



**PARAS**

**11<sup>th</sup>**  
*Annual Report*  
2017-18

# Pridhvi Asset Reconstruction And Securitisation Company Limited



*Recreation of Nation's wealth through debt resolution*

## Board of Directors



**Sri. D. Seetharamaiah**  
Chairman



**Dr. Pamidi Kotaiah**  
Director



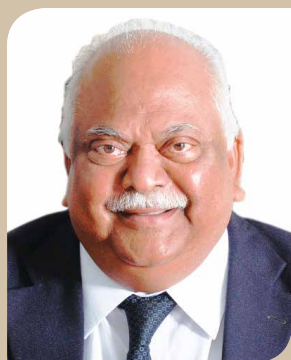
**Sri. Vepa Kamesam**  
Director



**Ms. K. Sujatha Rao**  
Director



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



**Sri. M. Siva Rama Vara Prasad**  
Director



**Dr. Murali Krishna Prasad Divi**  
Director



**Sri. Rajeev Puri**  
Nominee Director

## Senior Executives



**Sri. Ch. Rama Prasad**  
Chief Executive Officer



**Sri. K. Balakoteswara Rao**  
Vice President



**Sri. J. Mallaiah**  
Vice President



**Sri. K. Ramakrishna Prasad**  
Vice President

## Contents

Notice to Shareholders	06
Directors' Report	09
Auditors' Report	31
Balance Sheet	37
Statement of Profit and Loss	38
Cash Flow Statement	39
Notes to Financial Statements	40

### Auditors

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

### Bankers

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

### **Values**

- **Efficient Management**

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

- **Service**

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

- **Transparency**

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

- **Professional Excellence**

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

- **Performance**

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

## *Journey thus far*

(₹ in Lakhs)

Parameter	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Equity	5105	5739	10000	10000	10000	10000	10000	10000	10000	10000
Assets Acquired	78841	9345	26630	13455	5604	157864	67410	26516	52126	39496
Acquisition Cost	5148	1273	3156	3846	3101	6790	26133	9255	14870	16477
SRs issued during the year	5148	-	-	1235	7349	7216	26133	9255	14870	16477
SRs redeemed during the year	-	58	188	1072	1063	5771	5119	5211	3096	5714
Total Income	256	1044	1951	1684	1951	2887	1943	3022	1767	1683
Profit Before Tax	171	883	1778	1469	1535	2353	1395	2335	1082	823
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	6.94	5.95

## Notice

Notice is hereby given that the Eleventh Annual General Meeting of the Company will be held on Thursday, the 20<sup>th</sup> September, 2018 at 12.30 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, 2018 together with Directors' and Auditors' Reports thereon.
2. 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.

### Special Business:

3. 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 180(1)(c) of the Companies Act, 2013 and other applicable provisions if any, consent of the Shareholders be and is hereby given to the Board of Directors of the Company to borrow from time to time such sum(s) of money as they may deem requisite for the purposes of the business of the Company, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount together with the money(s) already borrowed by the Company shall not exceed the sum of Rupees Seven Hundred Crores."

### Registered Office

D.No.1-55, Raja Praasadamu,  
4<sup>th</sup> Floor, Wing-I, Masjid Banda Road,  
Kondapur, Hyderabad - 500 084.  
CIN: U67120TG2007PLC053327  
Website: [www.paras.org.in](http://www.paras.org.in)  
Email id: [co@paras.org.in](mailto:co@paras.org.in)

Dated: 06.06.2018

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) In terms of provisions of Section 152 of the Act, Dr. Murali Krishna Prasad Divi, Director, retires by rotation at the Meeting set out in the Notice. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.
- 6) The requirement of ratification of appointment of Statutory Auditors by the Members every year is done away with in view of the amendments to the Companies Act, 2013 vide notification dated 7<sup>th</sup> May, 2018. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors who were appointed in the Annual General Meeting held on 16<sup>th</sup> September, 2017.
- 7) 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.
- 8) As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No.SH-13 to the Company. The said form is annexed to the Notice and is also available on the Company's website.
- 9) Members holding shares in dematerialized form are requested to intimate any changes pertaining to their bank details, mandates, nominations, change of address, contact details, etc. to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Karvy Computershare Pvt. Ltd. to provide efficient and better services.
- 10) Attendance slip, proxy form and the route map showing directions to reach the venue of the Annual General Meeting are annexed hereto.

### Registered Office

D.No.1-55, Raja Praasadamu,  
4<sup>th</sup> Floor, Wing-I, Masjid Banda Road,  
Kondapur, Hyderabad - 500 084.  
CIN: U67120TG2007PLC053327  
Website: [www.paras.org.in](http://www.paras.org.in)  
Email id: [co@paras.org.in](mailto:co@paras.org.in)

Dated: 06.06.2018

By order of the Board

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

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

The following Statement sets out all material facts relating to Item No.3 mentioned in the accompanying Notice.

#### Item No. 3:

At the Annual General Meeting held on 2<sup>nd</sup> August, 2012, Members have approved increase in borrowing limits from ₹100 crores to ₹300 crores.

To facilitate increase in the scale of operations of the Company, the Board accorded its approval for mobilization of additional resources in the current financial year by partnering with strategic investors in equity induction or in acquisitions or through loans / debt (secured / unsecured) or by way of issuing bonds / debentures or other securities from individuals / firms / body corporates, etc.

As per the business plan of our Company for FY 2018-19 it is estimated that the Company requires investment to the tune of ₹700 crores to meet the acquisition projections. Hence, it is proposed to enhance the limit of borrowings from ₹300.00 crores to a sum not exceeding of ₹700.00 crores.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are interested in the above resolution.

The Board recommends the resolution set forth in Item No. 3 of the Notice for the approval of the Members.

#### Registered Office

D.No.1-55, Raja Praasadamu,  
4<sup>th</sup> Floor, Wing-I, Masjid Banda Road,  
Kondapur, Hyderabad - 500 084.  
CIN: U67120TG2007PLC053327  
Website: [www.paras.org.in](http://www.paras.org.in)  
Email id: [co@paras.org.in](mailto:co@paras.org.in)

By order of the Board

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

Dated: 06.06.2018



## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 11<sup>th</sup> Annual Report together with the audited statements of accounts of the Company for the financial year ended 31<sup>st</sup> March, 2018.

### Financial Results

The performance of the Company for the year ended 31<sup>st</sup> March, 2018 is summarized below:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Revenue from operations	1677.54	1763.33
Other Income	5.54	3.91
Total Income	1683.08	1767.24
Total Expenditure	577.02	479.21
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	1106.06	1288.03
Less: Finance charges	245.48	172.54
Less: Depreciation	36.71	33.45
Profit Before Tax and Exceptional items (PBT)	823.87	1082.04
Less: Provision for Tax	229.22	387.79
Profit after Tax (PAT)	594.65	694.25
Surplus brought forward from previous year	510.24	15.99
Profit available for Appropriation	1104.89	710.24
Appropriations - Transfer to General Reserve	-	200.00
Balance carried to Balance Sheet	1104.89	510.24
Earnings Per Share of ₹100 (in ₹)	5.95	6.94

The Company's gross income for the financial year ended 31<sup>st</sup> March, 2018 was ₹1683 Lakhs when compared to ₹1767 Lakhs of the previous year. Profit before Tax (PBT) of the Company was ₹824 Lakhs and net profit for the year was ₹595 Lakhs as against ₹694 Lakhs of the previous year.

The Company's net worth as on 31<sup>st</sup> March, 2018 stood at ₹11830 Lakhs.

### Dividend

Your Directors do not recommend dividend to the Members for this year ended 31<sup>st</sup> March, 2018.

### Transfer to Reserves

Your Directors do not propose to transfer any amount to the General Reserves and propose to retain the profits earned in the FY 2017-18 as surplus in the Statement of Profit and Loss.

### Share Capital

There is no change in the capital structure of the Company during FY 2017-18.

## Performance of the Company

Your Company posted a net profit after tax of ₹595 Lakhs during the year. The profitability would have been much higher but for the last minute litigations resorted to by some borrowers. In spite of several amendments to the applicable Acts and other measures taken up by the Govt. of India, it is seen that legal wrangles continue to stall resolution process. A detailed analysis of the performance of the Company is discussed in the Management Analysis.

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

(₹ in Lakhs)

Acquired	2017-18	2016-17
Number of seller Banks/FIs	5	4
Debt acquired	39496	52126
Cost of acquisition	16477	14870

(₹ in Lakhs)

Recovered	2017-18	2016-17
Number of Accounts	23	14
Amount recovered	5714	3163

## Management Discussion and Analysis

The problem of rising non-performing assets has been haunting the Indian Banking Industry for the last one decade and several measures were taken up earlier for restructuring and reviving sick industries. However, the initiatives taken have not yielded any noticeable results. In spite of the Reserve Bank of India itself identifying certain accounts for initiating insolvency proceedings there has not been much improvement in recovery of bad debts. This is mainly due to the unforeseen legal issues that have surfaced in the Insolvency and Bankruptcy code (IBC) which the borrowers are trying to take advantage.

The management of the Company was very hopeful at the beginning of the year that several accounts which are in the final stages of resolution would be realized during the year yielding good profits for the Company. However some borrowers have resorted to continuous litigation on one pretext or the other leading to further delays.

On the acquisitions side, though huge stock of non-performing assets is available for sale, banks are still reluctant to fix reserve prices basing on current market value or distress value of securities, with the result the ARCs are not in a position to bid aggressively for acquisition of assets. Added to this, low realisations in the IBC process is also a dampener for ARCs to bid for high value assets.

## Future Prospects

The gross NPAs of banks which stood at ₹7.65 lakh crores as at the end of March, 2017 have increased to ₹10.07 lakh crores by March, 2018, which is approximately 11.6% of all scheduled commercial banks (SCBs). The stress in SCBs continues as GNPA is growing year on year and is expected to rise to 12.2% by March, 2019. This huge quantity of stressed loans is a great business opportunity for the Asset Reconstruction Companies. This has attracted several large industrial houses and overseas entities to enter into the Asset Reconstruction Company business. These organizations are expected to bring their expertise in organizing financial and other resources for revival of large scale industrial units, which may add a new dimension to the ARC business.

Keeping this in focus, the Board of Directors of your Company has taken a conscious decision of raising additional resources for meeting business requirements. Your Company is confident of raising funds in the current financial year by partnering with strategic investors in equity induction or in acquisitions or by way of debentures, unsecured loans, etc. Your Company will also draw the benefit of expertise of the strategic investors in acquiring non-performing assets and their resolution.

## **Risk Management**

Your Company acquires stressed assets from banks and financial institutions. Most often these accounts are in dormant stage for quite some time and the borrowers also could have resorted to various legal remedies available to postpone / avoid payment of debts due. In spite of stringent provisions under SARFAESI and IBC laws, at the ground level, resolutions are not taking place at the pace expected. This is due to the attitude of the borrowers to litigate continuously by trying to take advantage of the ambiguities in the legal system. On account of such delays in realisations, there is considerable erosion in the value of underlying assets resulting in lower realisations. These are the biggest risks your Company has to face in the resolution process.

These risks can be mitigated to a certain extent through identification of stressed assets at the acquisition stage. Your Company is keeping a constant vigil at the acquisition stage by conducting a thorough due diligence of the NPA accounts proposed to be acquired, so that the risks are minimized. Your Company also has a robust mechanism of follow-up issues in the courts of law by engaging experienced and senior counsel.

## **Internal Financial Control and its adequacy**

Your Company follows systematic procedures in assuring achievement of an organization's objectives in operational effectiveness and efficiency. Your Company has reliable financial reporting system in accordance with the generally accepted accounting principles and compliance with laws, regulations and policies in safeguarding its assets in prevention and detection of errors, the accuracy and completeness of the accounting records and timely preparation of financial information.

## **Corporate Governance**

Corporate Governance is the framework of rules and procedures by which the decisions in the Company are made, and how the controllers are held accountable for them. Corporate governance is the system by which companies are directed and controlled to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the Company. The Board of Directors is responsible for the governance of the Company.

Good governance requires fair legal frameworks that are enforced by an impartial regulatory body, for the full protection of stakeholders. Your Company has a philosophy of corporate governance in practice adhering to ethical standards in ensuring transparency, integrity, responsiveness, independence, effectiveness and efficiency with accountability. Your Company has internal governance structure with defined roles and responsibilities.

## **Board of Directors and Committees of the Board**

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

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

The Board met 4 times during the year on 13.06.2017, 16.09.2017, 19.12.2017 and 26.02.2018.

Attendance of Directors at Board Meetings and at the last Annual General Meeting held on 16.09.2017 during 2017-18:

Name of the Director	Category	Attendance at meetings during 2017-18	
		Board Meetings	Last AGM
Sri. D. Seetharamaiah, Chairperson	Non-Executive Independent Director	4	Yes
Dr. Pamidi Kotaiah	Non-Executive Independent Director	4	Yes
Sri. Vepa Kamesam	Non-Executive Independent Director	4	Yes
Ms. K. Sujatha Rao	Non-Executive Independent Director	4	Yes
Sri. M. Siva Rama Vara Prasad	Non-Executive Promoter Director	4	Yes
Dr. Murali Krishna Prasad Divi	Non-Executive Promoter Director	1	No
Sri. Rajeev Puri	Director Nominated by M/s. Punjab National Bank	3	Yes
Sri. M. Gopalakrishnaiah	Executive Whole-time Director	4	Yes

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. Dr. Pamidi Kotaiah - Chairperson, Non-Executive Independent Director
2. Sri. D. Seetharamaiah, Non-Executive Independent Director
3. Sri. Vepa Kamesam, Non-Executive Independent Director
4. Sri. M. Gopalakrishnaiah, Executive Whole-time Director

The Audit Committee, inter-alia, oversees the financial reporting process aimed at ensuring correctness, fairness, sufficiency and credibility of financial statements, recommendation of appointment of statutory auditors and their remuneration, review of quarterly and annual financial statements before submission to the Board, review of the adequacy of internal control systems and the internal audit functions.

The Audit Committee met 4 times during the financial year 2017-18 on 13.06.2017, 16.09.2017, 19.12.2017 and 26.02.2018 and all the members of the Committee were present.

### Executive Committee

1. Sri. D. Seetharamaiah - Chairperson, Non-Executive Independent Director
2. Sri. M. Siva Rama Vara Prasad, Non-Executive Promoter Director
3. Dr. Murali Krishna Prasad Divi, Non-Executive Promoter Director
4. Dr. Pamidi Kotaiah, Non-Executive Independent Director
5. Sri. M. Gopalakrishnaiah, Executive Whole-time Director

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

The Committee met 12 times during the financial year 2017-18 on 22.04.2017, 23.05.2017, 24.06.2017, 25.07.2017, 26.08.2017, 16.09.2017, 20.10.2017, 22.11.2017, 18.12.2017, 22.01.2018, 24.02.2018 and 23.03.2018.

### **Corporate Social Responsibility Committee**

1. Sri. D. Seetharamaiah - Chairperson, Non-Executive Independent Director
2. Sri. Vepa Kamesam, Non-Executive Independent Director
3. Sri. M. Siva Rama Vara Prasad, Non-Executive Promoter Director
4. Sri. M. Gopalakrishnaiah, Executive Whole-time Director

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 2017-18 on 16.09.2017 and all the members of the Committee were present.

### **Nomination and Remuneration Committee**

1. Sri. M. Siva Rama Vara Prasad - Chairperson, Non-Executive Promoter Director
2. Sri. D. Seetharamaiah, Non-Executive Independent Director
3. Dr. Pamidi Kotaiah, Non-Executive Independent Director

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 recommends 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 made available on the website.

The Committee met twice during the financial year 2017-18 on 23.05.2017 and 26.02.2018 and all the members of the Committee were present.

### **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 2017-18 on 26.02.2018 and all the Directors were present 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.

### **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 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.

### Directors

As per the provisions of Section 149 of the Companies Act, 2013, each of the Independent Directors has submitted declaration that he / she meets the criteria of independence as provided in Section 149(6) of the Act, and there has been no change in the circumstances which may affect their status as an Independent Director during the year.

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, Non-Executive Promoter Director, retires by rotation at the ensuing General Meeting and being eligible, offers himself for re-appointment.

### Key Managerial Personnel

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

### Auditors

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

### Statutory Auditors' Report and Secretarial Auditors' Report

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

### Particulars of loans, guarantees or investments

The Company has not granted any loans or made any investments and not extended guarantees for any individuals or corporates under Section 186 of the Act during the year 2017-18.

### 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 2017-18 with related parties, in the ordinary course of business at arm's length basis. Further, the Company had not entered into any contract or arrangement with any related party during the year not at arm's length basis. Form AOC-2 is given as Annexure II.

### Corporate Social Responsibility

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

### Extract of Annual Return

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

### 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, 2018, 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, 2018 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, 2018 on a going concern basis; and
- (v) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Particulars of Employees

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

### Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

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

### Acknowledgements

Your Directors would like to express their sincere gratitude to the Shareholders, Reserve Bank of India, Banks, Financial Institutions, Government Authorities and other 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: 06.06.2018

**D. Seetharamaiah**  
Chairperson

## Annexure - I to Directors' Report

Form No. MR-3  
Secretarial Audit Report

For The Financial Year 01/04/2017 TO 31/03/2018

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

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

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>, 2017 to March 31<sup>st</sup>, 2018 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>, 2017 to March 31<sup>st</sup>, 2018 according to the provisions of:
- 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.
  - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - The Reserve Bank of India Act, 1934 and
  - 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**

- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - 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:**

- i) 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. Forms, Returns, Documents and Resolutions required to be filed with the Registrar of Companies;
  - c. Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - d. Notice of Board meetings and Committee meetings of Directors;
  - e. 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;
  - f. The 10<sup>th</sup> Annual General Meeting held on September 16<sup>th</sup>, 2017;
  - g. Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - h. Approvals of the Members, the Board of Directors, the Committees of Directors and the Government Authorities, wherever required;
  - i. Constitution of the Board of Directors / Committee(s) of Directors.
  - j. Payment of Remuneration to Directors including the Whole-time Director;
  - k. Appointment and Remuneration of Auditors;
  - l. There are no investments of Company funds made and no inter-corporate loans given for the period;
  - m. The Company doesn't have any subsidiaries;
  - n. 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;
  - o. There is no allotment of securities for the period;
  - p. The Directors' report is according to the provisions;

- q. Contracts, Common seal, Registered Office and Publication of Name of the Company is as per the provisions; and
- r. Generally, all other applicable provisions of the Act and the Rules made under the Act.
- s. The provisions of Corporate Social Responsibility (CSR) are complied.
- t. 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, Companies Act, 2013, Securities Contract Regulation Act, 1956, The Reserve Bank of India Act, 1934 and the Depositories Act, 1996 and Rules, Regulations and Guidelines framed under these Acts against/on the Company, its Directors and Officers.

(4) The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and with the provisions of the Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 and the Rules made under that Act, with regard to:

- a) Filing of quarterly returns to RBI.
- b) With respect to issuing of Security Receipts and
- c) The Company has not accepted any deposits from Public.

(5) I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.

(6) There is no Foreign Exchange outflow and inflow for the period, hence the Company need not comply with the provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to ODI, FDI and ECB.

(7) I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Devineni Sujatha & Associates**  
Company Secretaries

**Sujatha Devineni**  
Proprietor  
M.No. F8306  
CP No. 9391

Place: Hyderabad  
Date: 11.05.2018

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

## **Annexure - A**

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

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

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

For **Devineni Sujatha & Associates**  
Company Secretaries

Place: Hyderabad  
Date: 11.05.2018

**Sujatha Devineni**  
Proprietor  
M.No. F8306  
CP No. 9391

## Annexure - II to Directors' Report

FORM NO. AOC -2

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub section (1) of Section 188 of the Companies Act, 2013 including certain arms 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, 2018, 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, 2018, are as follows.**

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
M/s. Mezzequity Software Private Ltd. (Smt. M. Rajyalakshmi wife of Sri. M. Siva Rama Vara Prasad, Director is a Director on the Board)	Maintenance of office premises	3 years w.e.f. 01.04.2017	Maintenance charges@ ₹8.25 / sft. on par with other occupants of the building	Executive Committee approved on 23.03.2017	-
M/s. BitKemy Ventures India Ltd. (Sri. M. Siva Rama Vara Prasad is Director in both the companies)	Maintenance of software for operations	Annual maintenance	Maintenance of ₹5 Lakhs p.a.	25.05.2016	-
M/s. BitKemy Ventures India Ltd. (Sri. M. Siva Rama Vara Prasad is Director in both the companies)	Maintenance of computer server	Monthly maintenance	₹10,000/-	Executive Committee approved on 22.01.2018	-

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: 06.06.2018

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



## Annexure - III to Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

#### 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 – Chairperson, Non-Executive Independent Director
2. Sri. Vepa Kamesam, Non-Executive Independent Director
3. Sri. M. Siva Rama Vara Prasad, Non-Executive Promoter Director
4. Sri. M. Gopalakrishnaiah, Executive Whole-time Director

#### 3. Average net profit of the Company for last three financial years - ₹1598.05 Lakhs

#### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) - ₹31.96 Lakhs

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

- a. Total amount to be spent for the financial year - ₹31.96 Lakhs
- b. Amount unspent, if any – Nil

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

(₹ in Lakhs)

S No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programs-wise	Amount spent on the project or programs Sub-heads; (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Medical services, vocational training and education	Promoting education, including vocation skills and Preventive healthcare	Andhra Pradesh West Godavari	15.00	15.00	15.00	Implementing agency (Kovvali Development Trust)
2	School van for transportation of disabled / mentally retarded children	Promoting education	Telangana Hyderabad	9.10	9.10	9.10	Implementing agency (Adharana -Special school for mentally challenged)
3	Education to the poor tribal children	Promoting education	Andhra Pradesh East Godavari district	92.80	7.86	7.86	Implementing agency (Centre for Development and Research)

So far under CSR, the Company has spent ₹127.89 Lakhs from FY 2014-15 to FY 2017-18.

**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**

Not applicable

**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: 06.06.2018

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

**D.Seetharamaiah**  
Chairperson,  
CSR Committee

## Annexure - IV to Directors' Report

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2018

[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-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	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	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
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	774000	1150500	11.51	376500	774000	1150500	11.51	-
c) Others (specify)									
Non Resident Indians	-	20000	20000	0.20	-	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 Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Sri. Motaparti Siva Rama Vara Prasad	1189753	11.89	-	1189753	11.89	-	-
2	Smt. M. Rajyalakshmi	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)

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



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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<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:	110000	1.10	110000	1.10
	Transaction during the year:	-	-	-	-
	Closing balance:			110000	1.10
<b>9</b>	<b>Smt. B. Rajani Saritha</b>				
	Opening balance:	100000	1.00	100000	1.00
	Transaction during the year:	-	-	-	-
	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:

S. No.	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>	Nil			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No 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)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2017)</b>				
i) Principal Amount	2443.79	-	-	2443.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2443.79</b>	<b>-</b>	<b>-</b>	<b>2443.79</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	137.76	-	-	137.76
<b>Net Change</b>	<b>(137.76)</b>	<b>-</b>	<b>-</b>	<b>(137.76)</b>
<b>Indebtedness at the end of the financial year (31.03.2018)</b>				
i) Principal Amount	2306.03	-	-	2306.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2306.03</b>	<b>-</b>	<b>-</b>	<b>2306.03</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	17.57	17.57
	(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>19.37</b>	<b>19.37</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	8.50	-	-	8.50
	2. Dr. Pamidi Kotaiah	7.90	-	-	7.90
	3. Sri. Vepa Kamesam	4.30	-	-	4.30
	4. Ms. K. Sujatha Rao	2.00	-	-	2.00
	<b>Total (1)</b>	<b>22.70</b>	<b>-</b>	<b>-</b>	<b>22.70</b>
2	Other Non-Executive Directors				
	1. Sri. M. Siva Rama Vara Prasad	6.20	-	-	6.20
	2. Dr. Murali Krishna Prasad Divi	0.80	-	-	0.80
	3. Sri. Rajeev Puri	1.50	-	-	1.50
	<b>Total (2)</b>	<b>8.50</b>	<b>-</b>	<b>-</b>	<b>8.50</b>
	<b>Total (B)=(1+2)</b>	<b>31.20</b>	<b>-</b>	<b>-</b>	<b>31.20</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>50.57</b>	<b>-</b>	<b>-</b>	<b>50.57</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			
		Sri. Ch. Rama Prasad, CEO	Sri. V. S. Ranga Rao, CFO	Smt. V. Vani, CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.29	15.60	11.85	57.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others	3.82	1.30	0.93	6.05
	<b>Total</b>	<b>34.11</b>	<b>16.90</b>	<b>12.78</b>	<b>63.79</b>

**VII. Penalties / Punishment / Compounding Of Offence: Nil**

(₹ in Lakhs)

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 Financial Statements:**

1. We have audited the accompanying financial statements of M/s. PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, 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**

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. 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.
6. 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

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2018 and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order .
9. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2018 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 **C V Ramana Rao & Co.,**  
Chartered Accountants  
Firm Regn No. 002917S

**(G. Rajasekhar)**  
Partner  
Membership No.236023

Place: Hyderabad  
Date: 06.06.2018



## Annexure - A to Independent Auditor's Report

Referred to in paragraph 08 of our Independent Auditor's report of even date, to the Members of PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED, HYDERABAD, for the year ended March 31<sup>st</sup>, 2018. We report that

- i.
  - 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.
- ii. Verification of inventory was not applicable to the Company due to nature of its business, and consequently paragraph 3(ii) of the Order is not applicable to the Company.
- iii. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently Clause iii (a), (b) and (c) of paragraph 3 of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan to the Directors or any other persons in whom the director is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of Section 185 of the Companies Act, 2013, consequently Paragraph 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the Rules framed there under; do not apply to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Sub-section (1) of 148 Section of the Companies Act, 2013 for the business activities carried out by the Company.
- vii.
  - 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 according to the information and explanations given to us, there were no arrears of statutory dues as at March 31<sup>st</sup>, 2018 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, except Income Tax and Service Tax as disclosed in Note No-30 to the financial statements;
- viii. The Company has availed loan from nationalized bank and not defaulted in repayment;
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. 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.

- xi. According to the information and explanations given to us and based on our examination of the records of the Company, Managerial remuneration has been paid in compliance with provisions of Sec 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable;
- xiii. 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.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently the clause 3(xiv) of the order is not applicable.
- xv. The Company has not entered into non-cash transactions with directors or persons connected with him. Consequently the clause 3(xv) of the order is not applicable;.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Consequently the clause 3(xvi) of the order is not applicable.

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

Place: Hyderabad  
Date: 06.06.2018

**(G. Rajasekhar)**  
Partner  
Membership No.236023

## **Annexure - B to the Auditor's Report**

**Referred to in paragraph 09 of our Independent Auditor's Report of even date, 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<sup>st</sup>, 2018 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, 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<sup>st</sup>, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Place: Hyderabad  
Date: 06.06.2018

**(G. Rajasekhar)**  
Partner  
Membership No.236023

## Balance Sheet as at 31<sup>st</sup> March, 2018

(₹ in Lakhs)

Particulars	Note	As at 31.03.2018	As at 31.03.2017
<b>Equity and Liabilities</b>			
<b>i) Share holders' funds</b>			
Share Capital	02	10000.00	10000.00
Reserves and Surplus	03	1829.89	1235.24
		<b>11829.89</b>	<b>11235.24</b>
<b>ii) Non-current Liabilities</b>			
Long-term borrowings	04	75.22	125.97
Deferred tax liability	29	37.60	37.30
Other long-term liabilities	05	-	-
		<b>112.82</b>	<b>163.27</b>
<b>iii) Current Liabilities</b>			
Short-term borrowings	06	2180.06	2272.96
Trade Payables	07	-	-
Other current Liabilities	08	2249.01	1512.53
Short-term provisions	09	2.53	23.35
		<b>4431.60</b>	<b>3808.84</b>
<b>Total</b>		<b>16374.31</b>	<b>15207.35</b>
<b>Assets</b>			
<b>1) Non-current Assets</b>			
<b>i) Fixed Assets</b>			
Tangible Assets	10	638.40	667.12
Intangible Assets		48.41	1.64
		<b>686.81</b>	<b>668.76</b>
<b>ii) Non-current investments</b>	11	2058.63	7242.15
Long-term loans and advances	12	0.97	41.24
Other non-current assets	13	4.45	3.55
Other Investments	14	2820.22	2813.78
		<b>4884.27</b>	<b>10100.72</b>
<b>2) Current Assets</b>			
Current Investments	11	9849.58	3266.40
Trade Receivables	15	865.98	862.95
Cash and Bank balances	16	73.99	39.96
Short-term loans and advances	12	13.53	9.49
Other current assets	13	0.15	259.07
		<b>10803.23</b>	<b>4437.87</b>
<b>Total</b>		<b>16374.31</b>	<b>15207.35</b>
Summary of significant accounting policies	01		

The accompanying notes are an integral part of the financial statement

As per our report of even date

For and on behalf of the Board of Directors

For **C V Ramana Rao & Co.,**  
Chartered Accountants

**G. Rajasekhar**  
Partner

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

**M. Gopalakrishnaiah**  
Whole-time Director

Place: Hyderabad  
Date: 06.06.2018

**Ch. Rama Prasad**  
Chief Executive Officer

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

**V. Vani**  
Company Secretary

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2018

(₹ in Lakhs)

Particulars	Note	Year ended 31.03.2018	Year ended 31.03.2017
<b>Income</b>			
Revenue from operations	17	1677.53	1763.34
Other income	18	5.55	3.91
<b>Total (I)</b>		<b>1683.08</b>	<b>1767.25</b>
<b>Expenses</b>			
Employee benefits expense	19	225.02	223.29
Other expenses	20	351.99	255.92
<b>Total (II)</b>		<b>577.01</b>	<b>479.21</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)</b>		<b>1106.07</b>	<b>1288.04</b>
Finance Costs	21	245.49	172.54
Depreciation	10	36.71	33.45
<b>Profit before tax and exceptional items</b>		<b>823.87</b>	<b>1082.05</b>
Exceptional Items		-	-
<b>Profit after exceptional items and before tax</b>		<b>823.87</b>	<b>1082.05</b>
<b>Tax expenses</b>			
Current tax		228.79	388.11
Income Taxes for earlier years		0.12	1.39
Dividend Distribution tax 2016-17		-	3.73
Deferred tax		0.31	(5.43)
<b>Total tax expenses</b>		<b>229.22</b>	<b>387.80</b>
<b>Profit after tax</b>		<b>594.65</b>	<b>694.25</b>
<b>Earnings per equity share (Face Value ₹100/- each)</b>			
Basic & Diluted	28	5.95	6.94

The accompanying notes are an integral part of the financial statement

As per our report of even date

For and on behalf of the Board of Directors

For **C V Ramana Rao & Co.,**  
Chartered Accountants

**G. Rajasekhar**  
Partner

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

**M. Gopalakrishnaiah**  
Whole-time Director

Place: Hyderabad  
Date: 06.06.2018

**Ch. Rama Prasad**  
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, 2018

(₹ in Lakhs)

S. No.	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Net Profit before Tax and after extraordinary items	823.87	1082.05
	Adjustments for:		
	Depreciation	36.71	33.45
	Amounts written off (Reversal from trusts)	156.73	41.40
	Provision for SRs	-	42.00
	Interest	(1.28)	(1.30)
	<b>Operating profit before working capital changes</b>	<b>1016.03</b>	<b>1197.60</b>
	Financial assets	-	112.96
	Trade and other receivables	141.71	(478.59)
	Trade and other payables	729.96	605.06
	<b>Cash generated from operations</b>	<b>1887.70</b>	<b>1437.03</b>
	Income tax paid	(256.18)	(463.55)
	<b>Net Cash from operating activities</b>	<b>1631.52</b>	<b>973.48</b>
<b>B.</b>	<b>Cash flow from investing activity</b>		
	Purchase of fixed assets	(54.75)	(6.93)
	Interest received	1.12	1.69
	Security receipts (on redemption by trusts)	1241.99	823.05
	Security Receipts-Investments	(2641.65)	(2541.00)
	Other Investments	(6.44)	(213.58)
	Fixed Deposits in Banks	-	-
	<b>Net Cash from investing activity</b>	<b>(1459.73)</b>	<b>(1936.77)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Secured loan from bank	(137.76)	1084.13
	Dividend and Dividend distribution tax paid	-	(207.31)
	<b>Net cash generated in financing activity</b>	<b>(137.76)</b>	<b>876.82</b>
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>34.03</b>	<b>(86.47)</b>
	Cash and cash equivalents as at 31.03.2017	39.96	126.43
	<b>Cash and cash equivalents as at 31.03.2018</b>	<b>73.99</b>	<b>39.96</b>

The accompanying notes are an integral part of the financial statement

As per our report of even date

For and on behalf of the Board of Directors

For **C V Ramana Rao & Co.,**  
Chartered Accountants

**G. Rajasekhar**  
Partner

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

**M. Gopalakrishnaiah**  
Whole-time Director

Place: Hyderabad  
Date: 06.06.2018

**Ch. Rama Prasad**  
Chief Executive Officer

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

**V. Vani**  
Company Secretary

## Notes on financial statements for the year ended 31<sup>st</sup> March, 2018

### 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 as and when amount is realised.

#### 3) Asset classification and provisioning there on:

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

#### 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.

Intangible Assets are amortised over a period of three years.

**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 III:**

Liabilities due within one year are classified as "current liabilities" and assets maturing within one year along with cash and bank balances as "current assets". 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, 2018

### 2. Share capital

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<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 (₹ in Lakhs)

Equity Shares	As at 31.03.2018		As at 31.03.2017	
	Number	Amount	Number	Amount
At the beginning of the period	10,000,000	10000.00	10,000,000	10000.00
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>10,000,000</b>	<b>10000.00</b>	<b>10,000,000</b>	<b>10000.00</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 31.03.2018		As at 31.03.2017	
	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, 2018

### 3. Reserves and Surplus

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>A. General Reserve</b>		
Balance as per the last financial statement	725.00	525.00
Add: Amount transferred from surplus in the Statement of Profit and Loss	-	200.00
<b>Total (A)</b>	<b>725.00</b>	<b>725.00</b>
<b>B. Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements	510.24	15.99
Assets adjusted to retained earnings in compliance with Sch II	-	-
Deferred tax adjustment on the above	-	-
Profit for the year	594.65	694.25
	1104.89	710.24
<b>Less: Appropriations</b>		
Transfer to General Reserve	-	(200.00)
Total appropriations	-	(200.00)
<b>Net surplus in the Statement of Profit and Loss</b>	<b>1104.89</b>	<b>510.24</b>
<b>Total Reserves and Surplus</b>	<b>1829.89</b>	<b>1235.24</b>

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

(₹ in Lakhs)

Particulars	Non-current portion		Current portion (Schedule 8)	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Term Loan from HDFC Bank	75.22	125.97	50.75	44.86
<b>Total</b>	<b>75.22</b>	<b>125.97</b>	<b>50.75</b>	<b>44.86</b>

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)

Particulars	Non-current portion		Current portion	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Nil	-	-	-	-

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

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

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Overdraft from Andhra Bank	1780.06	2272.96
Inter Corporate Loans	400.00	-
<b>Total</b>	<b>2180.06</b>	<b>2272.96</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 MCLR + 1.65% p.a. = 10.30% p.a. Overdraft limit is ₹50 Crores and renewable every year.

### 7. Trade Payables

(₹ in Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
	Details	₹	Details	₹
(A) Total outstanding dues of Micro and Small Enterprises	-	-	-	-
(B) Total outstanding dues other than Micro and Small Enterprises	-	-	-	-
<b>Total</b>		-		-

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

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Principal amount and interest due thereon remaining unpaid but not due as at year end	NIL	NIL
(b) Interest paid in terms of Section 16 of MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year not due as at year end	NIL	NIL
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	NIL	NIL
(d) Interest accrued and remaining unpaid at the end of the year	NIL	NIL
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### 8. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Current Maturities of Long Term Debt - Term Loans from Banks	50.75	44.86
Amounts received against sale of Assets/OTS	1947.18	1410.57
Advance received towards expenses	-	2.56
Amount payable to trusts *	15.00	15.00
TDS payable on trust accounts	64.94	-
Amounts retained for expenses	26.50	26.50
Unclaimed dividends	-	-
Other Payables		
i) Leave encashment payable	-	0.73
ii) Statutory Remittances		
a) Tax Deducted at Source	4.75	4.45
b) Profession Tax	0.03	0.04
c) Goods and Service Tax	82.72	-
d) Service Tax	-	0.05
iii) Outstanding expenses	57.14	7.77
<b>Total</b>	<b>2249.01</b>	<b>1512.53</b>

\*Note: ₹15 lakhs received and deposited in Bank as per Court direction in respect of PARAS-SBIKG-033 Trust.

### 9. Short term Provisions

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for income tax	-	20.19
Gratuity and leave encashment premium payable to LIC	2.53	3.16
<b>Total</b>	<b>2.53</b>	<b>23.35</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### 10. Fixed Assets

#### A. Tangible Assets

(₹ in Lakhs)

Description	Gross Block			Depreciation				Net Block		
	As at 31.03.2017	Additions	Deletions	As at 31.03.2018	Up to 31.03.2017	For the Year	Deletions	Up to 31.03.2018	As at 31.03.2018	As at 31.03.2017
Buildings	586.68	-	-	586.68	36.99	9.20	-	46.19	540.49	549.69
Furniture and Fixtures	137.00	0.09	-	137.09	44.93	14.11	-	59.04	78.05	92.07
Data Processing Equipment	20.81	2.83	-	23.64	16.29	2.08	-	18.37	5.27	4.52
Office Equipment	15.73	0.06	-	15.79	10.91	2.54	-	13.45	2.34	4.81
Vehicles	28.77	-	-	28.77	12.74	3.78	-	16.52	12.25	16.03
Library	0.20	0.02	-	0.22	0.20	0.02	-	0.22	-	-
Total	789.19	3.00	-	792.19	122.06	31.73	-	153.79	638.40	667.12
Previous year	784.21	4.98	-	789.19	88.92	33.14	-	122.06	667.12	695.28

#### B. Intangible Assets

(₹ in Lakhs)

Description	Gross Block			Depreciation			Net Block			
	As at 31.03.2017	Additions	Deletions	As at 31.03.2018	Up to 31.03.2017	For the Year	Deletions	Up to 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	4.36	51.75	-	56.11	2.72	4.98	-	7.70	48.41	1.64
Total	4.36	51.75	-	56.11	2.72	4.98	-	7.70	48.41	1.64
Previous Year	2.40	1.95	-	4.36	2.41	0.31	-	2.72	1.64	-

Note: Depreciation on intangible assets is amortized over a period of 3 years basing on the certification by the supplier.

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### 11. Investments

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>Investment in special purpose vehicles (valued at cost and fully paidup unless stated otherwise) Unquoted security receipts</b>				
1) PARAS-SPCPL-008 Trust 65 (31 <sup>st</sup> March 2017: 65) SRs of ₹1,00,000/- each	65.00	65.00	-	-
2) PARAS-VBL-010 Trust 159 (31 <sup>st</sup> March 2017: 415) SRs of ₹1,00,000/- each	-	-	159.00	415.00
3) PARAS-VEAF-011 Trust 93 (31 <sup>st</sup> March 2017: 93) SRs of ₹1,00,000/- each	97.02	97.02	-	-
4) PARAS-MRDI-016 Trust 51083 (31 <sup>st</sup> March 2017: 51083) SRs of ₹1,000/- each	-	-	510.83	510.83
5) PARAS-MMAL-017 Trust 348 (31 <sup>st</sup> March 2017: 348) SRs of ₹1,00,000/- each	-	-	348.00	348.00
6) PRAS-DRLL-019 Trust 600 (31 <sup>st</sup> March 2017: 600) SRs of ₹1,00,000/- each	-	-	600.00	600.00
7) PARAS-MCSPL-020 Trust 430 (31 <sup>st</sup> March 2017: 430) SRs of ₹1,00,000/- each	-	-	430.00	430.00
8) PARAS-KIL-022 Trust 49082 (31 <sup>st</sup> March 2017: 49082) SRs of ₹1,000/- each	-	-	490.82	490.82
9) PARAS-ALIND II-023 Trust 0 (31 <sup>st</sup> March 2017: 9) SRs of ₹1,00,000/- each	-	-	-	9.00
10) PARAS-ALIND III-024 Trust 0 (31 <sup>st</sup> March 2017: 6) SRs of ₹1,00,000/-each	-	-	-	6.00
11) PARAS-IOBPF -027 Trust 45 (31 <sup>st</sup> March 2017: 46) SRs of ₹1,00,000/- each	-	46.00	45.00	-
12) PARAS-VJBPF-028 Trust 4966 (31 <sup>st</sup> March 2017: 4966) SRs of ₹1,000/- each	49.66	49.66	-	-
13) PARAS-RTP-032 Trust 3575 (31 <sup>st</sup> March 2017: 3575) SRs of ₹1,000/- each	-	35.75	35.75	-
14) PARAS-SBIKG-033 Trust 2457 (31 <sup>st</sup> March 2017: 2457) SRs of ₹10,000/- each	245.70	245.70	-	-
15) PARAS-RRSPG-034 Trust 1512 (31 <sup>st</sup> March 2017: 1512) SRs of ₹10,000/- each	-	151.20	151.20	-
16) PARAS-SBH2015-035 Trust 45495 (31 <sup>st</sup> March 2017: 47640) SRs of ₹1,000/- each	454.95	476.40	-	-
17) PARAS-SBH-2015-036 Trust 746 (31 <sup>st</sup> March 2017: 1741) SRs of ₹10,000/- each	-	174.10	74.60	-
18) PARAS-RRSPGII-037 Trust 798 (31 <sup>st</sup> March 2017: 798) SRs of ₹10,000/- each	-	79.80	79.80	-
19) PARAS-SPML-038 Trust 3924 (31 <sup>st</sup> March 2017: 3924) SRs of ₹10,000/- each	392.40	392.40	-	-
20) PARAS-MACL-039 Trust 30105 (31 <sup>st</sup> March 2017: 30105) SRs of ₹1,000/- each	-	301.05	301.05	-
21) PARAS-SPEPL-040 Trust 3105 (31 <sup>st</sup> March 2017: 3105) SRs of ₹1,000/- each	31.05	31.05	-	-
22) PARAS-TPDL-041 Trust 0 (31 <sup>st</sup> March 2017: 76) SRs of ₹1,00,000/- each	-	-	-	76.00
23) PARAS-KSL-042 Trust 4275 (31 <sup>st</sup> March 2017: 4275) SRs of ₹1,000/- each	-	-	42.75	42.75
<b>Total C/F</b>	<b>1335.78</b>	<b>2145.13</b>	<b>3268.80</b>	<b>2928.40</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>B/F</b>	<b>1335.78</b>	<b>2145.13</b>	<b>3268.80</b>	<b>2928.40</b>
24) PARAS-DRD-043 Trust 11955 (31 <sup>st</sup> March 2017: 11955) SRs of ₹1,000/- each	-	119.55	119.55	-
25) PARAS-ATE-044 Trust 3075 (31 <sup>st</sup> March 2017: 3075) SRs of ₹10,000/- each	-	307.50	307.50	-
26) PARAS-GKI-045 Trust 93 (31 <sup>st</sup> March 2017: 222) SRs of ₹1,00,000/- each	-	84.00	93.00	138.00
27) PARAS-MSL-046 Trust 375 (31 <sup>st</sup> March 2017: 375) SRs of ₹1,00,000/- each	-	375.00	375.00	-
28) PARAS-ATL-047 Trust 3105 (31 <sup>st</sup> March 2017: 3105) SRs of ₹ 1,000 /- each	-	31.05	31.05	-
29) PARAS-SPPL-049 Trust 4127 (31 <sup>st</sup> March 2017: 4407) SRs of ₹10,000/- each	-	340.70	412.70	100.00
30) PARAS-HLPL-050 Trust 108 (31 <sup>st</sup> March 2017: 108) SRs of ₹10,000/- each	-	10.80	10.80	-
31) PARAS-KGF-051 Trust 2775 (31 <sup>st</sup> March 2017: 2775) SRs of ₹10,000/- each	-	277.50	277.50	-
32) PARAS-CMI-052 Trust 17970 (31 <sup>st</sup> March 2017: 18045) SRs of ₹1000/- each	179.70	180.45	-	-
33) PARAS-SPPOBC-053 Trust 42102 (31 <sup>st</sup> March 2017: 54262) SRs of ₹1000/- each	-	442.62	421.02	100.00
34) PARAS-VMC-054 Trust 231 (31 <sup>st</sup> March 2017: 231) SRs of ₹1,00,000/- each	231.00	231.00	-	-
35) PARAS-SOUB-055 Trust 252 (31 <sup>st</sup> March 2017: 252) SRs of ₹1,00,000/- each	252.00	252.00	-	-
36) PARAS-DB2016-056 Trust 15457 (31 <sup>st</sup> March 2017: 15960) SRs of ₹1000/- each	-	159.60	154.57	-
37) PARAS-RVS-059 Trust 229 (31 <sup>st</sup> March 2017: 229) SRs of ₹100,000/- each	-	229.00	229.00	-
38) PARAS-MLA-060 Trust 8715 (31 <sup>st</sup> March 2017: 12015) SRs of ₹1,000/- each	-	120.15	87.15	-
39) PARAS-JSL-061 Trust 44715 (31 <sup>st</sup> March 2017: 44715) SRs of ₹1,000/- each	-	447.15	447.15	-
40) PARAS-DIL-062 Trust 260 (31 <sup>st</sup> March 2017: 285) SRs of ₹1,00,000/- each	-	285.00	260.00	-
41) PARAS-RSP-063 Trust 0 (31 <sup>st</sup> March 2017: 6020) SRs of ₹1,000/- each	-	60.20	-	-
42) PARAS-JCIPL-064 Trust 0 (31 <sup>st</sup> March 2017: 105) SRs of ₹1,00,000/- each	-	105.00	-	-
43) PARAS-AWL-065 Trust 480 (31 <sup>st</sup> March 2017: 480) SRs of ₹1,00,000/- each	-	480.00	480.00	-
44) PARAS-UB2017-066 Trust 1965 (31 <sup>st</sup> March 2017: 1965) SRs of ₹1,000/- each	19.65	19.65	-	-
45) PARAS-VBI-067 Trust 4050 (31 <sup>st</sup> March 2017: 4050) SRs of ₹1,000/- each	40.50	40.50	-	-
46) PARAS-SEPL-068 Trust 0 (31 <sup>st</sup> March 2017: 19485) SRs of ₹1,000/- each	-	194.85	-	-
47) PARAS-PPPL-069 Trust 120 (31 <sup>st</sup> March 2017: 129) SRs of ₹1,00,000/- each	-	129.00	120.00	-
48) PARAS-SL-070 Trust 1350 (31 <sup>st</sup> March 2017: 1350) SRs of ₹1,000/- each	-	13.50	13.50	-
49) PARAS-MAIPL-071 Trust 14144 (31 <sup>st</sup> March 2017: 16125) SRs of ₹1,000/- each	-	161.25	141.44	-
<b>Total C/F</b>	<b>2058.63</b>	<b>7242.15</b>	<b>7249.73</b>	<b>3266.40</b>



## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

(₹ in Lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>B/F</b>	<b>2058.63</b>	<b>7242.15</b>	<b>7249.73</b>	<b>3266.40</b>
50) PARAS-VHPL-072 Trust 459 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,00,000/- each	-	-	459.00	-
51) PARAS-SIPPL-073 Trust 99 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,00,000/- each	-	-	99.00	-
52) PARAS-ST-074 Trust 4725 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	47.25	-
53) PARAS-VEAL-075 Trust 8325 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	83.25	-
54) PARAS-SBPL-076 Trust 10215 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	102.15	-
55) PARAS-AFP-077 Trust 2595 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	25.95	-
56) PARAS-PCHRL-078 Trust 3975 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	39.75	-
57) PARAS-APM-079 Trust 9000 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	90.00	-
58) PARAS-SSDF-080 Trust 465 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	4.65	-
59) PARAS-SRPL-081 Trust 6270 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	62.70	-
60) PARAS-DTPL-082 Trust 31500 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	315.00	-
61) PARAS-AB2017-083 Trust 6750 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	67.50	-
62) PARAS-MRC-084 Trust 1425 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	14.25	-
63) PARAS-SPKHL-085 Trust 30375 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	303.75	-
64) PARAS-VAP-086 Trust 3525 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	35.25	-
65) PARAS-KGFSBI-087 Trust 22400 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	224.00	-
66) PARAS-VLT-089 Trust 17265 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	172.65	-
67) PARAS-RC-090 Trust 2925 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	29.25	-
68) PARAS-CRD-092 Trust 3750 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	37.50	-
69) PARAS-GS-093 Trust 3450 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	34.50	-
70) PARAS-SPMPL-094 Trust 10050 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	100.50	-
71) PARAS-NPPL-095 Trust 11700 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	117.00	-
72) PARAS-DFPPL-096 Trust 13500 (31 <sup>st</sup> March 2017: Nil) SRs of ₹1,000/- each	-	-	135.00	-
<b>Total</b>	<b>2058.63</b>	<b>7242.15</b>	<b>9849.58</b>	<b>3266.40</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### 12. Loan and Advances

(₹ in Lakhs)

Particulars	Non-Current portion		Current Portion		Total	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>(A) Financial Assets (Secured considered good)</b>						
Loan Assets (A)	-	-	-	-	-	-
<b>(B) Security Deposits</b>						
Unsecured considered good	0.97	0.99	-	-	0.97	0.99
(B)	<b>0.97</b>	<b>0.99</b>	<b>-</b>	<b>-</b>	<b>0.97</b>	<b>0.99</b>
<b>(C) Other Loans and Advances</b>						
Prepaid Taxes (Net Income Tax Provisions)	-	-	7.09	-	7.09	-
Prepaid Expenses	-	-	1.58	1.45	1.58	1.45
Service Tax (input) CENVAT credit	-	-	-	0.42	-	0.42
I.T. Refund Receivable	-	-	4.21	4.21	4.21	4.21
Advance for ERP Package	-	40.25	-	-	-	40.25
Advance for Expenses	-	-	0.65	3.41	0.65	3.41
(C)	<b>-</b>	<b>40.25</b>	<b>13.53</b>	<b>9.49</b>	<b>13.53</b>	<b>49.74</b>
<b>Total (A+B+C)</b>	<b>0.97</b>	<b>41.24</b>	<b>13.53</b>	<b>9.49</b>	<b>14.50</b>	<b>50.73</b>

### 13. Other Assets

(₹ in Lakhs)

Particulars	Non-Current portion		Current Portion	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>A. Unsecured and considered good Expenses recoverable from trusts managed by the Company</b>				
Over six months	3.10	2.01	-	-
Others	1.35	1.54	-	-
(A)	<b>4.45</b>	<b>3.55</b>	<b>-</b>	<b>-</b>
<b>B. Others items</b>				
Amount received from Vensa Bio Tek	-	-	-	259.07
Over six months	-	-	-	-
Interest accrued on fixed deposits	-	-	0.15	-
(B)	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>259.07</b>
<b>Total (A + B)</b>	<b>4.45</b>	<b>3.55</b>	<b>0.15</b>	<b>259.07</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### 14. Other Investments

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Investment in properties*	2820.22	2813.78

\*Company acquired 2 properties under the provisions of SARFAESI Act, 2002.

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

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>A. Recoverable from Trusts managed by the Company</b>		
Over six months	487.40	425.20
Others	378.58	437.75
(A)	<b>865.98</b>	<b>862.95</b>
<b>B. Other Receivables</b>		
Over six months	-	-
Others	-	-
(B)	-	-
<b>Total (A)+(B)</b>	<b>865.98</b>	<b>862.95</b>

### 16. Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Cash and cash equivalents Balances with Banks</b>		
In current accounts	56.59	23.07
In fixed deposits *	17.29	16.57
Cash on hand	0.11	0.32
<b>Total</b>	<b>73.99</b>	<b>39.96</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, 2018

### 17. Revenue from operations

(₹ in Lakhs)

Particulars	2017-18	2016-17
Interest earned	32.40	70.33
Gain on Redemption of Security Receipts	549.14	905.23
Incentive	194.44	35.27
Income from reversal of NPA accounts	9.08	-
(A)	<b>785.06</b>	<b>1010.83</b>
<b>Other Financial Services</b>		
Management Fee	892.47	652.52
Advisory & Consultancy Fee	-	99.99
(B)	<b>892.47</b>	<b>752.51</b>
<b>Total (A+B)</b>	<b>1677.53</b>	<b>1763.34</b>

### 18. Other Income

(₹ in Lakhs)

Particulars	2017-18	2016-17
Interest on FDs with Banks	1.28	1.30
Others	4.27	2.61
<b>Total</b>	<b>5.55</b>	<b>3.91</b>

### 19. Employee benefits expense

(₹ in Lakhs)

Particulars	2017-18	2016-17
Salaries and wages	212.11	206.44
Rent-Office Quarters	2.94	1.10
Contribution to gratuity and leave encashment fund	7.94	13.31
Staff Welfare	2.03	2.44
<b>Total</b>	<b>225.02</b>	<b>223.29</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### 20. Other Expenses

(₹ in Lakhs)

Particulars	2017-18	2016-17
Customer service expenditure	2.07	1.40
Electricity, water and house keeping	9.12	8.50
Rates and taxes, excluding taxes on income	16.10	8.51
Repairs and maintenance		
Plant and Machinery	0.43	0.10
Others	0.18	0.21
Vehicle maintenance	3.42	3.42
Office premises maintenance	9.84	9.84
Office maintenance	-	0.03
Staff Recruitment expenses	-	3.92
Insurance	2.06	2.05
Travelling and conveyance	9.53	9.21
Communication costs	3.35	3.89
Legal and professional charges	40.04	20.31
Directors' sitting fees	31.20	36.10
Printing and stationery	3.79	3.53
Enforcement of security interest (Notice & Publication)	8.21	5.04
Security expenses	12.77	7.25
Contributions under CSR Scheme	31.96	40.31
Reversal of amounts in recoverable from trust accounts	156.73	40.15
Amount reversed in loan account-VRPF	-	1.25
Provision made for SRs	-	42.00
Miscellaneous expenses	6.14	3.85
Payment to Auditors		
Audit fee	5.00	5.00
Certification fee	0.05	0.05
<b>Total</b>	<b>351.99</b>	<b>255.92</b>

### 21. Finance costs

(₹ in Lakhs)

Particulars	2017-18	2016-17
Interest expense		
Term Loan	18.69	23.90
Overdraft	160.85	138.67
Interest on Inter Corporate Loans	44.26	-
Bank charges	21.69	9.97
<b>Total</b>	<b>245.49</b>	<b>172.54</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

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 SR's of the Trusts.
23. Differences in the number of security receipts between book of accounts and NSDL records are due to non updation in NSDL records.
24. Certain payables are subject to balance confirmations, reconciliation.
25. Employee benefits as per AS-15: As per actuarial valuation as on 31.03.2018 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 31.03.2018

(₹ in Lakhs)

Particulars	Gratuity	Leave Encashment
Present value of obligations at beginning of year	5.89	6.46
Interest cost	0.47	0.52
Current service cost	1.84	4.94
Benefits paid	-	(1.96)
Actuarial (gain)/loss on obligation	2.60	1.69
Present value of obligation at end of year	<b>10.80</b>	<b>11.65</b>

### ii. Changes in the fair value of plan assets as on 31.03.2018

(₹ in Lakhs)

Particulars	Gratuity	Leave Encashment
Fair value of assets at beginning of year	4.62	15.21
Expected return on plan assets	0.60	0.98
Contributions made during the year	3.06	-
Benefits paid	-	(1.96)
Actuarial (gain)/loss on plan assets	-	-
Fair value of plan assets at end of year	<b>8.28</b>	<b>14.23</b>

### iii. Fair value of plan assets

(₹ in Lakhs)

Particulars	Gratuity	Leave Encashment
Fair value of plan assets at beginning of year	4.62	15.21
Actual return on plan assets	0.60	0.98
Contributions	3.06	0.00
Benefits paid	-	(1.96)
Fair value of plan assets at end of year	8.28	14.23
Funded status	(2.52)	(2.58)
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)	-	-

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### iv. Actuarial Gain/Loss recognized as on 31.03.2018

(₹ in Lakhs)

Particulars	Gratuity	Leave Encashment
Actuarial (gain)/loss on obligations	(2.60)	(1.69)
Actuarial (gain)/loss for the year – plan assets	-	-
Actuarial (gain)/loss on obligations	2.60	1.69
Actuarial (gain)/loss recognized in the year	2.60	1.69

### v. The amounts to be recognized in the Balance Sheet and Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Gratuity	Leave Encashment
Present value of obligations as at end of year	10.80	11.65
Fair value of plan assets as at end of the year	8.28	14.23
Funded status	(2.52)	2.58
Net asset/(liability) recognized in balance sheet	(2.52)	(2.58)

Net Asset in respect of leave encashment plan is not recognised

### vi. Expenses recognized in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Gratuity	Leave Encashment
Current service cost	1.84	4.94
Interest cost	0.47	0.52
Expected return on plan assets	(0.60)	(0.98)
Net actuarial (gain)/loss recognized in the year	2.60	1.69
Expenses recognized in Statement of Profit and Loss	4.32	6.17

### vii. Actuarial Value Assumptions

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Discount Rate (in %)	8.00	8.00	8.00	8.00
Salary Escalation (in %)	6.00	6.00	4.00	4.00

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

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### 27. Related Party Disclosures

Name of the Party	Nature of Relationship
Sri. M. Siva Rama 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

### Transactions with Related parties

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

(₹ in Lakhs)

Particulars	2017-18	2016-17
<b>Whole-time Director</b>		
Salary	17.57	16.20
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>19.37</b>	<b>18.00</b>

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

(₹ in Lakhs)

Particulars	2017-18	2016-17
Sri. M. Siva Rama Vara Prasad	6.20	6.20
Dr. Murali Krishna Prasad Divi	0.80	3.20
Sri. Rajeev Puri	1.50	1.00
Sri. D. Seetharamaiah	8.50	9.20
Dr. Pamidi Kotaiah	7.90	9.20
Sri. Vepa Kamesam	4.30	4.80
Ms. K. Sujatha Rao	2.00	2.50
<b>Total:</b>	<b>31.20</b>	<b>36.10</b>

#### iii) Transactions with related parties:

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

Nature of the transaction: House Keeping and security services

(₹ in Lakhs)

Particulars	2017-18	2016-17
Amount outstanding at the beginning of the year	0.64	0.73
Amount paid during the year	11.61	11.10
Amount outstanding at the end of the year	-	0.64



## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### (b) M/s. BitKemy Ventures Pvt. Ltd.

Nature of the transaction: Software Development

(₹ in Lakhs)

Particulars	2017-18	2016-17
Amount outstanding at the beginning of the year	-	-
Amount paid during the year	11.80	46.51
Amount outstanding at the end of the year	-	-

### 28. EPS Calculation:

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

Particulars	2017-18	2016-17
Profit after tax (₹ in Lakhs)	594.65	694.25
Weighted average number of shares	10,000,000	10,000,000
Basic EPS (Face value ₹100/- per share) (In ₹)	5.95	6.94
Diluted (Face value ₹100/- per share) (In ₹)	5.95	6.94

### 29. Taxes on Income (AS - 22)

(₹ in Lakhs)

Items of Deferred Tax	2017-18	2016-17
<b>Deferred Tax Liability</b>		
Timing difference in respect of book depreciation and tax depreciation	48.21	152.90
<b>Deferred Tax Asset</b>		
Items related to Section 43B of I.T Act	10.61	(45.13)
Net Deferred Tax Liability at current rate of tax	37.60	37.30

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

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Claims against the Company not acknowledged as debt, in respect of</b>		
1) Disputed amounts of Income Tax for the Assessment years 2009-10 to AY 2015-16 pending before Assessing Officer in respect of TDS mismatch	46.44	46.44
2) Disputed amount of Service Tax in respect of levy of service tax on incentive income for FY 2014-15 pending before Assessing Officer	29.64	-

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

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

### 32. 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, 2018		
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, 2018		
Sellers	Address	Acquisition Price
Andhra Pradesh State Co-operative Bank Ltd	Troop Bazar, Hyderabad-500 001	200.00
Andhra Bank	Dr. Pattabhi Bhavan, 5-9-11, Saifabad, Hyderabad – 500 004	21071.00
Axis Bank Limited	Corporate Office, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025	700.00
Bank of Baroda	Baroda Corporate Centre, Plot No.26, G-26, Bandra Kurla Complex, Bandra (East), Mumbai-400 051	1726.00
Bank of India	Star House, C-5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051	3249.75
Bank of Maharashtra	'Lokmangal' 1501, Shivajinagar, Pune-411 005	5700.00
Canara Bank	112, JC Road, Bangalore-560 002	1730.00
Central Bank of India	Corporate Office, Chander Mukhi, Nariman Point, Mumbai-400 021	4819.60
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, Ernakulam, Kerala	60.00
ICICI Bank Limited	ICICI Towers, Bandra Kurla Complex, Bandra, 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	2968.20

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

(₹ in Lakhs)

Seller wise acquisition details as at 31 <sup>st</sup> March, 2018		
Sellers	Address	Acquisition Price
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	14673.26
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, Nagpur-440 018	112.50
Standard Chartered Bank	90, Mahatma Gandhi Road, Fort, Mumbai - 400 001	50.00
United Bank of India	11, Hemanta Basu Sarani, Kolkata - 700 001	3325.00
UCO Bank	10, Biplabi Trailokya Maharaj Sarani, (Formerly Brabourne Road) Kolkata - 700 001	131.00
Vijaya Bank	41 M.G. Road, Trinity Circle, Bangalore-560 012	1996.20
<b>Total</b>		<b>89486.01</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

b) Dispersion of various financial assets industry-wise and sponsor-wise as at 31<sup>st</sup> March, 2018: (₹ in Lakhs)

Industry	No. of borrower/s	Acquisition Price	% of Total
Automobiles	3	1426.20	1.59
Agriculture - Allied Activities	3	555.00	0.62
Asbestos Roofing	1	20.00	0.02
Bio-Chemical & Pesticides	7	4885.23	5.46
Cement	1	25.00	0.03
Coir	1	792.26	0.89
Cold Storage	1	380.00	0.42
Consumer Durable Loans	1	50.00	0.06
Educational Institution	2	3251.00	3.63
Food Products	8	5019.35	5.61
House Hold Appliances	2	1000.00	1.12
Hospital	2	4671.00	5.22
Hotel	1	2025.00	2.26
Iron and Steel, Other Metals	14	14550.00	16.26
Information Technology	4	237.00	0.26
Industrial Gases	3	1325.00	1.48
Infrastructure	7	3533.00	3.95
Logistics	1	600.00	0.67
Metals and Mining	3	658.00	0.74
Media	2	1928.00	2.15
NBFC	11	882.50	0.99
Pharma	5	447.40	0.50
Plastics	2	830.00	0.93
Power	4	9786.07	10.94
Paper	3	3347.00	3.74
Poultry	3	384.00	0.43
Textiles	13	6446.00	7.20
Trading	16	8088.00	9.04
Wood	1	2050.00	2.29
Oil Refineries, Vegetable Oil	4	1836.00	2.05
Others	19	8458.00	9.45
<b>Total</b>	<b>148</b>	<b>89486.01</b>	<b>100.00</b>

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2018

- c) Details of related parties as per Accounting Standard and guidance notes issued by the Institute of Chartered Accountants of India and the amounts due to and from them - **As disclosed in Note No.27 above**

(₹ in Lakhs)

d)	A statement clearly charting therein the migration of financial assets from standard to non-performing	-
e)	Value of financial assets acquired during the financial year either on the books of the Company or in the books of the Trusts	16477.00
f)	Value of financial assets fully realized during the financial year	2684.00
g)	Value of financial assets including assets acquired through Trust and outstanding for realization as at the end of the financial year	59605.28
h)	i. Value of Security Receipts redeemed partially during the financial year	3029.60
	ii. Value of Security Receipts redeemed fully during the financial year	2684.00
i)	Value of Security Receipts pending for redemption as at the end of the financial year	59605.28
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)	-
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)	-
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	-
n)	Details of Assets where the value of the SR has declined more than 20% of below the acquisition value	-

As per our report of even date

For **C V Ramana Rao & Co.,**  
Chartered Accountants

**G. Rajasekhar**  
Partner

Place: Hyderabad  
Date: 06.06.2018

**Ch. Rama Prasad**  
Chief Executive Officer

For and on behalf of the Board of Directors

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

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

**M. Gopalakrishnaiah**  
Whole-time Director

**V. Vani**  
Company Secretary



School Van provided to ADHARNA (Special School for mentally challenged)  
for transportation of children under CSR Program



## *In pursuit of revival of impaired assets*



A section of refinery unit at Rajahmundry, East Godavari District, Andhra Pradesh belonging to M/s **Suma Refineries Pvt. Ltd.** - Debt acquired and restructured by PARAS



**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.

Tel: 040-41413333, Fax: 040-41413301

Email: [co@paras.org.in](mailto:co@paras.org.in) Web: [www.paras.org.in](http://www.paras.org.in)