



PARAS

## Pridhvi Asset Reconstruction And Securitisation Company Limited



*Complexities in NPA resolution -  
Creating value through their engineering*

## Board of Directors



**Sri. D. Seetharamaiah**  
Chairman



**Dr. Pamidi Kotaiah**  
Director



**Sri. Vepa Kamesam**  
Director



**Ms. K. Sujatha Rao**  
Director



**Sri. M. Gopalakrishnaiah**  
Whole-time Director



**Sri. M. Sivarama Vara Prasad**  
Director



**Dr. Murali Krishna Prasad Divi**  
Director



**Sri. Rajeev Puri**  
Nominee 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

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

### Registered & Corporate Office

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

## *The Philosophy.....*

### **Vision**

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

### **Mission**

- To foster innovation and novelty in revival and resolution of 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.



## *Journey thus far*

(₹ in Lakhs)

Parameter	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Equity	5105	5739	10000	10000	10000	10000	10000	10000
Assets Acquired	78841	9345	26630	13455	5604	157864	67410	26516
Acquisition Cost	5148	1273	3156	3846	3101	6790	26133	9255
SRs issued during the year	5148	-	-	1235	7349	7216	26133	9255
SRs redeemed during the year	-	58	188	1072	1063	5771	5119	5211
Total Income	256	1044	1951	1684	1951	2887	1943	3022
Profit Before Tax	171	883	1778	1469	1535	2353	1395	2335
Dividend %	-	9	10	10	9	11	9	10
Earnings per Share (In ₹)	4.46	10.56	14.34	9.92	10.35	15.53	8.68	15.06



## Notice

Notice is hereby given that the Ninth Annual General Meeting of the Company will be held on Tuesday, the 19<sup>th</sup> July, 2016 at 12.15 p.m. at Door No.1-55, 6<sup>th</sup> Floor, 'Raja Praasadamu', Masjid Banda Road, Kondapur, Hyderabad – 500 084 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 31<sup>st</sup> March, 2016 together with Directors' and Auditors' Reports thereon.
2. To confirm the interim dividend paid on equity shares during the year 2015-16.
3. To appoint a Director in place of Dr. Murali Krishna Prasad Divi (DIN No. 00005040), 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 7<sup>th</sup> 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 2017 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 Sri. Rajeev Puri (DIN No. 07330989), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 6<sup>th</sup> November, 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 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."

### Registered & Corporate Office

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

Date : 25.05.2016

By order of the Board

**M. Gopalakrishnaiah**  
Whole-time Director  
DIN No. 00475030



## 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 Computer Shares 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.

### **Statement Pursuant to section 102(1) of the Companies Act, 2013 ("Act")**

The following statement set out all material facts relating to item No. 5 mentioned in the accompanying notice.

#### **Item No. 5:**

Punjab National Bank has nominated Sri. Rajeev Puri, Deputy General Manager, Circle Head, Circle Office, Hyderabad as its nominee on the Board of the Company in the place of Sri. Raj Kumar Chatterjee, Field General Manager, FGMO, Chennai.

Accordingly, the Board appointed Sri. Rajeev Puri as an Additional Director at its meeting held on 6<sup>th</sup> November, 2015. 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. Rajeev Puri and his relatives to the extent of their shareholding interest, if any, in the company may be deemed interested in the resolution set out respectively at Item No. 5 of the Notice with regard to his appointment.

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

#### **Registered & Corporate Office**

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

Tel: 040-41413333, Fax: 040-41413301

Email: co@paras.org.in, Web: www.paras.org.in

Date : 25.05.2016

By order of the Board

**M. Gopalakrishnaiah**  
Whole-time Director  
DIN No. 00475030





## Directors' Report

Dear Members,

Your Directors are pleased to present the 9<sup>th</sup> Annual Report together with the audited accounts of the Company for the financial year ended 31<sup>st</sup> March, 2016.

### Financial Results

The performance of the company for the year ended 31<sup>st</sup> March, 2016 is summarized below:

(₹ in Lakhs)

Particulars	2015 - 16	2014 - 15
Total Income	3022.30	1942.59
Total Expenditure	581.21	393.09
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	2441.09	1549.50
Less: Finance charges	74.19	123.49
Less: Depreciation	32.27	31.25
Profit Before Tax and Exceptional items (PBT)	2334.63	1394.76
Add: Exceptional items	3.44	-
Less: Provision for Tax	832.01	526.86
Profit after Tax (PAT)	1506.06	867.90
Surplus brought forward from previous year	13.51	228.27
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	1519.57	1093.46
Appropriations - Transfer to General Reserve	300.00	-
- Interim Dividend including tax	1203.58	1079.95
Balance carried to Balance Sheet	15.99	13.51
Earnings Per Share of ₹100 (in ₹)	15.06	8.68

The Company's gross income for the financial year ended 31<sup>st</sup> March, 2016 was ₹ 3022 Lakhs compared to ₹ 1943 Lakhs of the previous year. Profit Before Tax (PBT) of the company was ₹ 2335 Lakhs and net profit for the year was ₹ 1506 Lakhs.

The Company's net worth as on 31<sup>st</sup> March, 2016 stood at ₹ 10541 Lakhs.

### Performance of the Company

Your company for yet another year posted a commendable performance in FY 2015-16. The gross revenue for the year is ₹ 30.22 crores which is the highest since inception of the company. The PAT is also a high of ₹ 15.06 crores as against ₹ 8.68 crores of the previous year. This achievement was possible firstly owing to the prudent methods adopted in acquisition of the assets and their subsequent resolution through innovative and path-breaking resolution strategies, staying focused on revival.





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The performance assumes all the more significance considering the heavy odds impeding the effective functioning of the ARCs in general, which are discussed elsewhere in the report.

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 ₹ 54.09 crores during the year as against ₹ 51.96 crores registered in the previous year. Your company is taking necessary steps for resolving the legal issues so as to expedite recovery in other accounts.

Time and again RBI has been emphasizing that ARCs should be construed as a supportive system for stressed asset management with greater emphasis on asset reconstruction rather than asset stripping. Accordingly your company in line with its own objectives is looking at restructuring of the acquired debts in preference to the other options, wherever there is a scope for revival.

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

(₹ in Lakhs)

Acquired	2015 - 16	2014 - 15
Number of seller Banks/FIs	7	6
Debt acquired	26516	67410
Cost of acquisition	9255	26133

(₹ in Lakhs)

Recovered	2015 - 16	2014 - 15
Number of Accounts	16	10
Amount recovered	5409	5196

### Share Capital

There is no change in the capital structure of the company during the year 2015-16.

### Dividend

The Board of Directors at its meeting held on 22.03.2016 have declared an interim dividend of ₹ 10/- per equity share of ₹ 100 each (previous year final dividend of ₹ 9/- per equity share) aggregating to ₹ 1203.58 Lakhs (inclusive of dividend distribution tax of ₹ 203.58 Lakhs) for the financial year 2015-16. No final dividend is recommended.

### Transfer to Reserves

Your Directors have recommended transfer of ₹ 300 Lakhs to the General Reserve and an amount of ₹ 15.99 Lakhs is retained in the Statement of Profit and Loss.

### Management Discussion and Analysis

The financial year 2015-16 has witnessed an unprecedented spurt in Non-Performing Assets of Scheduled Commercial Banks. As of March, 2016 it is reported that the gross NPAs of 40 listed banks were ₹ 5.82 lakh crores, up 93% from ₹ 3.02 lakh crores as of March, 2015. The record growth of NPAs in the last few years is posing the biggest challenge ever to the banks in particular and the economy in general.



Notwithstanding the high level of NPAs, the NPAs offered for sale to ARCs during the year represents not more than 40% of the gross NPAs of banks of which the deal closure is a mere 10% (approx). The poor closure of NPA sales will continue to be a major concern because of the unrealistic fixation of the reserve prices, which are not based on the realisable value of the underlying securities and not factoring the time required for their realisation. The fact that despite the increase in ARCs mandated stake from 5% to 15%, banks have not proportionately reduced the reserve prices is a testimony of the unwillingness on the part of the banks to accept any write-off on account of NPA sales. Therefore as a priority, it might be necessary to facilitate sale of NPAs by banks by allowing liberal and staggered write-off of any shortfall resulting out of such sales.

On the other side, as of now, the capacities of ARCs in mobilizing resources is limited owing to caps on investment in equity by FIIs/FPIs and restricting investment in business to QIBs only. On resolution front ARCs efforts to recover NPAs are thwarted by intervention of courts in SARFAESI and DRT matters and the abnormal delay in their disposal. The litigation has become a major impediment and a dampener in resolution of bad assets.

Seized of seriousness and magnitude of the problem, the Government of India and the Reserve Bank of India took several measures/initiatives which are directed towards strengthening the ARC framework and support both banks and ARCs in expeditious recovery of NPAs. The passing of 'The Insolvency and Bankruptcy Code, 2016' by Parliament is expected to bring about a total transformation in dealing with insolvency of corporates, individuals, partnerships and other entities. It paves the way for much needed reforms while focusing on creditor driven insolvency resolution. Yet another major initiative of GOI is the introduction of the bill relating to amendments to SARFAESI and RDDB Acts, which are intended to address by and large all the major problems faced by banks and ARCs in effective resolution of NPAs. It is heartening to note that in the 'Insolvency and Bankruptcy code, 2016' and the proposed amendments to SARFEASI and RDDB Acts, with regard to distribution of sale proceeds of the secured assets, the dues of a secured creditor are given preference over the dues to the Government whether Central, State or Local body. Other provisions include:

- Broadening the definition of a "Qualified Institutional Buyer" to include non-institutional investors as specified by RBI.
- Removing the existing cap on investment by a "Sponsor".
- Exempting assignment deeds executed for the purpose of acquiring financial assets from stamp duty.
- Allowing ARCs to acquire financial assets where the borrower has defaulted, whether or not such account is classified as NPA.
- The name of the ARC to be substituted in all the registration records or public records and in all legal proceedings.
- Stipulating a minimum deposit of 25% of the debt for appealing before DRAT.

It is expected that these initiatives would certainly strengthen the ARC framework in its entirety and accelerate the process of resolution of NPAs.

### Future Prospects

With the kind of growth of NPAs registered by banks, not much need to be said about the future prospects of this business. The passing of 'The Insolvency and Bankruptcy Code, 2016' and the proposed amendments to SARFAESI and RDDB Acts will leave the ARCs fully empowered to face the biggest challenge of addressing the banks' worrisome NPA issue. This will also throw open opportunities for entry of new players and it is reported that several entities have made applications to RBI for grant of new licenses to start ARCs.



Your company too is gearing itself to be a part of the challenge and has plans:

- i. To augment its' resources by increasing bank borrowings and by issue of NCDs
- ii. Inviting FPI/FII,QIB/Non-Institutional Investors to partner in acquisitions
- iii. Expand the present geographical area of operations
- iv. Increase the team size etc.,

With the proposed amendments, laws and reforms coming in place the business prospects for ARCs appear very promising.

### **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 and controls**

The Company has in place adequate internal control systems to ensure:

- operational effectiveness and efficiency;
- prevention and detection of frauds and errors;
- accuracy and completeness of the accounting records;
- reliable financial reporting; and
- compliance with regulations and policies.

### **Corporate Governance**

Corporate governance is about maximizing shareholder value legally, ethically and on a sustainable basis. Your Company's goal of corporate governance is to ensure fairness for every stakeholder i.e., our customers, investors, the government, the regulatory authorities and the community. Your Company believes that sound corporate governance is critical in enhancing and retaining investor trust. It is a reflection of our culture, policies, relationship with stakeholders and commitment to values. Accordingly, your Company always seeks to ensure that its performance is driven by integrity.

The Board exercises its fiduciary responsibilities in the widest sense of the term. The disclosures seek to attain the best practices in corporate governance. Your Company also endeavours to enhance long-term shareholder value.

Your Company's corporate governance philosophy is based on the following principles:

- Complying with the laws
- Maintaining transparency and a high degree of disclosure levels
- Having a simple and transparent corporate structure driven solely by business needs





- Embracing a trusteeship model in which the management is the trustee of the shareholders' capital and not the owner
- Driving the business on the basis of the belief, 'when in doubt, disclose'

### 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.

The Board met 5 times during the year on 09.06.2015, 09.07.2015, 06.11.2015, 01.03.2016 and 22.03.2016.

Attendance of Directors at Board Meetings and at the last Annual General Meeting held on 07.09.2015 during 2015-16:

Name of the Director	Category	Attendance at meetings during 2015-16	
		Board Meetings	Last AGM
Sri. D. Seetharamaiah, Chairman	Independent Director	5	Yes
Dr. Pamidi Kotaiah	Independent Director	5	Yes
Sri. Vepa Kamesam	Independent Director	4	No
Ms. K. Sujatha Rao	Independent Director	3	No
Sri. M. Siva Rama Vara Prasad	Promoter Director	3	Yes
Dr. Murali Krishna Prasad Divi	Promoter Director	3	Yes
Sri. Rajeev Kumar Raizada*	Director nominated by M/s. Punjab National Bank	1	No
Sri. Rajeev Puri #	Director nominated by M/s. Punjab National Bank	1	No
Sri. M. Gopalakrishnaiah	Whole-time Director	5	No

\*Sri. Rajeev Kumar Raizada, nominee of Punjab National Bank, nomination withdrawn by the Bank w.e.f. 22.06.2015.

# Sri. Rajeev Puri, nominated by Punjab National Bank was appointed by the Board w.e.f. 06.11.2015.

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



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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 5 times during the financial year 2015-16 on 09.06.2015, 09.07.2015, 06.11.2015, 01.03.2016 and 22.03.2016.

### 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 10 times during the financial year 2015-16 on 18.04.2015, 01.06.2015, 25.07.2015, 07.09.2015, 01.10.2015, 02.11.2015, 07.12.2015, 04.01.2016, 15.02.2016 and 10.03.2016

### 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 once during the financial year 2015-16 on 01.03.2016.

### 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 2015-16 on 06.11.2015.

### **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 2015-16 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, each of the Independent Directors have submitted declaration that he / she meets the criteria of independence as provided in Section 149(6) of the Act, and there has been no change in the circumstances which may affect their status as an independent director during the year.

None of the independent directors are due for re-appointment.

In accordance with the provisions of the Articles of Association of the Company and provisions of Section 152 of the Companies Act, 2013, Dr. Murali Krishna Prasad Divi, retires by rotation at the ensuing General Meeting and being eligible, offers himself for re-appointment.

During the year Punjab National Bank had withdrawn the nomination of Sri. Raj Kumar Chatterjee on 06.10.2015 and nominated Sri. Rajeev Puri. Accordingly, the Board has appointed Sri. Rajeev Puri as an Additional Director on 6th November, 2015 and sought the approval of Reserve Bank of India, who holds office upto the ensuing Annual General Meeting.

The resolution seeking approval of the Members for confirmation of appointment of Sri. Rajeev Puri has 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 Sri. Rajeev Puri, candidature for the office of Director of the Company along with the requisite deposit.

Pursuant to the provisions of Section 203 of the Act, there is no change in Key Managerial Personnel, 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.

### **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 eighth Annual General Meeting of the Company held on 7<sup>th</sup> September, 2015 for a term of two 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 during the year 2015-16.

### Particulars of contracts or arrangements with related parties

The Company has entered into contracts or arrangements pursuant to Section 188(1) of the Act during the financial year 2015-16 with related parties which were in the ordinary course of business and at arm's length basis. Further, the Company had not entered into any contract or arrangement with related party during the year. Form AOC-2 is given as Annexure III.

### 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 IV 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-V 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 31<sup>st</sup> March, 2016, 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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 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 : 25.05.2016

**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 ("LTIs") 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 01.04.2015 To 31.03.2016

*[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 1<sup>st</sup>, 2015 to March 31<sup>st</sup>, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- (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 1<sup>st</sup>, 2015 to March 31<sup>st</sup>, 2016 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 thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The Reserve Bank of India Act, 1934; 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.

**(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 8<sup>th</sup> Annual General Meeting held on September 7<sup>th</sup>, 2015;
- 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 Whole-time Directors regularization of the appointment of woman director and appointment of Nominee Director;
- k) Payment of Remuneration to Directors including the Whole-time Director;
- l) Appointment and Remuneration of Auditors;
- m) Declaration and payment of dividends;
- n) Keeping record of unclaimed dividends in Company's website.
- o) There are no investments of company funds and no inter-corporate loans for the period.
- p) The Company doesn't have any subsidiaries;
- q) 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;
- r) There is no allotment of securities for the period;
- s) The Directors' report is according to the provisions;
- t) Contracts, Common seal, Registered Office and Publication of Name of the Company is as per the provisions; and
- u) Generally, all other applicable provisions of the Act and the Rules made under the Act;
- v) The provisions of Corporate Social Responsibility (CSR) are complied;
- w) 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, the Companies Act, 2013, the 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.



## Pridhvi Asset Reconstruction And Securitisation Company Limited

- (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.
- (5) I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder 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. F8306  
CP No. 9391

Place: Hyderabad  
Date : 18.05.2016





## Annexure - III to Directors' Report

Form No. AOC -2

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

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

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

**There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2016, which were not at Arm's length basis.**

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

**The details of contracts or arrangements or transactions at arm's length basis for the year ended 31<sup>st</sup> March, 2016, are as follows.**

(₹ in Lakhs)

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances if any
PARAS-NRPL-030 Trust; and Nature of Relationship is Trustee	Purchase of property	Not applicable	Purchase of property through public auction under SARFAESI Act for ₹ 2600.20 Lakhs	Approved by Executive Committee on 10.03.2016 and ratified by the Board on 25.05.2016	Full sale consideration paid

For and on behalf of the  
Board of Directors

Place: Hyderabad  
Date : 25.05.2016

**D. Seetharamaiah**  
Chairman



## Annexure - IV to Directors' Report

Annual Report on Corporate Social Responsibility (CSR)  
activities for the financial year 2015-16

### 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 - ₹1751.50 Lakhs

### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) - ₹ 35.03 Lakhs

### 5. Details of CSR spent during the financial year

- a. Total amount to be spent for the financial year - ₹35.03 Lakhs
- b. Amount unspent, if any - ₹ 15.03 Lakhs
- c. Manner in which the amount spent during the financial year is detailed below



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	Mobile van for conducting medical camps	Promoting preventive health care	Telangana Hyderabad	21.73	15.00	15.00	Implementing agency (Sri Satya Sai Trust)
2	Education to poor children & Medical services	Promoting education & preventive health care	Andhra Pradesh Guntur	15.55	5.00	5.00	Implementing agency (Sri Viswa Janani Parishat)
3	Medical services, vocational training and education	Promoting education, including vocation skills and Preventive healthcare	Andhra Pradesh West Godavari	16.00	Nil	Nil	Implementing agency (Kovvali Development Trust*)

\* Sri. M.S.R.V.Prasad, Director is a Trustee in Kovvali Development 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, an amount of Rs.15.03 Lakhs was unspent as the implementing agency had not made any request for release of funds to them.

**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.

For and on behalf of the Board of Directors

Place: Hyderabad  
Date : 25.05.2016

**M. Gopalakrishnaiah**  
Whole-time Director  
DIN No. 00475030

**D. Seetharamaiah**  
Chairman  
CSR Committee





## Annexure - V to Directors' Report

(₹ in Lakhs)

Form No. MGT-9

### Extract of Annual Return

As on the financial year ended on 31<sup>st</sup> March, 2016

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

#### I. Registration and Other Details:

1. CIN: U67120TG2007PLC053327
2. Registration Date: 27<sup>th</sup> 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, 4<sup>th</sup> 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	64990	100%

#### III. Particulars of Holding, Subsidiary and Associate Company: Nil

**IV. Shareholding Pattern (Equity share capital breakup as percentage of total equity)**
**I) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 <sup>st</sup> March 2015)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
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	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A1)</b>	<b>4069101</b>	<b>-</b>	<b>4069101</b>	<b>40.69</b>	<b>4069101</b>	<b>-</b>	<b>4069101</b>	<b>40.69</b>	<b>-</b>
<b>(2) Foreign</b>									
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	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A2)</b>	<b>1189753</b>	<b>1795636</b>	<b>2985389</b>	<b>29.85</b>	<b>1189753</b>	<b>1795636</b>	<b>2985389</b>	<b>29.85</b>	<b>-</b>
<b>Total shareholding of Promoter A(1+2)</b>	<b>5258854</b>	<b>1795636</b>	<b>7054490</b>	<b>70.54</b>	<b>5258854</b>	<b>1795636</b>	<b>7054490</b>	<b>70.54</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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	-	-	-	-	-	-	-	-	-



# Pridhvi Asset Reconstruction And Securitisation Company Limited

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31 <sup>st</sup> March 2015)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>1600000</b>	<b>-</b>	<b>1600000</b>	<b>16.00</b>	<b>1600000</b>	<b>-</b>	<b>1600000</b>	<b>16.00</b>	<b>-</b>
<b>2. Non-Institutions</b>									
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	774000	1150500	11.51	-
c) Others (specify)									
Non Resident Indians	-	120000	120000	1.20	-	20000	20000	0.20	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>526500</b>	<b>819010</b>	<b>1345510</b>	<b>13.46</b>	<b>526500</b>	<b>819010</b>	<b>1345510</b>	<b>13.46</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2126500</b>	<b>819010</b>	<b>2945510</b>	<b>29.46</b>	<b>2126500</b>	<b>819010</b>	<b>2945510</b>	<b>29.46</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>7385354</b>	<b>2614646</b>	<b>10000000</b>	<b>100.00</b>	<b>7385354</b>	<b>2614646</b>	<b>10000000</b>	<b>100.00</b>	<b>-</b>



## 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	-	-
	<b>Total</b>	<b>7054490</b>	<b>70.54</b>	<b>-</b>	<b>7054490</b>	<b>70.54</b>	<b>-</b>	<b>-</b>

## 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	<b>No change in the shareholding pattern of Promoters</b>			
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				



## Pridhvi Asset Reconstruction And Securitisation Company Limited

### 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
<b>1</b>	<b>Punjab National Bank</b>				
	Opening balance	1000000	10.00	1000000	10.00
	Transaction during the year	-	-	-	-
	Closing balance			1000000	10.00
<b>2</b>	<b>UCO Bank</b>				
	Opening balance	500000	5.00	500000	5.00
	Transaction during the year	-	-	-	-
	Closing balance			500000	5.00
<b>3</b>	<b>M/s.Zen Securities Ltd</b>				
	Opening balance	150000	1.50	150000	1.50
	Transaction during the year	-	-	-	-
	Closing balance			150000	1.50
<b>4</b>	<b>Smt. Radhika Donepudi</b>				
	Opening balance	109000	1.09	109000	1.09
	Transaction during the year	-	-	-	-
	Closing balance			109000	1.09
<b>5</b>	<b>Andhra Bank</b>				
	Opening balance	100000	1.00	100000	1.00
	Transaction during the year	-	-	-	-
	Closing balance			100000	1.00
<b>6</b>	<b>Sri. D. Babu Rao</b>				
	Opening balance	100000	1.00	100000	1.00
	Transaction during the year	-	-	-	-
	Closing balance			100000	1.00
<b>7</b>	<b>Sri. Balasubramanian M.K.</b>				
	Opening balance	100000	1.00	100000	1.00
	Transaction during the year	-	-	-	-
	Closing balance			100000	1.00
<b>8</b>	<b>Smt. M. Bharathi Devi</b>				
	Opening balance	50000	0.50	50000	0.50
	Transaction (transfer) on 12.01.2016	50000	0.50	100000	1.00
	Transaction (transfer) on 01.03.2016	10000	0.10	110000	1.10
	Closing balance			110000	1.10
<b>9</b>	<b>Smt. B. Rajani Saritha</b>				
	Opening balance	0	0.00	0	0.00
	Transaction (transfer) on 01.03.2016	100000	1.00	100000	1.00
	Closing balance			100000	1.00
<b>10</b>	<b>Sri. Jayaram Naidu Bavikati</b>				
	Opening balance	60000	0.60	60000	0.60
	Transaction during the year	-	-	-	-
	Closing balance			60000	0.60

**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				
<b>a) Directors</b>				
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>b) Key Managerial Personnel</b>	<b>Nil</b>			
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change in the shareholding pattern of Directors and Key Managerial Personnel			

**V. Indebtedness**

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2015)</b>				
i) Principal Amount	1107.88	-	-	1107.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1107.88</b>	<b>Nil</b>	<b>Nil</b>	<b>1107.88</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	251.78	-	-	251.78
* Reduction	-	-	-	-
<b>Net Change</b>	<b>251.78</b>	<b>Nil</b>	<b>Nil</b>	<b>251.78</b>
<b>Indebtedness at the end of the financial year (31.03.2016)</b>				
i) Principal Amount	1359.66	-	-	1359.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1359.66</b>	<b>Nil</b>	<b>Nil</b>	<b>1359.66</b>





## 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	15.70	15.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others: Conveyance, Medical expenditure, etc.	1.80	1.80
	<b>Total (A)</b>	<b>17.50</b>	<b>17.50</b>
	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	Independent Directors				
	1. Sri. D. Seetharamaiah	8.60	-	-	8.60
	2. Dr. Pamidi Kotaiah	7.80	-	-	7.80
	3. Sri. Vepa Kamesam	4.30	-	-	4.30
	4. Ms. K. Sujatha Rao	1.50	-	-	1.50
	<b>Total (1)</b>	<b>22.20</b>	<b>-</b>	<b>-</b>	<b>22.20</b>
2	Other Non-Executive Directors				
	1. Sri. M. Siva Rama Vara Prasad	4.80	-	-	4.80
	2. Dr. Murali Krishna Prasad Divi	2.70	-	-	2.70
	3. Sri. Rajeev Kumar Raizada	0.50			0.50
	4. Sri Rajeev Puri	0.50	-	-	0.50
	<b>Total (2)</b>	<b>8.50</b>	<b>-</b>	<b>-</b>	<b>8.50</b>
	<b>Total (B)=(1+2)</b>	<b>30.70</b>	<b>-</b>	<b>-</b>	<b>30.70</b>
	<b>Total Managerial Remuneration</b>	<b>48.20</b>	<b>-</b>	<b>-</b>	<b>48.20</b>
	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	43.30	9.55	13.49	66.34
	(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, Ex-gratia, etc.	4.15	0.75	2.00	6.90
	<b>Total</b>	<b>47.45</b>	<b>10.30</b>	<b>15.49</b>	<b>73.24</b>

**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					



## Independent Auditor's Report

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

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, 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 Standalone 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 standalone financial statements that give a true and fair view of the financial position 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 standalone 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 standalone financial statements.





## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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,

- (a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on the date; and
- (c) In the case of the cash flow statements, of the cash flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies(Auditor's Report) Order 2016 ("the Order") issued by the Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order .
2. As required by Section 143 (3) of the Act, 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 standalone 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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **K.S. Rao & Co**  
Chartered Accountants  
Firm's Regn. No.003109S

**(M. Naga Prasadu)**  
Partner  
Membership No. 231388

Place: Hyderabad  
Date: 25.05.2016



## Annexure - A 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 March 31, 2016.

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 physical 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.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. Verification of inventory was not applicable to the company due to nature of its business, and para 3(ii) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
3.
  - a. During the year, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
  - b. In view of our comment in para (a) above, Clause (III) (a), (b) and (c) of paragraph 3 of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any Director and no investments were made during the year as referred to in sections 185 and 186 of the Act. Therefore, the provisions of Paragraph 3(iv) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
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. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the activities of the Company.
7.
  - a. According to the records, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable.
  - b. According to the records of the Company and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.



## Pridhvi Asset Reconstruction And Securitisation Company Limited

8. According to the information and explanations given to us, during the year the Company has not defaulted in repayment of dues to banks and financial institutions and there were no overdue balances pending as on 31<sup>st</sup> March, 2016.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order 2016 is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. Managerial remuneration has been paid in compliance with provisions of Sec 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order 2016 is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **K.S. Rao & Co**  
Chartered Accountants  
Firm's Regn. No.003109S

**(M. Naga Prasadu)**  
Partner  
Membership No. 231388

Place: Hyderabad  
Date: 25.05.2016





## Annexure - B to the Auditors' Report

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

1. We have audited the internal financial controls over financial reporting of PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for



external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

For **K.S. Rao & Co**  
Chartered Accountants  
Firm's Regn. No.003109S

**(M. Naga Prasadu)**  
Partner  
Membership No. 231388

Place: Hyderabad  
Date: 25.05.2016



## Balance Sheet as at 31<sup>st</sup> March, 2016

(₹ in Lakhs)

Particulars	Note	As at 31.03.2016	As at 31.03.2015
<b>Equity and Liabilities</b>			
<b>i) Share holders' funds</b>			
Share Capital	02	10000.00	10000.00
Reserves and Surplus	03	540.99	238.51
		<b>10540.99</b>	<b>10238.51</b>
<b>ii) Non-current Liabilities</b>			
Long-term borrowings	04	170.83	210.48
Deferred tax liability	27	42.72	31.19
Other long-term liabilities	05	-	22.33
		<b>213.55</b>	<b>264.00</b>
<b>iii) Current Liabilities</b>			
Short-term borrowings	06	1149.18	487.35
Trade Payables	07	-	0.24
Other current Liabilities	08	905.42	1052.01
Short-term provisions	09	1024.05	1565.69
		<b>3078.65</b>	<b>3105.29</b>
<b>Total</b>		<b>13833.19</b>	<b>13607.80</b>
<b>Assets</b>			
<b>1) Non-current Assets</b>			
<b>i) Fixed Assets</b>			
Tangible Assets	10	<b>695.28</b>	727.27
Intangible Assets		-	0.08
		<b>695.28</b>	<b>727.35</b>
<b>ii) Non-current investments</b>			
Long-term loans and advances	11	5789.55	6215.98
Other non-current assets	12	726.89	478.47
Other Investments	13	3.05	2.91
	14	2600.20	-
		<b>9119.69</b>	<b>6697.36</b>
<b>2) Current Assets</b>			
Current investments	11	3043.05	3852.67
Trade Receivables	15	724.48	1851.15
Cash and bank balances	16	126.43	379.04
Short-term loans and advances	12	123.87	97.26
Other current assets	13	0.39	2.97
		<b>4018.22</b>	<b>6183.09</b>
<b>Total</b>		<b>13833.19</b>	<b>13607.80</b>
Summary of significant accounting policies	01		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For K.S.Rao & Co.**

Chartered Accountants

**M. Naga Prasad**

Partner

Place : Hyderabad

Date : 25.05.2016

**D. Nanha Ram**

Chief Executive Officer

For and on behalf of the Board

**M.S.R.V. Prasad**

Director

**V.S. Ranga Rao**

Chief Financial Officer

**M. Gopalakrishnaiah**

Whole time Director

**V. Vani**

Company Secretary



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016

(₹ in Lakhs)

Particulars	Note	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>Income</b>			
Revenue from operations	17	3006.83	1714.34
Other income	18	15.47	228.25
<b>Total revenue(I)</b>		<b>3022.30</b>	<b>1942.59</b>
<b>Expenses</b>			
Employee benefits expense	19	217.36	204.60
Other expenses	20	363.85	188.49
<b>Total (II)</b>		<b>581.21</b>	<b>393.09</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)</b>		<b>2441.09</b>	<b>1549.50</b>
Finance Costs	21	74.19	123.49
Depreciation	10	32.27	31.25
<b>Profit before tax and exceptional items</b>		<b>2334.63</b>	<b>1394.76</b>
Exceptional items-excess provision of IT for AY 2014-15 reversed		3.44	-
<b>Profit after exceptional items and before tax</b>		<b>2338.07</b>	<b>1394.76</b>
<b>Tax expenses</b>			
Current tax		820.47	473.00
Prior period tax		-	39.24
Deferred tax		11.54	14.62
<b>Profit for the year from continuing operations</b>		<b>1506.06</b>	<b>867.90</b>
<b>Earnings per equity share (Face Value ₹100/- each)</b>			
Basic& Diluted	26	15.06	8.68

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 : 25.05.2016

**D. Nanha Ram**

Chief Executive Officer

**V.S. Ranga Rao**

Chief Financial Officer

**V. Vani**

Company Secretary





## Cash flow Statement for the year ended 31<sup>st</sup> March, 2016

(₹ in Lakhs)

S.No	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Net Profit before Tax and after extraordinary items	2338.06	1394.76
	Adjustments for:		
	Depreciation	32.27	31.26
	Loss on sale of assets	0.28	0.62
	Assets written off	-	0.21
	Amounts written off (Reversal from trusts)	234.20	58.99
	Provision for bad debts re-credited	-	(9.58)
	Interest	(8.76)	(224.47)
	<b>Operating profit before working capital changes</b>	<b>2596.05</b>	<b>1251.79</b>
	Adjustments for:		
	Financial assets	214.94	195.50
	Trade and other receivable	(1702.36)	(951.93)
	Trade and other payable	186.24	(241.66)
	<b>Cash generated from operations</b>	<b>1294.87</b>	<b>253.70</b>
	Income tax paid	(981.22)	(240.79)
	<b>Net Cash from operating activity</b>	<b>313.65</b>	<b>12.91</b>
<b>B.</b>	<b>Cash flow from investing activity</b>		
	Purchase of fixed assets	(2.57)	(24.99)
	Sale of fixed assets	2.10	0.20
	Interest received	11.33	265.23
	Security receipts (on redemption by trusts)	3755.77	3215.05
	Security Receipts-Investments	(2519.72)	(6897.05)
	Fixed Deposits in Banks	15.00	2723.00
	<b>Net cash from investing activity</b>	<b>1261.91</b>	<b>(718.56)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Secured loan from bank	251.78	(43.10)
	Dividend and Corporate Dividend distribution tax paid	(2079.95)	(1286.94)
	<b>Net cash generated in financing activity</b>	<b>(1828.17)</b>	<b>(1330.04)</b>
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(252.61)</b>	<b>(2035.70)</b>
	Cash and cash equivalents as at 31.03.2015	379.04	2414.74
	<b>Cash and cash equivalents as at 31.03.2016</b>	<b>126.43</b>	<b>379.04</b>

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

Place : Hyderabad

Date : 25.05.2016

**D. Nanha Ram**

Chief Executive Officer

**M.S.R.V. Prasad**

Director

**V.S. Ranga Rao**

Chief Financial Officer

**M. Gopalakrishnaiah**

Whole time Director

**V. Vani**

Company Secretary



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016

### 1. Summary of significant accounting policies

#### 1) Basis of Preparation:

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

#### 2) Principal Accounting Policies:

Revenue Recognition:

- i) Interest on bank deposits is recognized on accrual basis.
- ii) Interest income in respect of restructured /rescheduled financial assets which are held in the books of the company is recognized on accrual basis as long as the asset remains performing.
- iii) Financial Assets acquired and held in trusts:
  - a) Yield is recognised after redemption of the entire principal amount of Security Receipts.
  - b) Upside income is recognised only after full redemption of Security Receipts.
- iv) Management fee in respect of accounts acquired and held in trusts is recognized initially at the time of acquisition. For subsequent periods management fee is recognized only when the fee recognized earlier is realized. Any such management fee recognised during the planning period is reversed if the same is not recovered within 180 days from the date of expiry of the planning period. Likewise, management fee recognised after the planning period is reversed if the same is not realised within 180 days from the date of recognition. Further, any unrealized management fee is reversed if before the prescribed time for realisation, NAV of the SRs fall below 50% of the face value.
- v) Sale proceeds/Settlement amounts in respect of assets resolved through sale of underlying securities/ One Time Settlement are appropriated first towards expenses outstanding, management fee, acquisition cost outstanding and the balance amount is recognised as gain.
- vi) Interest on expenses incurred on behalf of trust(s) is accounted for as per the terms of trust deed.

#### 3) Asset classification and provisioning thereon:

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

#### 4) Rating of Security Receipts:

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



**5) Investments / Valuation of Security Receipts:**

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

**6) Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation. Cost includes cost of purchase and all expenditure such as installation costs and professional fee incurred on the assets before it is put to use.

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

**7) Employee benefits:**

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

**8) Pre-Acquisition Expenditure on Financial Assets:**

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

**9) Expenditure incurred after acquisition of Assets:**

Expenses incurred after acquisition of assets on the formation of trusts like stamp duty, registration etc., which are recoverable from the trusts are charged to the respective trust accounts and the same are reversed if not realised within 180 days from the planning period or down grading of Security Receipts (i.e. Net Asset Value is less than 50% of the face value of SRs) whichever is earlier.

**10) Earnings per share:**

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

**11) Operating cycle concept under schedule VI:**

Liabilities due within one year are classified as "current liabilities" and assets maturing within one year along with cash and bank balances as "current assets". Investments in Security Receipts and Long Term Deposits with banks are treated as fixed assets.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2016

### 2. Share capital

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>Authorized shares</b>		
15,000,000 equity shares of ₹100/- each	15000.00	15000.00
<b>Issued, subscribed and fully paid-up shares</b>		
10,000,000 equity shares of ₹100/- each	10000.00	10000.00

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

Equity Shares	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
At the beginning of the period	10,000,000	10000	10,000,000	10000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>10,000,000</b>	<b>10000</b>	<b>10,000,000</b>	<b>10000</b>

#### 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 31.03.2016		As at 31.03.2015	
	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 31<sup>st</sup> March, 2016

### 3. Reserves and Surplus

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>A. General Reserve</b>		
Balance as per the last financial statement	225.00	225.00
<b>Add:</b> Amount transferred from surplus in the statement of profit and loss	300.00	-
<b>Total (A)</b>	<b>525.00</b>	<b>225.00</b>
<b>B. Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	13.51	228.27
Assets adjusted to retained earnings in compliance with Sch II	-	(2.02)
Deferred tax adjustment on the above	-	(0.69)
Profit for the year	1506.06	867.90
<b>Less:</b> Appropriations		
Interim dividend paid for 2015-16 on equity shares at ₹10 per share (31 <sup>st</sup> March 2015: ₹ 9 per share)	(1000.00)	(900.00)
Tax on Interim dividend	(203.58)	(179.95)
Transfer to general reserve	(300.00)	-
Total appropriations	(1503.58)	(1079.95)
<b>Closing Balance (B)</b>	<b>15.99</b>	<b>13.51</b>
<b>Total reserves and surplus (A+B)</b>	<b>540.99</b>	<b>238.51</b>

### 4. Long-term borrowings (Secured)

(₹ in Lakhs)

	Non-current portion		Current portion	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Term Loan from Andhra Bank	-	-	-	375.00
HDFC Bank	170.83	210.48	39.65	35.05
<b>Total</b>	<b>170.83</b>	<b>210.48</b>	<b>39.65</b>	<b>410.05</b>

- 1) 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 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Provision for leave encashment	-	22.33	-	-

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2016

### 6. Short-term borrowings (Secured)

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
Overdraft from Andhra Bank	1149.18	487.35
<b>Total</b>	<b>1149.18</b>	<b>487.35</b>

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 + 1.5% p.a. Over Draft limit is ₹ 25.00 Crores and renewable every year.

### 7. Trade payables

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
Trade payables (for services received)	-	0.24

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 31.03.2016	As at 31.03.2015
Current Maturities of Long Term Debt- Term Loans from Banks	39.65	410.05
Amounts received against sale of Assets/OTS	805.00	522.03
Advance received towards expenses	2.07	53.22
Amount payable to trusts *	15.00	-
Advance received from trusts	-	1.29
Amounts retained towards customs claims	-	40.12
Amounts retained for expenses	31.84	2.54
Unclaimed dividends	-	1.55
Other Payables		
i) Gratuity payable	0.03	-
ii) Statutory Remittances		
a) Tax Deducted at Source	3.93	3.21
b) Profession Tax	0.03	0.02
c) Service Tax	0.62	10.81
iii) Outstanding expenses	7.25	7.17
<b>Total</b>	<b>905.42</b>	<b>1052.01</b>

\*Note: ₹15 lakhs received and deposited in Bank as per Court direction in respect of PARAS-SBIKG-036 Trust.

### 9. Short term provisions

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
Provision for income tax	820.47	473.00
Provision for income tax (prior period)	-	12.74
Proposed equity dividend	-	900.00
Tax on interim dividend	203.58	179.95
<b>Total</b>	<b>1024.05</b>	<b>1565.69</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2016

### 10. Fixed Assets

#### A. Tangible Assets

(₹ in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	As at 31.03.2015	Additions	Deletions	As at 31.03.2016	Up to 31.03.2015	For the Year	Deletions	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
Buildings	586.68	-	-	586.68	18.60	9.20	-	27.80	558.88	568.08
Furniture and Fixtures	135.73	1.27	-	137.00	17.41	13.36	-	30.77	106.23	118.33
Data Processing Equipment	15.17	1.31	-	16.48	9.70	3.16	-	12.86	3.62	5.46
Office Equipment	15.72	-	-	15.72	5.61	2.67	-	8.28	7.44	10.50
Vehicles	36.77	-	8.63	28.14	11.48	3.80	6.25	9.03	19.11	24.90
Library	0.19	-	-	0.19	0.19	-	-	0.19	-	-
<b>TOTAL</b>	<b>790.26</b>	<b>2.58</b>	<b>8.63</b>	<b>784.21</b>	<b>62.99</b>	<b>32.19</b>	<b>6.25</b>	<b>88.93</b>	<b>695.28</b>	<b>727.27</b>
Previous year	766.84	24.99	1.57	790.26	31.10	32.42	0.53	62.99	727.27	735.74

#### B. Intangible Assets

(₹ in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	As at 31.03.2015	Additions	Deletions	As at 31.03.2016	Up to 31.03.2015	For the Year	Deletions	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
Computer software	2.41	-	-	2.41	2.33	0.08	-	2.41	-	0.08
<b>Total</b>	<b>2.41</b>	<b>-</b>	<b>-</b>	<b>2.41</b>	<b>2.33</b>	<b>0.08</b>	<b>-</b>	<b>2.41</b>	<b>-</b>	<b>0.08</b>
Previous Year	2.41	-	-	2.41	1.48	0.85	-	2.33	0.08	0.93

**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2016**
**11. Investments**

(₹ in Lakhs)

	Non-current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Investment in special purpose vehicles (valued at cost unless stated otherwise) Unquoted security receipts				
i) PARAS-ALIND-001 Trust (31st March 2015:574) SRs of ₹1,00,000/- each	-	-	-	574.00
ii) PARAS-DLBPF-005 Trust 52 (31st March 2015:52) SRs of ₹1,00,000/- each	52.00	52.00	-	-
iii) PARAS-SPCPL-008 Trust 65 (31st March 2015:65) SRs of ₹1,00,000/- each	-	-	65.00	65.00
iv) PARAS-VBL-010 Trust 415 (31st March 2015:415) SRs of ₹1,00,000/- each	-	-	415.00	415.00
v) PARAS-VEAF-011 Trust 93 (31st March 2015:93) SRs of ₹1,00,000/- each	97.02	97.02	-	-
vi) PARAS-MRDI-016 Trust 51083 (31st March 2015:51083) SRs of ₹1000/- each	-	-	510.83	510.83
vii) PARAS-MMAL-017 Trust 348 (31st March 2015:348) SRs of ₹1,00,000/- each	-	-	348.00	348.00
viii) PARAS-LCSPL-018 Trust (31st March 2015:163) SRs of ₹1,00,000/- each	-	-	-	163.00
ix) PARAS-DRLL-019 Trust 600 (31st March 2015:600) SRs of ₹1,00,000/- each	-	-	600.00	600.00
x) PARAS-MCSPL-020 Trust 430 (31st March 2015:430) SRs of ₹1,00,000/- each	-	-	430.00	430.00
xi) PARAS-SSHMC-021 Trust (31st March 2015:224) SRs of ₹1,00,000/- each	-	-	-	224.00
xii) PARAS-KIL-022 Trust 49082 (31st March 2015:49082) SRs of ₹1,000/- each	-	-	490.82	490.82
xiii) PARAS-ALIND II-023 Trust 25 (31st March 2015: 31) SRs of ₹1,00,000/-each	11.00	16.00	14.00	15.00
xiv) PARAS-ALIND III -024 Trust 18 (31st March 2015: 31) SRs of ₹1,00,000/- each	10.00	16.00	8.00	15.00
xv) PARAS-IOBPF-027 Trust 46 (31st March 2015: 46) SRs of ₹1,00,000/- each	46.00	46.00	-	-
xvi) PARAS-VJBPF-028 Trust 8891 (31st March 2015: 8891) SRs of ₹1,000/- each	88.91	88.91	-	-
xvii) PARAS-CBIPF-029 Trust (31st March 2015:202) SRs of ₹1,000/- each	-	-	-	2.02
xviii) PARAS-NRPL-030 Trust (31st March 2015: 2513) SRs of ₹1,00,000/- each	-	2513.00	-	-
xix) PARAS-RTP-032 Trust 3575 (31st March 2015: 3575) SRs of ₹1,000/- each	35.75	35.75	-	-
xx) PARAS-SBIKG-033 Trust 2457 (31st March 2015: 2457) SRs of ₹10,000/- each	245.70	245.70	-	-
xxi) PARAS-RRSPG-034 Trust 1512 (31st March 2015: 1512) SRs of ₹10,000/- each	151.20	151.20	-	-
<b>Total C/F</b>	<b>737.58</b>	<b>3261.58</b>	<b>2881.65</b>	<b>3852.67</b>



**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2016**

(₹ in Lakhs)

		Non-current		Current	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>B/F</b>		<b>737.58</b>	<b>3261.58</b>	<b>2881.65</b>	<b>3852.67</b>
xxii)	PARAS-SBH-2015-035 Trust 51360 (31st March 2015: 52665) SRs of ₹1000/- each	513.60	526.65	-	-
xxiii)	PARAS-SBH-2015-036 Trust 1936 (31st March 2015: 2415) SRs of ₹10,000/- each	193.60	241.50	-	-
xxiv)	PARAS-RRSPG II-037 Trust 798 (31st March 2015: 798) SRs of ₹10,000/- each	79.80	79.80	-	-
xxv)	PARAS-SPML-038 Trust 3924 (31st March 2015: 3924) SRs of ₹10,000/- each	392.40	392.40	-	-
xxvi)	PARAS-MACL-039 Trust 30105 (31st March 2015: 30105) SRs of ₹1,000/- each	301.05	301.05	-	-
xxvii)	PARAS-SPEPL-040 Trust 3105 (31st March 2015: 3105) SRs of ₹1,000/- each	31.05	31.05	-	-
xxviii)	PARAS-TPDL-041 Trust 76 (31st March 2015: 76) SRs of ₹1,00,000/- each	76.00	76.00	-	-
xxix)	PARAS-KSL-042 Trust 4275 (31st March 2015: 4275) SRs of ₹1,000/- each	42.75	42.75	-	-
xxx)	PARAS-DRD-043 Trust 14685 (31st March 2015: 17265) SRs of ₹1,000/- each	146.85	172.65	-	-
xxxi)	PARAS-ATE-044 Trust 3075 (31st March 2015: 3075) SRs of ₹10,000/- each	307.50	307.50	-	-
xxxii)	PARAS-GKI-045 Trust 266 (31st March 2015: 315) SRs of ₹1,00,000/- each	128.00	315.00	138.00	-
xxxiii)	PARAS-MSL-046 Trust 375 (31st March 2015: 375) SRs of ₹1,00,000/- each	375.00	375.00	-	-
xxxiv)	PARAS-ATL-047 Trust 3105 (31st March 2015: 3105) SRs of ₹1,000 /- each	31.05	31.05	-	-
xxxv)	PARAS-VT-048 Trust (31st March 2015: 62) SRs of ₹1,00,000/- each	-	62.00	-	-
xxxvi)	PARAS-SPPL-049 Trust 4617 (31st March 2015: Nil) SRs of ₹10,000/- each	461.70	-	-	-
xxxvii)	PARAS-HLPL-050 Trust 234 (31st March 2015: Nil) SRs of ₹10,000/- each	-	-	23.40	-
xxxviii)	PARAS-KGF-051 Trust 2775 (31st March 2015: Nil) SRs of ₹10,000/- each	277.50	-	-	-
xxxix)	PARAS-CMI-052 Trust 18045 (31st March 2015: Nil) SRs of ₹1000/- each	180.45	-	-	-
xl)	PARAS-SPPLOBC-053 Trust 110007 (31st March 2015: Nil) SRs of ₹1000/- each	1100.07	-	-	-
xli)	PARAS-VMC-054 Trust 231 (31st March 2015: Nil) SRs of ₹100,000/- each	231.00	-	-	-
xlii)	PARAS-DB2016-056 Trust 15960 (31st March 2015: Nil) SRs of ₹1000/- each	159.60	-	-	-
xliii)	PARAS-DP-058 Trust 23 (31st March 2015: Nil) SRs of ₹100,000/- each	23.00	-	-	-
<b>Total</b>		<b>5789.55</b>	<b>6215.98</b>	<b>3043.05</b>	<b>3852.67</b>

**Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2016**
**12. Loans and Advances**

(₹ in Lakhs)

Description	Non-Current Portion		Current Portion		Total	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>(A) Financial Assets (Secured considered good)</b>						
Loan Assets (A)	-	246.95	112.96	80.95	112.96	327.90
<b>(B) Security Deposits</b>						
Unsecured considered good	0.66	0.77	-	-	0.66	0.77
(B)	0.66	0.77	-	-	0.66	0.77
<b>(C) Other Loans and Advances</b>						
Advance Income Tax	700.00	208.00	-	-	700.00	208.00
TDS	26.23	22.75	-	-	26.23	22.75
Prepaid expenses	-	-	1.36	1.94	1.36	1.94
Service Tax(input) CENVAT credit	-	-	0.02	0.04	0.02	0.04
Service Tax suspense	-	-	-	-	-	-
I.T. Refund Receivable(2009-10)	-	-	4.21	4.21	4.21	4.21
Advance For Expenses	-	-	5.32	5.46	5.32	5.46
Gratuity premium paid to LIC	-	-	-	4.66	-	4.66
(C)	726.23	230.75	10.91	16.31	737.14	247.06
<b>Total (A+B+C)</b>	<b>726.89</b>	<b>478.47</b>	<b>123.87</b>	<b>97.26</b>	<b>850.76</b>	<b>575.73</b>

**13. Other Assets**

(₹ in Lakhs)

	Non-Current Portion		Current Portion	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>A. Unsecured and considered good Expenses recoverable from trusts managed by the company</b>				
Over six months	1.60	1.45	-	-
Others	1.45	1.46	-	-
(A)	3.05	2.91	-	-
<b>B. Others items</b>				
Over six months	-	-	-	-
Interest accrued on fixed deposits	-	-	0.39	2.97
(B)	-	-	0.39	2.97
<b>Total (A +B)</b>	<b>3.05</b>	<b>2.91</b>	<b>0.39</b>	<b>2.97</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2016

### 14. Other Investments

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
Investment in properties *	2600.20	-

\*Company acquired 2 properties under the provisions of SARFAESI Act, 2002 and are pending for registration

### 15. Trade Receivables (Unsecured, considered Good)

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>A. Recoverable from Trusts managed by the company</b>		
Over six months	338.13	588.39
Others	386.35	431.39
<b>(A)</b>	<b>724.48</b>	<b>1019.78</b>
<b>B. Other Receivables</b>		
Over six months	-	-
Others	-	831.37
<b>(B)</b>	<b>-</b>	<b>831.37</b>
<b>Total (A)+(B)</b>	<b>724.48</b>	<b>1851.15</b>

### 16. Cash and Bank Balances

(₹ in Lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>Cash and cash equivalents</b>		
<b>Balances with Banks</b>		
In current accounts	111.16	279.95
In fixed deposits *	15.00	99.00
Cash on hand	0.27	0.09
<b>Total</b>	<b>126.43</b>	<b>379.04</b>

Note: ₹ 15 Lakhs received and deposited in Bank as per court direction in respect of PARAS - SBIKG - 033 Trust

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2016

### 17. Revenue from operations

(₹ in Lakhs)

	2015-16	2014-15
Interest earned	153.99	187.03
Gain on Redemption of Security Receipts	2131.11	915.90
Gain from resolution of Financial Assets	208.82	1.76
Income from reversal of NPA accounts	-	9.59
Incentive	45.86	139.21
<b>(A)</b>	<b>2539.78</b>	<b>1253.49</b>
<b>Other Financial Services</b>		
Management Fee	375.35	458.85
Advisory & Consultancy Fee	91.70	-
Processing Fee	-	2.00
<b>(B)</b>	<b>467.05</b>	<b>460.85</b>
<b>Total (A+B)</b>	<b>3006.83</b>	<b>1714.34</b>

### 18. Other non-operating income

(₹ in Lakhs)

	2015-16	2014-15
Interest on FDs with Banks (TDS ₹ 92,901/-)	8.76	224.47
Others	6.71	1.57
Gratuity account	-	2.21
<b>Total</b>	<b>15.47</b>	<b>228.25</b>

### 19. Employee benefits expense

(₹ in Lakhs)

	2015-16	2014-15
Salaries and wages	195.66	180.29
Contribution to gratuity and leave encashment fund	19.16	22.33
Staff Welfare	2.54	1.98
<b>Total</b>	<b>217.36</b>	<b>204.60</b>



## Notes to financial statements for the year ended 31<sup>st</sup> March, 2016

### 20. Other expenses

( ₹ in Lakhs)

	2015-16	2014-15
Customer service expenditure	1.64	1.51
Electricity, water and house keeping	10.62	14.09
Rates and taxes, excluding taxes on income	7.21	5.39
Repairs and maintenance		
Plant and Machinery	0.02	0.14
Others	0.29	0.21
Vehicle maintenance	5.79	5.68
Office maintenance charges	9.84	9.84
Insurance	1.93	2.00
Travelling and conveyance	5.45	7.73
Communication costs	3.40	3.28
Legal and professional charges	15.95	7.49
Directors' sitting fees	30.70	18.80
Printing and stationery	2.64	2.84
Enforcement of security interest expenses	5.69	6.10
Contributions under CSR Scheme	20.00	35.62
Reversal of amounts in recoverable from trust accounts	234.20	58.99
Loss on sale of assets	0.28	0.62
Assets written off – office equipment	-	0.22
Miscellaneous expenses	4.20	3.92
Payment to Auditors		
Audit fee	4.00	4.00
Certification fee	-	0.02
<b>Total</b>	<b>363.85</b>	<b>188.49</b>

### 21. Finance costs

( ₹ in Lakhs)

	2015-16	2014-15
Interest expense		
Term Loan	43.23	105.05
Overdraft	14.62	0.45
Shortfall in payment of advance tax	-	3.86
Bank charges	16.34	13.29
Interest on service tax input credit excess utilized	-	0.84
<b>Total</b>	<b>74.19</b>	<b>123.49</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2016

22. 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 SRS' of the Trusts.
23. Employee benefits as per AS-15: As per actuarial valuation as on 31.03.2016 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 31.03.2016. (₹ in Lakhs)

	Gratuity	Leave encashment
Present value of obligations at beginning of year	2.99	23.64
Interest cost	0.24	1.89
Current service cost	0.89	11.80
Benefits paid	(0.00)	(6.20)
Actuarial (gain)/loss on obligation	(0.37)	(11.49)
Present value of obligation as at end of year	<b>3.75</b>	<b>19.65</b>

### ii. Changes in the fair value of plan assets as on 31.03.2016. (₹ in Lakhs)

	Gratuity	Leave encashment
Fair value of assets at beginning of year	13.22	4.18
Expected return on plan assets	1.33	2.32
Contributions made during the year	1.53	34.93
Benefits paid	(0.00)	(6.20)
Actuarial (gain)/loss on plan assets	Nil	Nil
Fair value of plan assets at end of year	<b>16.08</b>	<b>35.23</b>

### iii. Fair value of plan assets (₹ in Lakhs)

	Gratuity	Leave encashment
Fair value of plan assets at beginning of year	13.22	4.18
Actual return on plan assets	1.33	2.32
Contributions	1.53	34.93
Benefits paid	(0.00)	(6.20)
Fair value of plan assets at end of year	16.08	35.23
Funded status	12.33	15.58
Excess of actual over estimated return of plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 <sup>st</sup> March)	Nil	Nil



## Notes to financial statements for the year ended 31<sup>st</sup> March, 2016

### iv. Actuarial Gain/Loss recognized as on 31.03.2016

(₹ in Lakhs)

	Gratuity	Leave encashment
Actuarial (gain)/loss on obligation	0.36	11.49
Actuarial (gain)/loss for the year – plan assets	Nil	Nil
Actuarial (gain)/loss for the year	(0.36)	(11.49)
Actuarial (gain)/loss recognized in the year	(0.36)	(11.49)

### 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 end of year	3.75	19.65
Fair value of plan assets as at end of the year	16.08	35.23
Funded status	12.33	15.58
Net asset/(liability) recognized in balance sheet	12.33	(15.58)

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	0.89	11.80
Interest cost	0.24	1.89
Expected return on plan assets	(1.33)	(2.32)
Net actuarial (gain)/loss recognized in the year	(0.37)	(11.49)
Expenses recognized in statement of Profit and Loss	(0.57)	(0.11)

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

### 25. 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 Puri	Punjab National Bank Nominee Director
Sri. M. Gopalakrishnaiah	Whole-time Director



## Notes to financial statements for the year ended 31<sup>st</sup> March, 2016

### Transactions with Related parties

#### (i) Remuneration to Executive Directors:

(₹ in Lakhs)

Particulars	2015-16	2014-15
<b>Whole time Director</b>		
Salary	15.70	14.20
Medical expenses reimbursed	0.36	0.36
Conveyance charges reimbursed	1.20	1.20
Telephone expenses reimbursed	0.24	0.24
<b>Total:</b>	<b>17.50</b>	<b>16.00</b>

#### (ii) Sitting fees to Non-Executive Directors:

(₹ in Lakhs)

Particulars	2015-16	2014-15
Sri. M. Siva Rama Vara Prasad	4.80	3.10
Dr. Murali Krishna Prasad Divi	2.70	1.40
Sri. Rajeev Kumar Raizada	0.50	0.70
Sri. Rajeev Puri	0.50	-
Sri. D. Seetharamaiah	8.60	5.90
Dr. Pamidi Kotaiah	7.80	4.10
Sri. Vepa Kamesam	4.30	3.20
Ms. K. Sujatha Rao	1.50	-
Sri. K. Kannan	-	0.40
<b>Total:</b>	<b>30.70</b>	<b>18.80</b>

### 26. EPS Calculation:

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

(₹ in Lakhs)

Particulars	2015-16	2014-15
Profit after tax	1506.06	867.90
Weighted average number of shares	10,000,000	10,000,000
Basic EPS (Face value ₹ 100/- per share) (In ₹)	15.06	8.68
Diluted EPS (In ₹)	15.06	8.68

### 27. Taxes on Income (AS – 22)

(₹ in Lakhs)

Items of Deferred Tax Liability	2015-16	2014-15
Depreciation	123.45	91.75
Items of deferred tax assets	Nil	Nil
Deferred Tax Liability at current rate of tax	42.72	31.19

### 28. Previous year's figures are regrouped wherever necessary.





## Notes to financial statements for the year ended 31<sup>st</sup> March, 2016

### 29. 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 <sup>st</sup> March,2016		
Sellers	Address	Acquisition Price
Punjab National Bank	7, Bhikhaijicama Place, New Delhi	4078.00

#### Non-Sponsors:

( ₹ in Lakhs)

Seller wise acquisition details as at 31 <sup>st</sup> March,2016		
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	'Lokmanga' 1501,Shivajinagar, Pune-411005	2653.00
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	1504.00
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
The Federal Bank Limited	PB No.103, Federal Towers, Aluva-683 101, Eanakulam, Kerala	60.00



## Notes to financial statements for the year ended 31<sup>st</sup> March, 2016

### Non-Sponsors:

(₹ in Lakhs)

Seller wise acquisition details as at 31 <sup>st</sup> March, 2016		
Sellers	Address	Acquisition Price
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	1622.20
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-122001	1156.07
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	1024.00
State Bank of Mysore	646, K.G.Road, Bangalore-560 009	3133.00
Shikshak Sahakari Bank Limited	Registered Office, Opposite Gandhi Sagar Lake, Mahal, Nagapur-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
	<b>Total</b>	<b>58292.01</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2016

b) Dispersion of various financial assets industry-wise and sponsor-wise as at 31st March, 2016: (₹ in Lakhs)

Industry	No. of Borrower	Acquisition Price	% of Total
Automobiles	3	1426.20	2.45
Asbestos Roofing	1	20.00	0.03
Bio-Chemical & Pesticides	7	4885.23	8.38
Cement	1	25.00	0.04
Coir	1	792.26	1.36
Cold Storage	1	380.00	0.65
Consumer Durable Loans	1	50.00	0.09
Educational Institution	1	2100.00	3.60
Food Products	6	1712.35	2.94
House Hold Appliances	2	1000.00	1.72
Hospital	1	1611.00	2.76
Iron and Steel , Other Metals	8	10019.00	17.19
Information Technology	4	237.00	0.41
Industrial Gases	2	635.00	1.09
Infrastructure	1	715.00	1.23
Logistics	1	600.00	1.03
Metals and Mining	3	658.00	1.13
Media	2	1928.00	3.31
NBFC	11	882.50	1.51
Pharma	5	510.40	0.88
Plastics	1	50.00	0.09
Power	4	9786.07	16.78
Paper	1	2616.00	4.48
Poultry	1	144.00	0.25
Textiles	9	5431.00	9.31
Trading	13	7359.00	12.62
Wood	1	2050.00	3.52
Others	8	669.00	1.15
<b>Total</b>	<b>100</b>	<b>58292.01</b>	<b>100.00</b>



## Notes to financial statements for the year ended 31<sup>st</sup> March, 2016

(₹ in Lakhs)

c)	Details of related parties as per Accounting Standard and guidance notes issued by the Institute of Chartered Accountants of India and the amounts due to and from them	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	9255.07
f)	Value of financial assets fully realized during the financial year	6914.00
g)	Value of financial assets including assets acquired through Trust and outstanding for realization as at the end of the financial year	37512.46
h)	i. Value of Security Receipts redeemed partially during the financial year ii. Value of Security Receipts redeemed fully during the financial year	1697.50 3513.50
i)	Value of Security Receipts pending for redemption as at the end of the financial year	37446.22
j)	Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6) (ii) or 7(6)(iii)	Nil
k)	Value of land and/or building acquired in ordinary course of business of reconstruction of assets (year wise) FY 2015-16:	2600.20
l)	Details of assets where the value of acquisition is more than the book value (the value of assets as declared by the seller bank in the auction)	Nil
m)	Details of Assets disposed off (either by write off or by realisation) during the year at discount of more than 20% of valuation as on the previous year and reasons therefor	Nil
n)	Details of Assets where the value of the SR has declined more than 20% of below the acquisition value	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 : 25.05.2016

**D. Nanha Ram**  
Chief Executive Officer

**V.S. Ranga Rao**  
Chief Financial Officer

**V. Vani**  
Company Secretary



*In pursuit of revival of impaired assets*



**M/s. MSR Mega Bio Power Limited, Nidigonda Village, Warangal Dist**

7.5 MW Bio-mass power plant financed in 2011, turned NPA in 2013, brought to operation in 2016 through innovative restructuring of the debt



**M/s. DRD Trucks India Pvt. Ltd, IDA Jeedimetla, Hyderabad**

An AMW global vehicle workshop bailed out of stress with customized restructuring of the debt



**PARAS**

**Pridhvi Asset Reconstruction  
And Securitisation Company Limited**

**Registered & Corporate Office**

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

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