- b. Assisting banks and institutions in recovery of loans under Government sponsored schemes; and
- c. Review of performance of banks in project implementation.

During her two decades of service, Ms. K. Sujatha Rao held various positions at the highest levels in the Ministry of Health and Family Welfare at State and Central levels. She represented India on the Boards of the Global Fund, WHO and UNAIDS.

Keeping in view her vast experience and knowledge, it will be in the interest of the company that Ms. K. Sujatha Rao be appointed as an Independent Director.

None of the other Directors, Key Managerial Personnel of the company or their relatives, except Ms. K. Sujatha Rao and her relatives to the extent of their shareholding interest, if any, in the company may be deemed interested in the resolutions set out respectively at Item Nos. 5 & 6 of the Notice with regard to her appointment.

The Board recommends the resolution set forth in Item Nos. 5 and 6 of the Notice for the approval of the Members.

Item No.7:

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.Gopalakrishnaiah as the Whole-time Director of the Company was extended for a period of three years w.e.f. 27th June, 2012 by a Special Resolution passed in the Annual General Meeting held on 2nd August, 2012.

Based on the recommendations of the Nomination and Remuneration Committee, the Board opines that Sri. M. Gopalakrishnaiah'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 9th June, 2015 has reappointed him for a further period of two years i.e., from 27th June, 2015 to 26th June, 2017.

Accordingly, the Board recommends for acceptance of the above resolution in the interest of the Company.

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. Gopalakrishnaiah is interested in the above resolution.



Item No. 8:

Punjab National Bank has nominated Sri. Raj Kumar Chatterjee, Field General Manager, FGMO, Chennai as its Nominee on the Board of the Company in the place of Sri. Rajeev Kumar Raizada who has been transferred to Head Office.

Accordingly, the Board appointed Sri. Raj Kumar Chatterjee as an Additional Director at its meeting held on 9th July, 2015, subject to the approval of Reserve Bank of India.

As per the provisions of Section 161(1) of the Companies Act, 2013 he holds office of Additional director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company along with the requisite deposit.

None of the other Directors, Key Managerial Personnel of the company or their relatives, except Sri. Raj Kumar Chatterjee and his relatives to the extent of their shareholding interest, if any, in the company may be deemed interested in the resolutions set out respectively at Item Nos. 8 of the Notice with regard to his appointment.

The Board recommends the resolution set forth in Item No. 8 of the Notice for the approval of the Members.

For and on behalf of the Board

Place: Hyderabad
Date : 09.07.2015

M. Gopalakrishnaiah
Whole-time Director

Directors' Report

Dear Members,

Your Directors are pleased to present the 8th Annual Report together with the audited accounts of the Company for the financial year ended 31st March, 2015.

Financial Results

The performance of the company for the year ended 31st March, 2015 is summarized below:

Particulars	(₹ in Lakhs)	
	2014 - 15	2013 - 14
Revenue from operations		
Interest Income	187.03	855.19
Interest on Fixed Deposits	224.47	84.52
Gain on Redemption of SRs/ Resolution of Financial Assets	1056.87	1620.47
Other Income	474.22	326.57
Total Income	1942.59	2886.75
Employee benefit expenses	204.60	165.48
Other Expenses	343.23	368.17
Profit Before Tax (PBT)	1394.76	2353.10
Provision for Tax	526.86	800.56
Profit After Tax (PAT)	867.90	1552.54
Profit brought forward from previous year	228.27	12.67
Less: Assets adjusted to retained earnings as per Sch II	(2.02)	-
Less: Deferred tax adjustment on the above	(0.69)	-
Profit available for Appropriation	1093.46	1565.21
Appropriations - Transfer to General Reserve	-	50.00
- Proposed Dividend including tax	1079.95	1286.94
Balance carried to Balance Sheet	13.51	228.27
Earnings Per Share of ₹100 (in ₹)	8.68	15.53

The Company's gross income for the financial year ended 31st March, 2015 was ₹1943 Lakhs compared to ₹2887 Lakhs of the previous year. Profit Before Tax (PBT) of the company was ₹1395 Lakhs and net profit for the year was ₹868 Lakhs.

The Company's net worth as on 31st March, 2015 stood at ₹10239 Lakhs.



Performance of the Company

During the year, your Company has participated in bids in respect of sale of NPAs of 10 banks aggregating to ₹2555 Crores. The company was successful in acquiring 25 accounts with outstanding dues of ₹674 Crores purchased at an acquisition cost of ₹261.33 Crores of which 23 accounts with outstanding dues of ₹591 Crores were acquired on SR basis.

On the resolution side, despite protracted litigation in some accounts and tardy progress in few other cases in DRTs & courts, your Company could recover an amount of ₹51.96 crores during the year as against ₹59.94 crores registered in the previous year. Your Company is taking necessary steps for resolving the legal issues so as to expedite recovery of dues.

A summary of the debts acquired and realized during the financial year is given below.

(₹ in Lakhs)		
Acquired	2014 - 15	2013 - 14
Number of seller Banks/FIs	6	8
Debt acquired	67410	157864
Cost of acquisition	26133	6790

(₹ in Lakhs)		
Recovered	2014 - 15	2013 - 14
Number of Accounts	10	8
Amount recovered	5196	5994

Share Capital

There is no change in the capital structure of the company during the year 2014-15.

Dividend

Your Directors have recommended a dividend of ₹9/- per equity share (Last year ₹11/- per equity share) of ₹100 each, aggregating to ₹1079.95 Lakhs (inclusive of dividend distribution tax of ₹179.95 Lakhs) for the financial year ended 31st March, 2015. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting.

Transfer to Reserves

Your Directors have not recommended for transfer of any amount to the General Reserve and an amount of ₹13.51 Lakhs is retained in the Statement of Profit and Loss.

Management discussion and analysis

The financial year 2014-15 witnessed an increase in non-performing advances of scheduled commercial banks. The NPAs have risen to ₹3.02 lakh crores by March, 2015 from ₹2.40 lakh crores as of March, 2014. The NPAs constitute 4.60% of gross bank credit of Scheduled Commercial Banks as at the end of March, 2015. The restructured standard advances during the period also increased, pushing up the Scheduled Commercial Banks'

stressed advances to 11.10 % of the total advances from 10.70 %. Public Sector Banks recorded the highest level of stressed assets at 13.50 % of total advances as of March 2015, compared to 4.60 % in the case of Private Banks.

During the Financial Year 2014-15, Banks/FIs have offered for sale NPAs with an outstanding of ₹90,000 Crores against which assets close to ₹64,000 Crores were sold, at an acquisition cost of ₹22,700 Crores (approx), of which total SRs issued is equivalent to ₹22,400 Crores.

Future Prospects

The exponential growth of NPAs is a cause of serious concern to the Government and the Reserve Bank of India. With a view to address problems relating to resolution of NPAs and in order to empower the ARC's in meeting the objectives for which they were setup, both the Government and RBI have taken initiatives in meeting the heads of PSBs and the ARC's in the recent past to discuss inter-alia matters relating to sale of NPAs by banks to ARC's; expeditious resolution of NPAs; challenges faced by ARC's in playing an effective role, etc.

Some of the points discussed were:

1. To withdraw the present cap of 49% of a sponsor in the equity of ARC's.
2. To allow ARC's to raise capital from public.
3. To allow HNIs to invest in the business of ARC's in addition to QIBs.
4. To create secondary market for the Security Receipts.
5. To make it mandatory for the banks to confirm sale of NPAs, when bids are received for the reserve price fixed by the banks.
6. To facilitate sale of debt by member banks of consortium in one lot.
7. To bring uniformity in stamp duty and registration charges for the assignment deeds across the states in the country.
8. To bring forth necessary amendments to SARFAESI Act for expeditious disposal of cases; to make change in the management of a defaulting company absolute.
9. To revise accounting standards to facilitate income recognition in restructured accounts.
10. To allow provisions made by ARC's on bad and doubtful assets as tax deductible expenditure.
11. To allow exemption from deduction of TDS by the borrowers on payment of interest amounts on par with the banks/FIs.
12. To bring a clarity on primacy of secured creditor's charge over statutory dues.

It is hoped that even if some of the above issues are addressed, ARC's will be better positioned in acquiring NPAs in a big way, while simultaneously be in a position to resolve them much quicker.

Risk Management

Your Company is in the business of dealing in non-performing assets, which by nature is proven risky either because the value of the underlying securities get deteriorated due to efflux of time or the borrowers tend to litigate in order to thwart the recovery process.



Further, most often the liability on account of statutory dues like employees' wages, electricity / income tax / sales tax, etc. is not furnished by the banks at the time of sale of the assets nor is readily available in the public domain. Non availability of this vital information will have a bearing on right pricing of the asset and further impact ultimate realisations.

Internal Control Systems

The Company has in place adequate internal control systems to ensure operational effectiveness and efficiency, reliable financial reporting, and compliance with regulations and policies.

Corporate Governance

Corporate Governance is a systemic process by which companies are directed and controlled to enhance their wealth generating capacity. Your Company believes that the governance process should ensure that the company is managed in a manner that meets stakeholders' aspirations and societal expectations.

Core Principles

The core principles of Corporate Governance emerge as the cornerstones of your Company's governance philosophy, namely trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship. Your Company believes that the practice of each of these leads to the creation of the right corporate culture in which the company is managed in a manner that fulfils the purpose of Corporate Governance.

The Board of Directors acts as trustee to protect and enhance shareholders' value, as well as to ensure that the Company fulfills its obligations and responsibilities to its other stakeholders.

Board of Directors and Committees of the Board

The Board formulates 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 shareholders.

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

Attendance of Directors at 4 Board Meetings and at the last Annual General Meeting held during 2014-15:

Name of the Director	Category	Attendance at meetings during 2014-15	
		Board Meetings	Last AGM
Sri. D. Seetharamaiah, Chairman	Independent Director	4	Yes
Dr. Pamidi Kotaiah	Independent Director	4	Yes
Sri. Vepa Kamesam	Independent Director	4	No
Sri. K. Kannan*	Independent Director	1	No
Sri. M. Siva Rama Vara Prasad	Promoter Director	3	Yes
Dr. Murali Krishna Prasad Divi	Promoter Director	1	No
Sri. Rajeev Kumar Raizada*	Director nominated by M/s. Punjab National Bank	2	Yes
Sri. M. Gopalakrishnaiah	Whole-time Director	4	Yes

*Sri. K. Kannan passed away on 18.12.2014.

*Sri. Rajeev Kumar Raizada, nominated by Punjab National Bank has resigned from the Board w.e.f. 22.06.2015.

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 - Chairman
2. Sri. D. Seetharamaiah
3. Dr. Pamidi Kotaiah
4. Sri. M. Gopalakrishnaiah

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 the adequacy of internal control systems and the internal audit functions.

The Audit Committee met 3 times during the financial year 2014-15.

Executive Committee

1. Sri. D. Seetharamaiah - Chairman
2. Sri. M. Siva Rama Vara Prasad
3. Dr. Murali Krishna Prasad Divi
4. Dr. Pamidi Kotaiah
5. Sri. M. Gopalakrishnaiah

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 7 times during the financial year 2014-15.



Nomination and Remuneration Committee

1. Sri. M. Siva Rama Vara Prasad - Chairman
2. Sri. D. Seetharamaiah
3. Dr. Pamidi Kotaiah

Pursuant to Section 178 of the Companies Act, 2013 ("Act"), the company has constituted a Nomination and Remuneration Committee. The Committee formulated the Nomination and Remuneration policy for approval of 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 is advisory to the Board of Directors regarding remuneration payable to the members of the Board and terms of employment of the senior executives of the company and in setting a Remuneration policy. The committee supervises that the terms of employment of employees are in line with the Remuneration policy. The Nomination and Remuneration policy of the company is annexed as Annexure I to this report.

The Committee met 3 times during the financial year 2014-15.

Corporate Social Responsibility Committee

1. Sri. D. Seetharamaiah - Chairman
2. Sri. Vepa Kamesam
3. Sri. M. Siva Rama Vara Prasad
4. Sri. M. Gopalakrishnaiah

Pursuant to Section 135 of the Companies Act, 2013, the company has constituted Corporate Social Responsibility (CSR) Committee with the above mentioned Directors for carrying out the CSR activities as per Schedule VII of the said Act. The CSR Committee formulates the CSR policy for approval of the Board. The Committee institutes a transparent mechanism for implementation of the CSR activities or programs or projects undertaken by the company and monitors the CSR policy.

The Committee met once during the financial year 2014-15.

Independent Directors meeting

Pursuant to Section 149(8) read with Clause VII(3) of Schedule IV of the Companies Act, 2013, the Independent Directors had separately met once during the financial year 2014-15 to assess the quality, quantity and timeliness of flow of information between the company 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 directors and non-executive directors

Directors and Key Managerial Personnel

As per the provisions of Sections 149 of the Companies Act, 2013, which came into effect from 1st April, 2014, Sri D. Seetharamaiah, Dr. Pamidi Kotaiah and Sri. Vepa Kamesam, Independent Directors were appointed as independent directors for a term of five years at the Annual General Meeting held on 6th August, 2014. They have submitted a declaration that each of them 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.



Sequel to the demise of Late Sri. K. Kannan and in order to comply with the requirements of Section 3(3)(d) of SARFAESI Act, 2002 and also the provisions of Section 149(2) of the Companies Act, 2013 of having a woman director on the Board, Ms. K. Sujatha Rao was appointed by the Board as an Additional Director with effect from 20th March, 2015 to hold office upto the ensuing Annual General Meeting. The Board has also appointed her as an Independent Director effective from the same date, for a period of five years, subject to the approval of Members.

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, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Sri. M. Gopalakrishnaiah, Whole-time Director was reappointed by the Board of Directors of the Company in its meeting held on 9th June, 2015 for a further period of two years i.e., from 27th June, 2015 to 26th June, 2017, subject to the approval of Members.

Sri. Rajeev Kumar Raizada, nominee of Punjab National Bank has resigned as Director of the Company on 22nd June, 2015, sequel to his transfer to Head Office of the Bank. Punjab National Bank has nominated Sri. Raj Kumar Chatterjee, Field General Manager, FMGO, Chennai in the place of Sri. Rajeev Kumar Raizada. Accordingly, the Board has appointed Sri. Raj Kumar Chatterjee as an Additional Director on 9th July, 2015, subject to the approval of Reserve Bank of India, who holds office upto the ensuing Annual General Meeting.

The resolutions seeking approval of the Members for reappointment of Sri. M. Gopalakrishnaiah as Whole-time Director and appointment of Ms. K. Sujatha Rao and Sri. Raj Kumar Chatterjee have been incorporated in the notice of the forthcoming Annual General Meeting of the company along with explanatory statement. The company has received a notice under Section 160 of the Act, proposing Ms. K. Sujatha Rao and Sri. Raj Kumar Chatterjee, candidatures for the office of Director of the company along with the requisite deposit. The company has received declaration from Ms. K. Sujatha Rao that she meets with the criteria of independence as prescribed in section 149(6) of the Companies Act, 2013.

Pursuant to the provisions of Section 203 of the Act, which came into effect from 1st April, 2014, the appointments of Sri. M. Gopalakrishnaiah, Whole-time Director, Sri. D. Nanha Ram, Chief Executive Officer, Sri. V. S. Ranga Rao, Chief Financial Officer and Smt. V. Vani, Company Secretary as Key Managerial Personnel of the company were formalized.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Act.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

Auditors

Pursuant to Section 139 of the Companies Act, 2013, the rules framed thereunder, M/s.K. S. Rao & Co., Chartered Accountants, were appointed as Auditors of the Company to hold office from the conclusion of the



seventh Annual General Meeting of the Company held on 6th August, 2014 for a term of three years, subject to ratification of their appointment at every Annual General Meeting.

The resolution seeking approval of the Members for ratification of appointment of M/s. K. S. Rao & Co., Chartered Accountants as Statutory Auditors of the company has been incorporated in the notice of the forthcoming Annual General Meeting of the company.

Auditors' report and Secretarial Auditors' report

The Auditors' report and Secretarial Auditors' report do not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as Annexure II 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.

Particulars of contracts or arrangements with related parties

The Company has not entered into any contracts or made any arrangements with related parties pursuant to Section 188(1) of the Act.

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.

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, 2015, 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, 2013 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, 2015 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 securitization 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 stake holders 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 dedicated commitment and contribution to the Company's growth and performance.

For and on behalf of the
Board of Directors

Place: Hyderabad
Date : 09.07.2015

D. Seetharamaiah
Chairman



Annexure - I to Directors' Report

Nomination and Remuneration Policy

Preamble

The company strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment in line with its' values and business principles as reflected in its' 'Vision and Mission' statement. This policy covers the remuneration for members of the Board and the company's executives together with other terms of employment.

The objective

The object of this remuneration policy is to attract, motivate and retain qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of the company's stakeholders.

1. Nomination and Remuneration Committee

The Committee's constitution and terms of reference is in compliance with provisions of Section 178 of the Companies Act, 2013.

The Board of Directors constitutes a Nomination and Remuneration Committee consisting of three members of the Board of Directors majority of who are independent. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and the senior management personnel, who may be appointed in accordance with the criteria laid down and to recommend to the Board for their appointment and/or removal.

The committee shall work in accordance with a special mandate of the Board. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director from time to time. The Committee shall also carry out evaluation of every director's performance.

The Nomination and Remuneration Committee shall be advisory to the Board of Directors regarding remuneration payable to the members of the Board and terms of employment for the executives of the company and in formulating a Remuneration policy. The committee shall also supervise that the terms of employment of employees are in line with the Remuneration Policy.

The details of composition of the Nomination and Remuneration Committee along with attendance of the Committee Members at the meetings held during the year shall be disclosed in the Annual Report of the company.

2. Remuneration of the Board of Directors

The Promoter Directors are not paid any salary or commission. The whole-time director shall be paid a monthly salary and any other benefits as decided by the Annual General Meeting, as per provisions of the Companies Act, 2013. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Key Managerial Personnel of the quality required to run the company successfully.

Remuneration payable to the members of the Board, shall take into account the time spent by the Board Members on their duties, their responsibilities, as well as the operational and economical performance of the

Company. Additional payments may be effected to individual Board members for specific projects which cannot be classified as ordinary tasks and as well to the members of the Sub-Committees of the Board, as per provisions of the Companies Act, 2013. Payments for such tasks shall be subject to approval by the Board. Remuneration to Directors, Key Managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.

The Company shall indemnify for the Board of Directors and the Key Managerial Personnel for all claims that may eventually be made against them, connected to their work on behalf of the Company by taking a Directors' and Officers' Liability Insurance Policy.

3. Senior Executives –Terms of employment

3.1 Remuneration: The remuneration shall be fixed considering the educational qualifications, work experience, previous employment and remuneration paid to similar positions by companies in the peer group. Details of remuneration and other benefits, as well as terms of notice, shall be mentioned in the employment contract. Ex-gratia and stock incentives if any shall also be included in the employment contract, as specified in the Remuneration Policy.

When stipulating the period of notice for termination of the employment contract, the period may be directly related to the nature or duration of the employment of the Senior Executives. The employment contract shall also stipulate the terms of notice.

Senior Executives shall also be considered for sanction of an appropriate annual increment and or other benefits based on evaluation of their performance in well defined Key Result Areas (KRAs) vis-à-vis the performance of the company. Likewise, they shall also be considered for promotion to a higher grade at appropriate time intervals. The employment contract should include and stipulate all payments due to the Senior Executives upon termination of the contract.

3.2 Other benefits: The employees may be paid ex-gratia and or other incentives, based on specific plans prepared by the Nomination and Remuneration Committee and the Board of Directors. Incentives shall be directly related to the work performance of the individual employees, their position and responsibility, the performance of the company, achievements vis-à-vis the targets, etc. Such incentives shall be paid to employees who are still working for the Company or when the incentives are due for payment for the period of service rendered.

3.3 Guiding principles for remuneration and other terms of employment:

The Nomination and Remuneration Committee considers

- a) The financial position and profitability of the company;
- b) Nature and responsibility of the position; and
- c) Remuneration packages prevailing in industry or other comparable organizations in regard to the size and complexity of operations.

The annual report of the company shall set out details of the total remuneration and benefits allowed to the Senior Executives drawing a total remuneration of above ₹60 Lakhs per annum or such higher sum stipulated under the Companies Act, 2013.



3.4 The Principal terms of non-monetary benefits, superannuation, notice of termination and severance pay

i) Non –monetary benefits:

The executives may be provided customary non-monetary benefits such as company cars and company health care or medical allowance. In addition thereto in individual cases company housing and other benefits may also be offered.

ii) Long Term Incentives:

Long Term Incentives (“LTI’s”) may be provided to certain senior executives and eligible employees to reward creation of shareholder value and to create further value as well as to attract and retain executives.

The company believes that the most significant value that can be created for shareholders will occur by way of Senior Executives’ delivering on the strategic outcomes and goals set by the Board from time to time.

4. Additional provisions

In addition to the main conditions of employment, a number of additional provisions apply to members of the Board. These additional arrangements, such as expense and relocation allowances, medical insurance, accident insurance and company car arrangements are broadly in line with those of other competitive companies. They also benefit from coverage under the Company’s Directors and Officers (D&O) policies. The company policy forbids personal loans to Non-Executive Directors and the loans to Working Directors would be as permitted by the Companies Act, 2013.

5. The Board of Directors may deviate from this Policy if there are reasons to do so in individual cases.

6. The Nomination and Remuneration Committee shall carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable and to perform such other functions as may be necessary or appropriate in discharge of its duties.

Annexure - II to Directors' Report

Form No. MR-3
Secretarial Audit Report

For The Financial Year 01.04.2014 To 31.03.2015

[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the "Pridhvi Asset Reconstruction and Securitisation Company Limited" 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, I hereby report that in my opinion, the company has, during the audit period covering from April 1st, 2014 to March 31st, 2015 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) I 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 1st, 2014 to March 31st, 2015 according to the provisions of:
- i. The Companies Act, 1956 and the Companies Act, 2013 (the Act) and the rules and amendments made there under; The Memorandum and Articles of Association therein.
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. The Reserve Bank of India Act, 1934 and
 - vi. The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003



Note: As the company is not listed the following regulations are NOT APPLICABLE

- vii 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;

I have also examined compliance with the applicable clauses of the following

- (1)** 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.

- (2) I further report that** the Company has, in my opinion, complied with the Provisions of the Companies Act, 1956 and the Rules made under that Act and of Companies Act, 2013 and the Memorandum and Articles of Association of the Company, with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members;
- c) Forms, Returns, Documents and Resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) Notice of Board meetings and Committee meetings of Directors;
- f) The meetings of Directors and Committees of Directors viz Audit Committee, Executive Committee, Remuneration Committee and Corporate Social Responsibility Committee including passing of resolutions by circulation;
- g) The 7th Annual General Meeting held on August 6th, 2014;
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the Government Authorities, wherever required;

- j) Constitution of the Board of Directors / Committee(s) of Directors, Appointment, Retirement and Re-appointment of Directors including the Managing Director and Whole-time Directors & a women as an Additional Director;
- k) Payment of Remuneration to Directors including the Managing Director and Whole-time Directors;
- l) Appointment and Remuneration of Auditors;
- m) Declaration and payment of dividends;
- n) Keeping record of unclaimed dividends;
- o) There is modification of charge as on 30/03/2015 in the name of the company for the period mentioned;
- p) There are no investments of company funds and no inter-corporate loans for the period;
- q) The Company doesn't have any subsidiaries;
- r) 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;
- s) There is no allotment of securities for the period;
- t) The Directors' report is according to the provisions;
- u) Contracts, Common seal, Registered Office and Publication of Name of the Company is as per the provisions;
- v) Generally, all other applicable provisions of the Act and the Rules made under the Act;
- w) The provisions of Corporate Social Responsibility (CSR) are complied; and
- x) The provisions with regard to appointment of Woman Director are complied.

(3) I further report that

- a) 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;
- b) 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 Management Personnel;
- c) The Company has obtained all necessary approvals under the various provisions of the Act; and
- d) There was no prosecution initiated and no fines or penalties were imposed during the period under review under The Companies Act, 1956 and The Companies Act, 2013, Securities Contract Regulation Act, 1956, The Reserve Bank of India Act, 1934 and 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 Securitisation Companies and 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) With respect to issuing of Security Receipts and
- c) The Company has not accepted any deposits from Public.



PARAS

Pridhvi Asset Reconstruction And Securitisation Company Limited

- (5) I 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 dematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
- (6) There is no Foreign Exchange outflow and inflow for the period, hence the Company need not comply with the provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to ODI, FDI and ECB.
- (7) I 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.

For **Devineni Sujatha & Associates**
Company Secretaries

Sujatha Devineni

Proprietor
M.No. 24230
CP No. 9391

Place: Hyderabad
Date : 01.07.2015

Annexure - III to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities
for the financial year 2014-15

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

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.

Objectives

The objectives of the Company's CSR Policy are to:

- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities over a period of time in enhancing the quality of life & economic well-being of the local populace.
- The CSR activities undertaken by the company should create a social impact.

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

2. The Composition of the CSR Committee

1. Sri. D. Seetharamaiah - Chairman
2. Sri. Vepa Kamesam
3. Sri. M. Siva Rama Vara Prasad
4. Sri. M. Gopalakrishnaiah

3. Average net profit of the company for last three financial years - ₹ 1780.84 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) - ₹ 35.62 Lakhs

5. Details of CSR spent during the financial year

- a. Total amount to be spent for the financial year - ₹ 35.62 Lakhs
- b. Amount unspent, if any - Nil



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Pridhvi Asset Reconstruction And Securitisation Company Limited

c. Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programs-wise	Amount spent on the project or programs Sub-heads; (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Contribution to the Chief Minister's Relief Fund	To provide relief to victims of natural calamities.	Andhra Pradesh	25.00	25.00	25.00	Implementing agency (Government of Andhra Pradesh)
2	Promoting healthcare and protection of national heritage	<ul style="list-style-type: none"> • Ayurveda free treatment and free medical camps. • Collection and upkeep of valuable books in Library. 	Telangana	10.62	10.62	10.62	Implementing agency (I-Serve Trust)

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report

Please refer 5(b) above

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the company

We hereby declare that implementation and monitoring of CSR Policy are in compliance with CSR objectives and policy of the company.

M. Gopalakrishnaiah
Whole-time Director

D. Seetharamaiah
Chairman, CSR Committee

Annexure - IV to Directors' Report

Form NO.MGT-9
Extract of Annual Return
As on the financial year ended on 31st March, 2015

[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:

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Tel: 040-67161700, Fax: 040-23114087

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	649	100%

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

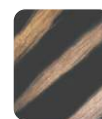


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IV. Shareholding Pattern (Equity share capital breakup as percentage of total equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 st March 2014)				No. of Shares held at the end of the year (As on 31 st March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	3919101	-	3919101	39.19	3919101	-	3919101	39.19	-
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)	4069101	-	4069101	40.69	4069101	-	4069101	40.69	-
(2) Foreign									
a) Individual/ HUF	1189753	1795636	2985389	29.85	1189753	1795636	2985389	29.85	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A2)	1189753	1795636	2985389	29.85	1189753	1795636	2985389	29.85	-
Total shareholding of Promoter A(1+2)	5258854	1795636	7054490	70.54	5258854	1795636	7054490	70.54	-
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	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 st March 2014)				No. of Shares held at the end of the year (As on 31 st March 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	1600000	-	1600000	16.00	1600000	-	1600000	16.00	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	150000	25000	175000	1.75	150000	25000	175000	1.75	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	10	10	0.00	-	10	10	0.00	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	376500	674000	1050500	10.51	376500	674000	1050500	10.51	-
C) Others (specify)									
Non Resident Indians	-	120000	120000	1.20	-	120000	120000	1.20	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):	526500	819010	1345510	13.46	526500	819010	1345510	13.46	-
Total Public Share holding (B)=(B) (1) + (B) (2)	2126500	819010	2945510	29.46	2126500	819010	2945510	29.46	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7385354	2614646	10000000	100.00	7385354	2614646	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 total Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of total Shares Pledged/encumbered to total shares	
1	Sri. Motaparti Siva Rama Vara Prasad	1189753	11.90	-	1189753	11.90	-	-
2	Smt. M. Rajya Lakshmi	1519101	15.19	-	1519101	15.19	-	-
3	Sri.M.Rohit Prasad	500000	5.00	-	500000	5.00	-	-
4	Sri.Mukesh Kumar Manubhai Patel	400000	4.00	-	400000	4.00	-	-
5	Sri. Bimal Manubhai Patel	400000	4.00	-	400000	4.00	-	-
6	Sri. Manubhai Jethabhai Chhagan Bhai Patel	495636	4.96	-	495636	4.96	-	-
7	M/s. Design Tribe India Pvt Ltd	150000	1.50	-	150000	1.50	-	-
8	Dr. Murali Krishna Prasad Divi	1570000	15.70	-	1570000	15.70	-	-
9	Smt. Swarna Latha Divi	415000	4.15	-	415000	4.15	-	-
10	Sri. Satchandra Kiran Divi	415000	4.15	-	415000	4.15	-	-
	Total	7054490	70.54	-	7054490	70.54	-	-

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

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

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
	At the beginning of the year				
1	Punjab National Bank	1000000	10.00	1000000	10.00
2	UCO Bank	500000	5.00	500000	5.00
3	M/s.Zen Securities Ltd	150000	1.50	150000	1.50
4	Smt. Radhika Donepudi	109000	1.09	109000	1.09
5	Andhra Bank	100000	1.00	100000	1.00
6	Sri.D. Babu Rao	100000	1.00	100000	1.00
7	Sri.Boyapati Sagar Vinay	100000	1.00	100000	1.00
8	Sri.Balasubramanian M.K.	100000	1.00	100000	1.00
9	Sri. M. B.N.Venkata Vara Prasad	60000	0.60	60000	0.60
10	Sri. Jayaram Naidu Bavikati	60000	0.60	60000	0.60
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change in the shareholding pattern of top ten shareholders			

v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors 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	11.90	1189753	11.90
Sri. M.Gopalakrishnaiah	10	0.00	10	0.00
Dr. Murali Krishna Prasad Divi	1570000	15.70	1570000	15.70
b) Key Managerial Personnel	Nil			
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change in the shareholding pattern of top ten shareholders			



V. Indebtedness

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

(₹ in Lakhs)

Shareholding of each Directors and each Key Managerial Personnel	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	1150.98	-	-	1150.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1150.98	Nil	Nil	1150.98
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	43.10	-	-	43.10
Net Change	43.10	Nil	Nil	43.10
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	1107.88	-	-	1107.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1107.88	Nil	Nil	1107.88

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. Gopalakrishnaiah, WTD	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.20	14.20
	(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 expenses, etc.	1.80	1.80
	Total (A)	16.00	16.00
	Ceiling as per the Act	5% of the net profit of the company calculated as per Section 198 of the Companies Act, 2013	

B. Remuneration to other directors

(₹ in Lakhs)

S No.	Particulars of Remuneration	Fee for attending board committee meetings	Commission	Others please specify	Total (1)
1	Independent Directors				
	1. Sri. D. Seetharamaiah	5.90	-	-	5.90
	2. Dr. Pamidi Kotaiah	4.10	-	-	4.10
	3. Sri. Vepa Kamesam	3.20	-	-	3.20
	4. Sri. K. Kannan	0.40	-	-	0.40
	Total (1)	13.60	-	-	13.60
2	Other Non-Executive Directors				
	1. Sri. M. Siva Rama Vara Prasad	3.10	-	-	3.10
	2. Dr. Murali Krishna Prasad Divi	1.40	-	-	1.40
	3. Sri. Rajeev Kumar Raizada	0.70	-	-	0.70
	Total (2)	5.20	-	-	5.20
	Total (B)=(1+2)	18.80	-	-	18.80
	Total Managerial Remuneration (A+B)	34.80			34.80
	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			Total
		Sri. D. Nanha Ram CEO	Smt. V. Vani CS	Sri. V.S.Ranga Rao CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39.64	8.59	11.03	59.26
	(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, entertainment, exgratia, etc.	6.35	0.67	3.16	10.18
	Total	45.99	9.26	14.19	69.44



VII. Penalties / Punishment / Compounding of Offence

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					



Auditor's Report

To The Members of Pridhvi Asset Reconstruction And Securitisation Company Limited, Hyderabad.

Report on the Financial Statements

We have audited the accompanying financial statements of PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Pending litigations which would impact its financial position.
Details were given in annexure to this report.
 - 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 **K.S.Rao & CO;**
Chartered Accountants
Firm's Registration Number: 003109S

(M. NAGA PRASADU)
Partner
Membership Number: 231388

Place: Hyderabad
Date : 09.07.2015

Annexure to the Auditor's Report

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED, HYDERABAD, for the year ended 31st March 2015.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No discrepancies were noticed on such verification.
2. a. Verification of inventory is not applicable to the company due to nature of its business.
In our opinion as per the information and explanation given to us the company is not require to maintain inventory for the year. Therefore clause (II) (a)(b)(c) of the said order are not applicable.
3. a. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
b. In view of our comment in paragraph (a) above, Clause (III) (a) and (b) of paragraph 3 of the aforesaid order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase fixed assets and for the sale and rendering of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. 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 this Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.
7. a. According to the records of the Company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, employees' State Insurance, income-tax, sales tax, wealth tax, service tax, Duty of Customs, Duty of Excise, Value added Tax and cess and any other material statutory dues applicable to it.
b. According to the information and explanations given to us, no undisputed statutory due payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax and Cess were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.
c. According to the records of the Company and the information and explanations given to us, the following are the disputed demands:



Nature of the dues	Amount	Financial year to which the amount relates	Forum where the dispute is pending
Income-Tax	₹ 1,77,640/-	2008-09	Assessing Officer, Circle-16 (2), Income Tax Dept., Hyderabad
Income-Tax	₹ 1,58,450/-	2009-10	-do-
Income-Tax	₹ 18,31,860/-	2010-11	-do-
Income-Tax	₹ 41,63,250/-	2011-12	-do-

d. According to the records of the Company, there were no amounts which were required to be transferred to Investor Education and Protection Fund. Therefore, the provisions of clause 3 (vii) (c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.

8. The Company has no accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the year covered by our audit and also in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and Banks.
10. According to the information and explanations given to us the Company has not given any guarantee for the loans taken by others from banks and financial institutions.
11. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
12. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **K.S.Rao & CO;**
Chartered Accountants
Firm's Registration Number: 003109S

(M. NAGA PRASADU)
Partner
Membership Number: 231388

Place: Hyderabad
Date : 09.07.2015



Balance Sheet as at 31st March, 2015

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2015	As at 31.03.2014
Equity and liabilities			
i) Share holders' funds			
Share Capital	02	10000.00	10000.00
Reserves and Surplus	03	238.51	453.27
		10238.51	10453.27
ii) Non-current Liabilities			
Long-term borrowings	04	210.48	618.82
Deferred tax liability	26	31.19	15.88
Other long-term liabilities	05	22.33	571.85
		264.00	1206.55
iii) Current Liabilities			
Short-term borrowings	06	487.35	-
Trade Payables	07	0.24	0.59
Other current Liabilities	08	1052.01	858.08
Short-term provisions	09	1565.69	2091.21
		3105.29	2949.88
Total		13607.80	14609.70
Assets			
1) Non-current Assets			
i) Fixed Assets	10		
Tangible Assets		727.27	735.74
Intangible Assets		0.08	0.93
		727.35	736.67
ii) Non-current investments	11	6215.98	1516.65
Long-term loans and advances	12	478.47	1154.43
Other non-current assets	13	2.91	13.51
		6697.36	2684.59
2) Current Assets			
Current investments	11	3852.67	4870.00
Trade Receivables	14	1851.15	953.73
Cash and bank balances	15	379.04	5137.74
Short-term loans and advances	12	97.26	183.24
Other current assets	13	2.97	43.73
		6183.09	11188.44
Total		13607.80	14609.70
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 and on behalf of the Board

For K.S.Rao & Co.

M.S.R.V. Prasad

M. Gopalakrishnaiah

Chartered Accountants

Director

Whole-time Director

M. Naga Prasadu

D. Nanha Ram

V. Vani

Partner

Chief Executive Officer

Company Secretary

Place : Hyderabad

Date : 09.07.2015



Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in Lakhs)

Particulars	Notes	Year Ended 31.03.2015	Year Ended 31.03.2014
Income			
Revenue from operations	16	1714.34	2782.00
Other income	17	228.25	104.75
Total revenue (I)		1942.59	2886.75
Expenses			
Employee benefit expenses	18	204.60	165.48
Other expenses	19	188.49	122.13
Total (II)		393.09	287.61
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		1549.50	2599.14
Finance Costs	20	123.49	212.20
Depreciation	10	31.25	21.89
Profit before tax and exceptional items		1394.76	2365.05
Exceptional items-loss on sale of assets		-	11.95
Profit after exceptional items and before tax		1394.76	2353.10
Tax expenses			
Current tax		473.00	786.85
Prior period tax		39.24	0.94
Deferred tax		14.62	12.77
Profit for the year from continuing operations		867.90	1552.54
Earnings per equity share (Face Value ₹100/- each)			
Basic & Diluted	25	8.68	15.53

As per our report of even date

For and on behalf of the Board

For K.S.Rao & Co.

Chartered Accountants

M. Naga Prasad

Partner

M.S.R.V. Prasad

Director

M. Gopalakrishnaiah

Whole-time Director

Place : Hyderabad

Date : 09.07.2015

D. Nanha Ram

Chief Executive Officer

V. Vani

Company Secretary

Cash flow Statement for the year ended 31st March, 2015

(₹ in Lakhs)

S.No	Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
A.	Cash flow from operating activities		
	Net Profit before Tax and extraordinary items	1394.76	2365.05
	Adjustments for:		
	Depreciation	31.26	21.89
	Loss on sale of assets	0.62	-
	Assets written off	0.21	-
	Amounts written off (Reversal from trusts)	58.99	-
	Provision for bad debts re-credited	(9.58)	-
	Interest	(224.47)	(84.52)
	Operating profit before working capital changes	1251.79	2302.42
	Adjustments for:		
	Financial assets	195.50	675.05
	Trade and other receivables	(951.93)	176.81
	Trade and other payables	(241.66)	222.54
	Cash generated from operations	253.70	3376.82
	Income tax paid	(240.79)	(934.31)
	Net Cash from operating activity	12.91	2442.51
B.	Cash flow from investing activities		
	Purchase of fixed assets	(24.99)	(156.89)
	Sale of fixed assets	0.20	12.00
	Interest received	265.23	40.79
	Security receipts (on redemption by trusts)	3215.05	5768.95
	Security receipts-Investments	(6897.05)	(1549.04)
	Fixed Deposits in Banks	2723.00	(2723.00)
	Net cash from investing activity	(718.56)	1392.81
C.	Cash flow from financing activities		
	Secured loan from banks	(43.10)	(669.45)
	Term Loan from HDFC Bank	-	300.00
	Repayments made to HDFC Banks towards term Loan	-	(24.02)
	Dividend and Corporate Dividend distribution tax paid	(1286.94)	(1052.95)
	Net cash generated from financing activity	(1330.04)	(1446.42)
	Net increase in cash and cash equivalents (A+B+C)	(2035.70)	2388.90
	Cash and cash equivalents as at 31.03.2014	2414.74	25.84
	Cash and cash equivalents as at 31.03.2015	379.04	2414.74

As per our report of even date

For and on behalf of the Board

For K.S.Rao & Co.

Chartered Accountants

M. Naga Prasadu

Partner

M.S.R.V. Prasad

Director

M. Gopalakrishnaiah

Whole-time Director

Place : Hyderabad

Date : 09.07.2015

D. Nanha Ram

Chief Executive Officer

V. Vani

Company Secretary



Notes on Financial Statements for the year ended 31st March, 2015

1. Summary of significant accounting policies

a. Basis of Preparation:

The accounting and reporting policies of the Company have been framed to comply with the Generally Accepted Accounting Principles (“GAAP”) in India, the guidelines issued by the Reserve Bank of India (RBI) 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.

b. Principal Accounting Policies:

Revenue Recognition:

- i) Interest income is recognized in respect of Financial Assets acquired and restructured for revival on accrual basis.
- ii) Income in respect of assets acquired and resolved through One Time Settlement and / or by sale of underlying securities is recognized only on realization. Proceeds are appropriated first towards debt acquisition cost and balance is recognized as income.
- iii) Income is not recognized against the Financial Assets during the permissible planning period meant for finalization of the resolution strategy.
- iv) Share of income in case of assets acquired through Trusts is recognized as per the terms of relevant trust deeds.
- v) Management fee and other fee incomes are recognized as per the terms of the agreement/offer document.

c. Asset Classification and Provisioning thereon:

The Company shall classify the Financial Assets acquired and make the required amount of provision against non-performing assets, if any, as per the guidelines issued by the Reserve Bank of India from time to time.

d. Fixed Assets:

- i) Fixed Assets are stated at cost less accumulated depreciation.
- ii) Cost includes cost of purchase and all expenditure such as installation costs and professional fees incurred on the assets before it is put to use.
- iii) Depreciation is charged on straight line method in accordance with Schedule II of the Companies Act, 2013.

e. Investments:

Investment of the Company in Security Receipts of various trusts set up by the Company is carried at cost. Diminution, if any, based on ‘Net Asset Value’ declared by the respective trusts is provided by charging it to Profit & Loss Account. Investments in Security Receipts held by the Company are treated as “Available for Sale Category”.



f. Rating of Security Receipts:

Credit ratings are obtained periodically for the Security Receipts issued by the Trusts which are managed by the Company in the capacity of managing trustee.

g. Employee Benefits:

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

h. Pre-Acquisition Expenditure of Financial Assets:

Expenditure incurred in acquiring Financial Assets is debited to the respective Financial Assets.

i. Preliminary Expenses:

Preliminary expenses are being amortized over a period of five years.

Notes to Financial Statements for the year ended 31st March, 2015

2. Share capital

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
Authorized shares 15,000,000 equity shares of ₹100/- each	15000	15000
Issued, subscribed and fully paid-up shares 10,000,000 equity shares of ₹100/- each	10000	10000

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

Equity Shares	As at 31.03.2015		As at 31.03.2014	
	Number	Amount	Number	Amount
At the beginning of the period	10,000,000	10000	10,000,000	10000
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000,000	10000	10,000,000	10000

b. Rights attached to equity shares

The company has only one class of equity shares having a 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 recommended by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

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

Equity Shares	As at 31.03.2015		As at 31.03.2014	
	Number	% holding	Number	% holding
Dr.Murali Krishna Prasad Divi	1,570,000	15.70	1,570,000	15.70
Smt.M.Rajya Lakshmi	1,519,101	15.19	1,519,101	15.19
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

d. Shares reserved for issue under options

The Company has not reserved any shares for issue under employees' stock option (ESOP), loan agreements or contracts for supply of capital goods, etc.

Notes to Financial Statements for the year ended 31st March, 2015

3. Reserves and Surplus

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
A. General Reserve		
Balance as per the last financial statement	225.00	175.00
Add: Amount transferred from surplus in the statement of profit and loss	-	50.00
Total (A)	225.00	225.00
B. Surplus in the statement of profit and loss		
Balance as per last financial statements	228.27	12.67
Assets adjusted to retained earnings in compliance with Sch II	(2.02)	-
Deferred tax adjustment on the above	(0.69)	-
Profit for the year	867.90	1552.54
Less: Appropriations		
Proposed dividend on equity shares at ₹9 per share (31 st March 2014: ₹11 per share)	(900.00)	(1100.00)
Tax on proposed dividend	(179.95)	(186.94)
Transfer to general reserve	-	(50.00)
Total appropriations	(1079.95)	(1336.94)
Closing Balance (B)	13.51	228.27
Total reserves and surplus (A+B)	238.51	453.27

4. Long-term borrowings (Secured)

(₹ in Lakhs)

	Non-current portion		Current portion	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Term Loan from Andhra Bank	-	375.00	375.00	500.00
HDFC Bank	210.48	243.82	35.05	32.16
Total	210.48	618.82	410.05	532.16

- 1) Term loan from Andhra Bank is secured by way of pledge of Security Receipts to the extent of 150% of the loan amount and hypothecation of present and future Financial Assets. Rate of interest is Base Rate + 2.25% p.a. and repayable in 12 quarterly installments of ₹125 lakhs each beginning from 26th March 2013 and 3 installments are outstanding as on 31.03.2015.
- 2) Loan of ₹3,00,00,000/- availed from HDFC Bank in April 2013 is secured by mortgage of company's office building. Rate of interest is 12.20% p.a. and is repayable in 84 EMIs of ₹529,582/- each from June 2013.

5. Other Long-term liabilities & provisions

(₹ in Lakhs)

	Non-current portion		Current portion	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Advance received for sale of assets	-	571.85	-	-
Provision for leave encashment	22.33	-	-	-

Notes to Financial Statements for the year ended 31st March, 2015
6. Short-term borrowings (Secured)

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
Overdraft from Andhra Bank	487.35	-
Total	487.35	-

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. Rate of interest is Base Rate + 2% p.a. Over Draft limit is ₹25.00 Crores and renewable every year.

7. Trade payables

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
Trade payables (for services received)	0.24	0.59

There are no dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006.

8. Other current liabilities

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
Current maturities of Long Term Debt from Banks	410.05	532.16
Amounts received against sale of Assets/OTS	522.03	180.58
Advance received towards expenses	53.22	86.87
Advance received from trusts	1.29	2.26
Amounts retained towards customs claims	40.12	-
Amounts retained for expenses	2.54	-
Unclaimed dividends	1.55	-
Other Payables		
(i) Statutory Remittances		
a) Tax Deducted at Source	3.21	3.07
b) Profession Tax	0.02	-
c) Service Tax	10.81	1.89
(ii) Creditors for capital items	-	0.25
(iii) Outstanding expenses	7.17	12.54
(iv) Other Liabilities	-	38.46
Total	1052.01	858.08

9. Short-term provisions

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
Provision for income tax	473.00	786.85
Provision for income tax (prior period)	12.74	-
Proposed equity dividend	900.00	1100.00
Tax on proposed equity dividend	179.95	186.95
Provision for statutory payments of AKR Energy Ltd.,	-	7.83
Provision for non performing assets	-	9.58
Total	1565.69	2091.21

Notes to Financial Statements for the year ended 31st March, 2015

10. Fixed Assets

A. Tangible Assets

(₹ in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	As at 31.03.2014	Additions	Deletions	As at 31.03.2015	Up to 31.03.2014	For the Year	Deletions	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
Buildings	586.68	-	-	586.68	9.40	9.20	-	18.60	568.08	577.28
Furniture and Fixtures	130.53	5.20	-	135.73	4.48	12.92	-	17.40	118.33	126.05
Data Processing Equipment	11.27	3.90	-	15.17	5.87	3.83	-	9.70	5.47	5.40
Office Equipment	14.27	3.03	1.57	15.72	3.18	2.58	0.53	5.23	10.50	11.08
Vehicles	23.93	12.84	-	36.77	8.00	3.87	-	11.87	24.90	15.93
Library	0.17	0.02	-	0.19	0.16	0.02	-	0.18	-	-
TOTAL	766.85	24.99	1.57	790.26	31.09	32.42	0.53	62.98	727.28	735.74
Previous year	641.93	156.88	31.97	766.84	17.66	21.48	8.04	31.10	735.74	624.27

B. Intangible Assets

(₹ in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	As at 31.03.2014	Additions	Deletions	As at 31.03.2015	Up to 31.03.2014	For the Year	Deletions	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
Total	2.41	-	-	2.41	1.48	0.85	-	2.33	0.08	0.93
Previous Year	2.57	-	0.16	2.41	1.22	0.41	0.15	1.48	0.93	1.35

Note 1: Depreciation for the year includes ₹2,01,669/- being the amount adjusted from opening balance of retained earnings on account of transitional provision as per Sch II of the companies Act, 2013.

Note 2: Depreciation charged to profit and loss account after adjusting assets transferred to retained earnings is ₹31,25,551/-.

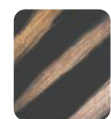


Notes to Financial Statements for the year ended 31st March, 2015

11. Investments

(₹ in Lakhs)

	Non-current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Investment in special purpose vehicles (valued at cost unless stated otherwise) Unquoted security receipts				
i) PARAS-ALIND-001 Trust 574 (31 st March 2014:1500) SRs of ₹1,00,000/- each	-	461.37	574.00	1038.63
ii) PARAS-GSAL-002 Trust Nil (31 st March 2014:212) SRs of ₹1,00,000/- each	-	-	-	212.00
iii) PARAS-DLBPF-005 Trust 52 (31 st March 2014:52) SRs of ₹1,00,000/- each	52.00	52.00	-	-
iv) PARAS-SPCPL-008 Trust 65 (31 st March 2014:65) SRs of ₹1,00,000/- each	-	-	65.00	65.00
v) PARAS-VBL-010 Trust 415 (31 st March 2014:415) SRs of ₹1,00,000/- each	-	-	415.00	415.00
vi) PARAS-VEAF-011 Trust 93 (31 st March 2014:93) SRs of ₹1,00,000/- each	97.02	97.02	-	-
vii) PARAS-MRDI-016 Trust 51083 (31 st March 2014:51083) SRs of ₹1000/- each	-	-	510.83	510.83
viii) PARAS-MMAL-017 Trust 348 (31 st March 2014:348) SRs of ₹1,00,000/- each	-	-	348.00	348.00
ix) PARAS-LCSPL-018 Trust 163 (31 st March 2014:254) SRs of ₹1,00,000/- each	-	-	163.00	254.00
x) PARAS-DRLL-019 Trust 600 (31 st March 2014:600) SRs of ₹1,00,000/- each	-	-	600.00	600.00
xi) PARAS-MCSPL-020 Trust 430 (31 st March 2014:430) SRs of ₹1,00,000/- each	-	-	430.00	430.00
xii) PARAS-SSHMC-021 Trust 224 (31 st March 2014:224) SRs of ₹1,00,000/- each	-	-	224.00	224.00
xiii) PARAS-KIL-022 Trust 49082 (31 st March 2014:72976) SRs of ₹1,000/- each	-	-	490.82	729.76
xiv) PARAS-ALIND II-023 Trust 31 (31 st March 2014: 48) SRs of ₹1,00,000/-each	16.00	27.45	15.00	20.55
xv) PARAS-ALIND III -024 Trust 31 (31 st March 2014: 50) SRs of ₹1,00,000/- each	16.00	27.77	15.00	22.23
xvi) PARAS-PPL-025 Trust Nil (31 st March 2014:2895) SRs of ₹1,000/- each	-	28.95	-	-
xvii) PARAS-IDBIPF-026 Trust Nil (31 st March 2014: 650) SRs of ₹1,00,000/- each	-	650.00	-	-
xviii) PARAS-IOBPF-027 Trust 46 (31 st March 2014: 46) SRs of ₹1,00,000/- each	46.00	46.00	-	-
xix) PARAS-VJBPF-028 Trust 8891 (31 st March 2014:9981) SRs of ₹1,000/- each	88.91	99.81	-	-
xx) PARAS-CBIPF-029 Trust 202 (31 st March 2014:2628) SRs of ₹1,000/- each	-	26.28	2.02	-
Total C/F	315.93	1516.65	3852.67	4870.00



Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lakhs)

B/F	Non-current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
B/F	315.93	1516.65	3852.67	4870.00
xxi) PARAS-NRPL-030 Trust 2513 (31 st March 2014: Nil) SRs of ₹1,00,000/- each	2513.00	-	-	-
xxii) PARAS-RTP-032 Trust 3575 (31 st March 2014:Nil) SRs of ₹1,000/- each	35.75	-	-	-
xxiii) PARAS-SBIKG-033 Trust 2457 (31 st March 2014:Nil) SRs of ₹10,000/- each	245.70	-	-	-
xxiv) PARAS-RRSPG-034 Trust 1512 (31 st March 2014:Nil) SRs of ₹10,000/- each	151.20	-	-	-
xxv) PARAS-SBH-2015-035 Trust 52665 (31 st March 2014:Nil) SRs of ₹1000/- each	526.65	-	-	-
xxvi) PARAS-SBH-2015-036 Trust 2415 (31 st March 2014:Nil) SRs of ₹10,000/- each	241.50	-	-	-
xxvii) PARAS-RRSPG II-037 Trust 798 (31 st March 2014:Nil) SRs of ₹10,000/- each	79.80	-	-	-
xxviii) PARAS-SPML-038 Trust 3924 (31 st March 2014:Nil) SRs of ₹10,000/- each	392.40	-	-	-
xxix) PARAS-MACL-039 Trust 30105 (31 st March 2014:Nil) SRs of ₹1,000/- each	301.05	-	-	-
xxx) PARAS-SPEPL-040 Trust 3105 (31 st March 2014:Nil) SRs of ₹1,000/- each	31.05	-	-	-
xxxi) PARAS-TPDL-041 Trust 76 (31 st March 2014:Nil) SRs of ₹1,00,000/- each	76.00	-	-	-
xxxii) PARAS-KSL-042 Trust 4275 (31 st March 2014:Nil) SRs of ₹1,000/- each	42.75	-	-	-
xxxiii) PARAS-DRD-043Trust 17265 (31 st March 2014:Nil) SRs of ₹1,000/- each	172.65	-	-	-
xxxiv) PARAS-ATE-044 Trust 3075 (31 st March 2014: Nil) SRs of ₹10,000/- each	307.50	-	-	-
xxxv) PARAS-GKI-045 Trust 315 (31 st March 2014: Nil) SRs of ₹1,00,000/- each	315.00	-	-	-
xxxvi) PARAS-MSL-046 Trust 375 (31 st March 2014:Nil) SRs of ₹1,00,000/- each	375.00	-	-	-
xxxvii) PARAS-ATL-047 Trust 3105 (31 st March 2014: Nil) SRs of ₹1,000 /- each	31.05	-	-	-
xxxviii) PARAS-VT-048 Trust 62 (31 st March 2014: Nil) SRs of ₹1,00,000/- each	62.00	-	-	-
Total	6215.98	1516.65	3852.67	4870.00

Notes to Financial Statements for the year ended 31st March, 2015

12. Loans and Advances

(₹ in Lakhs)

Description	Non-Current Portion		Current Portion		Total	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
(A) Financial Assets (Secured considered good)						
Loan Assets (A)	246.95	359.51	80.95	163.89	327.90	523.40
Includes Non Performing Asset of ₹95.84 Lakhs (As on 31.03.2014)						
(B) Security Deposits						
Unsecured considered good (B)	0.77	0.53	-	-	0.77	0.53
(C) Other Loans and Advances						
Advance Income Tax	208.00	710.00	-	-	208.00	710.00
TDS	22.75	84.39	-	-	22.75	84.39
Prepaid expenses	-	-	1.94	5.28	1.94	5.28
Service Tax(input) CENVAT credit	-	-	0.04	0.04	0.04	0.04
Service Tax suspense	-	-	-	0.86	-	0.86
I.T. Refund Receivable(2009-10)	-	-	4.21	13.14	4.21	13.14
Advance For Expenses	-	-	5.46	0.03	5.46	0.03
Gratuity premium paid to LIC	-	-	4.66	-	4.66	-
(C)	230.75	794.39	16.31	19.35	247.06	813.74
Total (A+B+C)	478.47	1154.43	97.26	183.24	575.73	1337.67

Notes to Financial Statements for the year ended 31st March, 2015

13. Other Assets

(₹ in Lakhs)

	Non-Current Portion		Current Portion	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
A. Unsecured and considered good Expenses recoverable from trusts managed by the company				
Over six months	1.45	5.83	-	-
Others	1.46	7.68	-	-
(A)	2.91	13.51	-	-
B. Other items				
Over six months	-	-	-	-
Interest accrued on fixed deposits	-	-	2.97	43.73
(B)	-	-	2.97	43.73
Total (A +B)	2.91	13.51	2.97	43.73

14. Trade Receivables (Unsecured, considered Good)

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
A. Recoverable from Trusts managed by the company		
Over six months	588.39	582.56
Others	431.39	371.17
(A)	1019.78	953.73
B. Other Receivables		
Over six months	-	-
Others	831.37	-
(B)	831.37	-
Total (A)+(B)	1851.15	953.73

15. Cash and Bank Balances

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
Cash and cash equivalents		
Balances with Banks		
In current accounts	279.95	2414.65
In fixed deposits	99.00	2723.00
Cash on hand	0.09	0.09
Total	379.04	5137.74

Notes to Financial Statements for the year ended 31st March, 2015

16. Revenue from operations

(₹ in Lakhs)

	2014-15	2013-14
Interest earned	187.03	855.19
Gain on Redemption of Security Receipts	915.90	1600.16
Gain from resolution of Financial Assets	1.76	20.31
Income from reversal of NPA accounts	9.59	-
Incentive	139.21	-
(A)	1253.49	2475.66
Other Financial Services		
Management Fee	458.85	281.34
Advisory & Consultancy Fee	-	25.00
Processing Fee	2.00	-
(B)	460.85	306.34
Total (A+B)	1714.34	2782.00

17. Other non-operating income

(₹ in Lakhs)

	2014-15	2013-14
Interest on FDs with Banks (TDS: ₹2,273,298/-)	224.47	84.52
Others	1.57	20.23
Gratuity account	2.21	-
Total	228.25	104.75

18. Employee benefit expenses

(₹ in Lakhs)

	2014-15	2013-14
Salaries and wages	180.29	159.90
Contribution to gratuity and leave encashment fund	22.33	3.83
Staff Welfare	1.98	1.75
Total	204.60	165.48

Notes to Financial Statements for the year ended 31st March, 2015

19. Other expenses

(₹ in Lakhs)

	2014-15	2013-14
Customer service expenditure	1.51	1.65
Electricity, water and house keeping	14.09	8.06
Rent	-	8.19
Rates and taxes, excluding taxes on income	5.39	4.31
Repairs and maintenance		
Plant and Machinery	0.14	0.16
Others	0.21	2.00
Vehicle maintenance	5.68	3.95
Office maintenance charges	9.84	2.46
Insurance	2.00	8.47
Travelling and conveyance	7.73	12.72
Communication costs	3.28	2.71
Legal and professional charges	7.49	12.11
Directors' sitting fees	18.80	8.20
Security expenses	-	7.77
Printing and stationery	2.84	2.82
Enforcement of security interest expenses	6.10	17.06
Provision on Non performing loans	-	9.58
Contributions under CSR Scheme	35.62	-
Reversal of amounts in recoverable from trust accounts	58.99	-
Loss on sale of assets	0.62	-
Assets written off – office equipment	0.22	-
Miscellaneous expenses	3.92	5.86
Payment to Auditors		
Audit fee	4.00	4.00
Certification fee	0.02	0.04
Total	188.49	122.13

20. Finance costs

(₹ in Lakhs)

	2014-15	2013-14
Interest expense		
Term Loan	105.05	189.13
Overdraft	0.45	9.80
Shortfall in payment of advance tax	3.86	10.84
Bank charges	13.29	2.43
Interest on service tax input credit excess utilized	0.84	-
Total	123.49	212.20

Notes to Financial Statements for the year ended 31st March, 2015

21. The Security Receipts issued by the Trusts which are managed by the Company as managing trustee are being rated by CARE and M/s.Brickwork Ratings India Pvt. Ltd., in accordance with the guidelines issued by Reserve Bank of India for credit rating of SR's of the Trusts.
22. Employee benefits as per AS -15: As per actuarial valuation as on 31.03.2015 given by LIC of India 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 31.03.2015

(₹ in Lakhs)

	Gratuity	Leave encashment
Present value of obligations at the beginning of the year	6.20	7.55
Interest cost	0.49	0.60
Current service cost	1.45	2.42
Benefits paid	(2.15)	(6.95)
Actuarial (gain)/loss on obligation	(3.00)	20.02
Present value of obligation as at the end of the year	2.99	23.64

ii. Changes in the fair value of plan assets as on 31.03.2015

(₹ in Lakhs)

	Gratuity	Leave encashment
Fair value of assets at the beginning of the year	11.81	10.42
Expected return on plan assets	1.16	0.71
Contributions made during the year	2.40	-
Benefits paid	(2.15)	(6.95)
Actuarial (gain)/loss on plan assets	-	-
Fair value of plan assets at the end of the year	13.22	4.18

iii. Fair value of plan assets

(₹ in Lakhs)

	Gratuity	Leave encashment
Fair value of plan assets at the beginning of the year	11.81	10.42
Actual return on plan assets	1.16	0.71
Contributions	2.40	-
Benefits paid	(2.15)	(6.95)
Fair value of plan assets at the end of the year	13.22	4.18
Funded status	10.23	(19.46)
Excess of actual over estimated return of plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March)	-	-

Notes to Financial Statements for the year ended 31st March, 2015

iv. Actuarial Gain/Loss recognized as on 31.03.2015

(₹ in Lakhs)

	Gratuity	Leave encashment
Actuarial (gain)/loss on obligation	3.00	(20.02)
Actuarial (gain)/loss for the year – plan assets	-	-
Actuarial (gain)/loss for the year	(3.00)	20.02
Actuarial (gain)/loss recognized in the year	(3.00)	20.02

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

(₹ in Lakhs)

	Gratuity	Leave encashment
Present value of obligations as at the end of the year	2.99	23.64
Fair value of plan assets as at the end of the year	13.22	4.18
Funded status	10.23	(19.46)
Net asset/(liability) recognized in balance sheet	10.23	19.46

Net Asset in respect of gratuity plan and leave encashment plan is not recognised

vi. Expenses recognized in statement of Profit and Loss

(₹ in Lakhs)

	Gratuity	Leave encashment
Current service cost	1.45	2.42
Interest cost	0.50	0.60
Expected return on plan assets	(1.16)	(0.71)
Net actuarial (gain)/loss recognized in the year	(3.00)	20.02
Expenses recognized in statement of Profit and Loss	(2.21)	22.33

23. The company has only one line of business and as such has no separate reportable segment to be disclosed under AS -17 “Segment Reporting”

24. Related Party disclosures

Name of the Party	Nature of Relationship
Sri. M. Sivarama Vara Prasad	Promoter Non-Executive Director
Dr. Murali Krishna Prasad Divi	Promoter Non-Executive Director
Sri.Rajeev Kumar Raizada	Punjab National Bank Nominee Director
Sri.M.Gopalakrishnaiah	Whole-time Director

Notes to Financial Statements for the year ended 31st March, 2015

Transactions with Related parties

(₹ in Lakhs)

Particulars	2014-15	2013-14
Whole-time Director		
Salary	14.20	12.70
Medical expenses reimbursed	0.36	0.36
Conveyance charges reimbursed	1.20	1.20
Telephone expenses reimbursed	0.24	0.24
Total:	16.00	14.50

25. EPS Calculation:

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

(₹ in Lakhs)

Particulars	2014-15	2013-14
Profit after tax	867.90	1552.54
Weighted average number of shares	10,000,000	10,000,000
Basic EPS (Face value ₹100/- per share) (In ₹)	8.68	15.53
Diluted EPS (In ₹)	8.68	15.53

26. Taxes on Income (AS - 22)

(₹ in Lakhs)

Items of Deferred Tax Liability	2014-15	2013-14
Depreciation	91.75	46.73
Items of deferred tax assets	-	-
Deferred Tax Liability at current rate of tax	31.19	15.88

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

Notes to Financial Statements for the year ended 31st March, 2015

28. Additional Disclosures:

The following are the additional disclosures as required by “The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003”.

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

Sponsors:

(₹ in Lakhs)

Seller wise acquisition details as at 31 st March, 2015		
Sellers	Address	Acquisition Price
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	1000.00

Non-Sponsors:

(₹ in Lakhs)

Seller wise acquisition details as at 31 st March, 2015		
Sellers	Address	Acquisition Price
Andhra Pradesh State Co-operative Bank Limited	Troop Bazar, Hyderabad-500 001	200.00
Axis Bank Limited	Corporate Office, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	700.00
Bank of Baroda	Baroda Corporate Centre, Plot No.26, G-26, Bandra Kurla Complex, Bandra (East), Mumbai-400 051	1726.00
Bank of India	Star House, C-5, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051	3249.75
Bank of Maharashtra	‘Lokmangal’ 1501, Shivajinagar, Pune-411005	2910.00
Canara Bank	112, JC Road, Bangalore-560 002	950.00
Central Bank of India	Corporate Office, Chander Mukhi, Nariman Point, Mumbai-400 021	4819.60
Corporation Bank	Mangaladevi Temple Road, Pandeshwar, Mangalore-575 001.	600.00
Dena Bank	Dena Bank Corporate Centre, C-10, “G” Block, Bandra Kurla Complex, Mumbai-400 051	440.00
Deutsche Bank	DB House, Hazarimal Somani Marg, Fort, Mumbai-400 001	400.00
The Dhanalakshmi Bank Limited	Corporate Office, Naickanal, Thrissur-680 001.	550.00

Notes to Financial Statements for the year ended 31st March, 2015
Non-Sponsors:

(₹ in Lakhs)

Seller wise acquisition details as at 31 st March, 2015		
Sellers	Address	Acquisition Price
The Federal Bank Limited	PB No.103, Federal Towers, Aluva-683 101, Ernakulam, Kerala	60.00
ICICI Bank Limited	ICICI Towers, Bandra Kurla Complex, Bandra (E), Mumbai-400 051	550.00
IDBI Bank Limited	IDBI Towers, WTC Complex, Cuffe Parade, Mumbai-400 005	3159.40
IFCI Limited	IFCI Tower, 61 Nehru Place, New Delhi-110 019	512.86
Indian Bank	PB No.1384, 66, Rajaji Salai, Chennai-600 001	1391.20
Indian Overseas Bank	Central Office, PB.No.3765, 763, Anna Salai, Chennai-600 002	2067.00
ING Vysya Bank	22, M. G. Road, Bangalore-560 001	35.00
Indian Renewable Energy Development Agency Limited	Corporate Office, 3rd Floor, August Kranti Bhawan, Bhikaiji Cama Place, New Delhi-110 066	653.00
Karur Vysya Bank	Erode Road, Karur-639 002	15.00
Kotak Mahindra Bank	36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai-400 021	380.00
The Lakshmi Vilas Bank Limited	Administrative Office, Salem Main Road, Karur-639 006	600.00
Oriental Bank of Commerce	Corporate Office, Plot No.5, Institutional Area, Sector-32, Gurgaon-122 001	56.00
Stressed Assets Stabilization Fund	IDBI Towers, WTC Complex, Cuffe Parade, Colaba, Mumbai-400 005	350.00
State Bank of Hyderabad	Hyderabad Bank Towers, Gun Foundry, Hyderabad-500 001	6206.17
State Bank of India	Madame Cama Road, Mumbai-400 021	13179.26
State Bank of Travancore	Head Office, Poojappura, Trivandrum-695 102, Kerala	448.00
State Bank of Mysore	646, K.G.Road,Bangalore-560 009	80.00
Shikshak Sahakari Bank Limited	Registered Office, Opposite Gandhi Sagar Lake, Mahal, Nagpur-440 018	112.50
Standard Chartered Bank	90, Mahatma Gandhi Road, Fort, Mumbai-400 001	50.00
Vijaya Bank	41/2, M.G.Road,Trinty Circle, Bangalore-560 001	1996.20
	Total	48446.94

Notes to Financial Statements for the year ended 31st March, 2015

b) Dispersion of various financial assets industry-wise as at 31st March, 2015:

(₹ in Lakhs)

Industry	No. of Borrowers	Acquisition Price	% of Total
Automobiles	3	1426.20	2.88
Asbestos Roofing	1	20.00	0.04
Bio-Chemical & Pesticides	7	4885.23	9.88
Cement	1	25.00	0.05
Coir	1	792.26	1.60
Cold Storage	1	380.00	0.77
Consumer Durable Loans	1	50.00	0.10
Educational Institution	1	2100.00	4.25
Food Products	5	1373.35	2.78
House Hold Appliances	2	1000.00	2.02
Hospital	1	1611.00	3.26
Iron and Steel , Other Metals	8	10019.00	20.26
Information Technology	4	237.00	0.48
Industrial Gases	2	635.00	1.29
Infrastructure	1	715.00	1.45
Logistics	1	600.00	1.21
Metals and Mining	3	658.00	1.33
NBFC	11	882.50	1.79
Pharma	4	357.40	0.72
Plastics	1	50.00	0.10
Power	3	5608.00	11.34
Paper	1	2616.00	5.29
Poultry	1	144.00	0.29
Textiles	7	3005.00	6.08
Trading	13	7538.00	15.24
Wood	1	2050.00	4.15
Others	8	669.00	1.35
Total	93	49446.94	100.00



Notes to Financial Statements for the year ended 31st March, 2015

(₹ in Lakhs)

c)	Details of related parties as per Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India and the amounts due to and from them	Nil
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	26133.00
f)	Value of financial assets fully realized during the financial year	3729.00
g)	Value of financial assets including assets acquired through Trust and outstanding for realization as at the end of the financial year	34076.79
h)	i. Value of Security Receipts redeemed partially during the financial year	3678.14
	ii. Value of Security Receipts redeemed fully during the financial year	3729.00
i)	Value of Security Receipts pending for redemption as at the end of the financial year	33812.15
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)	Nil
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 the acquisition value	Nil

As per our report of even date

For and on behalf of the Board

For K.S.Rao & Co.

Chartered Accountants

M. Naga Prasad

Partner

M.S.R.V. Prasad

Director

M. Gopalakrishnaiah

Whole-time Director

Place : Hyderabad

Date : 09.07.2015

D. Nanha Ram

Chief Executive Officer

V. Vani

Company Secretary



PARAS

**Pridhvi Asset Reconstruction
And Securitisation Company Limited**

Registered & Corporate Office

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