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Registered & Corporate Office

8-2-622/5/A/3, Indira Chambers,

Road No. 10, Banjara Hills, Hyderabad - 500 034

Tel: 040-23371029 Fax: 040-23322326 Email: co@paras.org.in

Auditors

M/s K.S. Rao & Co.

Chartered Accountants

403 & 404, Golden Green Apartments,

Irrum Manzil Colony, Hyderabad - 500 082.

Tel: 040-23370002 / 4 Fax: 040-23370005

Bankers

HDFC Bank

Rajbhavan Road, Hyderabad.

Andhra Bank

S.R. Nagar, Hyderabad.



Notice

Notice is hereby given that the Fourth Annual General Meeting of the Company will be held on Monday, the 11th July, 2011 at 12.15 PM at Hotel Daspalla, Road No.37, Jubilee Hills, Hyderabad - 500 033 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet and the Profit and Loss account for the year ended 31st March, 2011 together with Directors' and Auditors' Report thereon.
2. To declare a dividend for the year 2010-11
3. To appoint a Director in place of Sri K. Kannan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri S. Ranganathan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. K.S.Rao & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and authorize the Board of Directors to fix their remuneration.

Special Business:

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

"RESOLVED that Sri Vepa Kamesam who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 6th September, 2010 and holds office as such upto the date of ensuing Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Sri Vepa Kamesam as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company and shall retire by rotation."

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

"RESOLVED that pursuant to the provisions of Section 81(A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and subject to the approval of regulatory, government and other authorities as may be required and subject to such terms, conditions and stipulations, if any, required by them while granting such approvals, permissions and sanctions and other approvals, if any, the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall be deemed to include a committee of Directors duly authorized in this behalf) is hereby authorized and empowered to offer, issue and allot in one or more tranches, balance unissued number of 50 Lakhs equity shares out of the authorized capital of 150 Lakhs Equity shares of ₹100/- each, duly complying with the extant pricing guidelines issued by the Reserve Bank of India or as amended from time to time and other statutory requirements, to one or more of the promoters and/ or friends or relatives, NRIs, PIO, Banks, Financial Institutions through Private Placement as per the Provisions of Preferential Allotment by unlisted Public Companies Rules 2003, and on such terms and conditions as the Board may in its absolute discretion consider fit".

“RESOLVED FURTHER that the equity shares to be issued shall rank pari-passu with the existing equity shares of the company except that dividend, if any, declared for the year on prorata basis, in terms of the Memorandum and Articles of Association and relevant provisions of the Companies Act, 1956”.

“RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds of the issue of the securities and further to do all such acts, deeds, matters and things with respect to finalization and execution of all such deeds, documents and writings as may be necessary, desirable or expedient in this regard.”

By order of the Board

Place : Hyderabad
Date : 17.05.2011

M.Gopalakrishnaiah
Whole-time Director

Notes

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ELIGIBLE 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) The members are requested to intimate immediately any change in their address quoting their Registered Folio enabling the company to address future communication.
- 5) Explanatory statement pursuant to section 173 (2) of the Companies Act 1956.

Item No.6:

Sri Vepa Kamesam was appointed as an Additional Director by the Board of Directors on 6th September, 2010. The Board felt that his experience will be of immense use to the company for effective management and recommended appointment as Director.

Sri Vepa Kamesam is a Science Graduate and holds a Diploma in Banking from IRI, Rome. He is also an Associated Member, Indian Institute of Bankers. He started his career as a Probationary Officer with State Bank of India and held several important positions in the Bank over a period of 37 years before joining Reserve Bank of India.

Some of the important positions held by him during his tenure in State Bank of India are as follows:

General Manager	Local Head Office, Hyderabad, A.P.
	Foreign Department, Kolkata
	U.K. Operations, London
Chief General Manager	U.K. Operations
Managing Director	SBI European Bank Plc., UK
	State Bank of Travancore

As Deputy Governor of Reserve Bank of India, he handled various portfolios of the Central Bank as assigned by the Governor and Board from time to time and was responsible for the CVPS project, RTGS project, improvement in security systems and several other initiatives having wide impact on the Banking system at large.

He is a Director on the Board of :

- I. High Mark Credit Information Services Pvt. Ltd., Mumbai
- ii. NCon Turbo Tech Pvt. Ltd., Bangalore
- iii. MCX Stock Exchange Ltd., Mumbai
- iv. Institute of Insurance and Risk Management, Hyderabad

Sri Vepa Kamesam with his vast experience in the field of Banking, especially with the Central Bank of the Country, will be able to provide support and guidance to the company in achievement of its goals.

Except Sri Vepa Kamesam, no other director is deemed to be interested in the resolution.

Item No.7:

The Authorized capital of the Company is ₹150 crores and the present paid up capital of the Company is ₹100 crores. The authorization given to the Board by the members of the company at the 3rd Annual General Meeting held on 6th September, 2010 for allotment of the balance unissued shares will expire by 5th September, 2011. It is now proposed to seek approval of the members for issue of balance number of 50 Lakhs unissued equity shares. The information on proposed private placement as required under unlisted companies (Preferential Allotment) Rules, 2003 is as under:

- a. The price of proposed allotment of equity shares is to be decided by the Board of Directors from time to time.
- b. The proposed price is to be fixed in accordance with the requirements of the unlisted companies (Preferential Allotment) Rules, 2003, and the basis of which shall be made available for inspection of members at the Registered Office.
- c. The allotment of equity shares is proposed to be made to prospective promoters, their relatives, Banks, Financial Institutions NRIs, PIOs and others
- d. The object of the issue of shares through private placement is to attain the main object of the Company namely facilitate acquiring Non Performing Assets from Banks and Financial Institutions.
- e. The intention of promoters /sponsor directors to subscribe to the offer is to enhance the operations of the company and keep the investment on long term basis.
- f. Subject to approval of Reserve Bank of India ,the shareholding pattern of the promoters/sponsors will change to the extent of shares offered to them
- g. The allotment of equity shares on private placement basis shall be completed within 12 Months from the date of approval. Provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within twelve months from the date of receipt of such approval.
- h. There is no change in control after the private placement.

The Board recommends for approval by way of special resolution for allotment of shares on private placement basis as required by section 81(1A) of the Companies Act 1956.

None of the Directors of the Company are interested or concerned in the resolution except to the extent of shares that may be offered to them.

By order of the Board

M. Gopalakrishnaiah
Whole-time Director

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 4th Annual Report and the audited accounts for the financial year ended 31st March, 2011.

Financial Results

The financial performance of the Company, for the year ended 31st March, 2011 is summarised below:

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Interest Income	710.14	695.13
Interest on Fixed Deposits	245.46	90.12
Surplus on Sale of Financial Assets	760.78	-
Fee and Other Income	234.98	258.36
Total Income	1951.36	1043.61
Staff Cost	97.15	71.84
Other Expenses	76.04	89.19
Profit Before Tax (PBT)	1778.17	882.58
Provision for Tax	593.38	301.07
Profit After Tax (PAT)	1184.79	581.51
Profit brought forward from previous year	108.62	132.13
Profit available for Appropriation	1293.41	713.64
Appropriations - Transfer to General Reserve	53.00	25.00
- Proposed Dividend including tax	963.94	580.03
Balance carried to Balance Sheet	276.47	108.62

(In Rupees)

Earnings Per Share of ₹100	14.34	10.56
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The Company's Gross Income for the financial year ended 31st March, 2011 is ₹1951 Lakhs as compared to ₹1044 Lakhs in the previous year, registering a growth of 87%. The Profit Before Tax (PBT) of the company increased by 101% to ₹1778 Lakhs during the year from ₹883 Lakhs in the previous year. Net Profit for the year increased to ₹1185 Lakhs from ₹582 Lakhs in the previous year thus registering a growth of 104%.

The Company's Net Worth as on 31st March, 2011 stood at ₹10376 Lakhs as against ₹6948 Lakhs in the previous year.

Management Discussion & Analysis

As per Reserve Bank of India survey the global recovery is expected to sustain in 2011, although growth is expected to slow down marginally from its pace in 2010.

Indian financial markets during the current year have witnessed volatile movements in interest rates, exchange rates and inflation. Global events like the price rise in oil had its impact on markets in India.

During 2010-11, your company has posted a good performance, recording significant improvement in business and profitability over previous year. This is made possible by adopting prudent business model in:

- ✓ Identification of the right kind of assets both under revival and non-revival categories.
- ✓ Thorough understanding and quick resolution of the legal and other complex issues involved through focussed approach.
- ✓ Identifying the right people for buying potentially revivable sick units and facilitating their quick revival through additional funding.

The Company has been pursuing its avowed objective of supporting revival/restructuring of stressed units which continues to be the major share of its business. Your company has successfully helped in revival of a couple of assets it has acquired in a short span of time which helped in realising fair value.

The ARCs in general are facing some serious concerns with regard to the acquisition of NPAs from banks like:

- Lack of transparency in the process followed by banks in the auctioning of NPAs. Wide variations noticed between the expected price of banks and the best price discovered through the auction process.
- Information provided by Banks with respect to NPAs put up for sale, is either inadequate and or not updated. In majority of the cases vital information relating to statutory dues and legal issues is not available. Absence of such information seriously impacts the valuation and the quality of assets.
- Non Disclosure of the reserve price by banks, even at the time of final negotiations with the highest bidder. Due to which very few deals could be concluded while the ARCs would have spent substantial resources and monies in the process.

Some of the other issues impeding the growth of the business of ARCs are:

- Limitations on investors' participation in the business.
- Lack of definitional clarity with regard to the several rights conferred under SARFAESI Act.
- Inter-creditor issues between the term and working capital lenders because of the treatment of all graded creditors into one category under the Act for securing the required 75% of lenders' (amount wise) mandate for enforcing rights under SARFAESI Act.

A host of such issues have been placed before Reserve Bank of India through the Association of ARCs and Government of India through Indian Institute of Corporate Affairs (IICA).

Your Company has stepped up its commitment to build organisational capacity, management bandwidth and the ability to execute strategic initiatives.

Your Company has put in place proper systems and procedures for effective control and will strive to improve further.

During the year, the Registered and Corporate office of your company have been shifted to a more spacious and ambient premises so as to cater to the growing business requirements.

A summary of the debts acquired and realised during the financial year is given below-

Acquired

(Rupees In Lakhs)

Number of Seller Banks /Fls	14
Book value of Assets	26630
Cost of Acquisition	3156

Realised

Number of Accounts	2
Cost of Acquisition	1676

Future Prospects

Banks in India are saddled with huge quantum of NPAs which was at ₹84,747 Crores as at the end of March, 2010, representing 2.42% of total advances (Source: IBA). Considering the trends available for the first three quarters of 2010-2011, it is estimated that this will increase to ₹1,00,000 Crores by end of March, 2011. The increase will largely be driven by fresh slippages from relatively vulnerable sectors, tighter liquidity, higher cost of borrowings and non-performance of restructured assets.

Further, banks have been advised to achieve a provisioning coverage ratio of 70% for their non performing advances by the end of September, 2010 and RBI has further tightened the provisioning requirement for banks on NPAs and restructured accounts. These measures will propel banks to expedite disposal of NPAs which would throw better opportunities to the ARCs in the years to come.

No new company has entered into ARC business during the year and hence the existing competition for business subsists.

Your Company achieved the paid-up share capital of ₹100 Crores which would facilitate in leveraging the business.

Report on Corporate Governance

Corporate governance is a set of systems and practices to ensure that the affairs of the company are being managed in such a way that they ensure accountability, transparency, fairness in all its transactions to meet its stake holders' aspirations.

The demands of corporate governance require professionals in managing the enterprise and its resources effectively with the highest standards of moral ethics. It has thus become important to nurture and sustain a culture that integrates all components of good governance by carefully balancing the complex inter relationship among the Board of Directors, Executive Committee, Audit Committee, Management and Auditors.

The company follows the policy on corporate governance based on fair and ethical governance practices, even though the company is a non-listed company and strives to adopt high ethical standards of professionalism, honesty and integrity in all its actions.

Committees of Directors

Board

The Board of Directors is an apex body constituted by the shareholders for overseeing the overall functioning of the company. The Board provides and evaluates the strategic direction of the company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The chairman is assisted by the directors and senior managerial personnel in overseeing the functional matters of the company.

Attendance of Directors at 5 Board meetings and last Annual General Meeting held during 2010-11:

Name of the Director	Category	Attendance of meetings during 2010-11	
		Board Meetings	Last AGM
Sri D.Seetharamaiah	Independent Director	5	Yes
Dr. Pamidi Kotaiah	Independent Director	5	Yes
Sri K.Kannan	Independent Director	4	Yes
Sri M.Sivarama Varaprasad	Promoter Director	5	Yes
Dr. Murali Krishna Prasad Divi	Promoter Director	3	Yes
Sri M.Gopalakrishnaiah	Whole-time Director	5	Yes
Sri S.Ranganathan	Director nominated by M/s.Punjab National Bank	3	Yes
Sri Vepa Kamesam	Independent Director	3	-

No Director is related to any other Director on the Board in terms of the definition of 'Relative' given under the Companies Act, 1956.

Executive Committee

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

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

The Committee met 7 times during the financial year 2010-11.



Audit Committee

1. Sri K.Kannan
2. Sri D.Seetharamaiah
3. Sri Vepa Kamesam
4. Sri M.Gopalakrishnaiah

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

The Committee met 3 times during the financial year 2010-11.

Share Capital

During the year under report 42,61,490 Equity shares of ₹100 each fully paid up were added to the capital of the Company and as a result, the paid up capital of the Company stands increased to ₹10000 Lakhs as on 31st March, 2011.

Dividend

Your Directors have recommended a dividend of ₹10 per equity share of ₹100 each on pro rata basis on a weighted average of 82,61,364 equity shares, aggregating to ₹963.94 Lakhs (inclusive of dividend tax) for the financial year ended 31st March, 2011.

Directors

Sri Vepa Kamesam who was appointed as an Additional Director with effect from 6th September, 2010 holds office up to the date of ensuing Annual General Meeting. The company has received notice from members signifying their intention to propose the candidature of Sri Vepa Kamesam as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Sri K. Kannan and Sri S. Ranganathan shall retire by rotation at the ensuing General Meeting and being eligible, offer themselves for re-appointment.

Auditors

M/s. K. S. Rao & Co., Chartered Accountants, Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. K. S. Rao & Co. to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for appointment within the meaning of Section 226 of the said Act.

Fixed Deposits

The Company has not accepted / invited any deposits from the public in terms of section 58A of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the year ended 31st March , 2011, 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March , 2011 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts of the Company for the year ended 31st March , 2011 on a 'going concern' basis.

Particulars of Employees

The statement showing details of employees as required under Section 217(2A) of the Companies Act, 1956, is not required to be appended as none of the employees were 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 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

Acknowledgements

Your Directors acknowledge the support received from the Share holders, Reserve Bank of India, Banks, Financial Institutions, Government Authorities and others during the year under review.

Your Directors also wish to place on record their deep sense of appreciation to the staff members for posting good performance and for their committed services.

By order of the Board
For Pridhvi Asset Reconstruction
And Securitisation Company Ltd.,

Place: Hyderabad
Date : 17.05.2011

D.Seetharamaiah
Chairman



K.S. Rao & Co.

CHARTERED ACCOUNTANTS

Auditors' Report

To the Members of PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED, HYDERABAD.

1. We have audited the attached Balance Sheet of PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED, HYDERABAD (A.P) as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Schedules annexed therewith and read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2011;
- b) in the case of the profit and loss account, of the profit for the year ended on that date; and
- c) In the case of cash flow statement of the cash flows for the year ended on that date.

For K.S.RAO & CO.,
Chartered Accountants.
(Regn.No.003109S)

(P.GOVARDHANA REDDY)
Partner
Membership No.29193

Place: Hyderabad
Date : 17.05.2011

Annexure

Re: PRIDHVI ASSET RECONSTRUCTION AND SECURITISATION COMPANY LIMITED, HYDERABAD.

Referred to in paragraph 3 of our report of even date,

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The fixed assets of the Company were physically verified by the Management and no material discrepancies were noticed on such verification.
c) The fixed assets that were disposed off during the year under report do not affect the going concern status of the company.
2. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and investments. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
3. a) On the basis of our examination of the books of account and according to the information and explanations given to us, the Company has not entered into any transaction that needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
b) In view of our comment in paragraph above, clause v(b) of the aforesaid Order in our opinion is not applicable.
4. In our opinion, the Company has formal internal audit system commensurate with the size and nature of its business.
5. According to the records, the Company is regular in depositing with appropriate authorities all statutory dues as applicable and there were no disputed statutory dues outstanding.
6. In our opinion and according to the information and explanations given to us the funds raised on short-term basis have not been used for long-term investment.
7. During the year, the Company has made preferential allotment of shares to the parties covered in the register maintained u/s.301 of the Act and in our opinion the price at which shares have been issued is not prejudicial to the interest of the company.
8. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.
9. The provisions of the clauses 4(ii),4(iii), 4(vi),4(viii), 4(x), 4(xi),4(xii),4(xiii),4(xiv),4(xv), 4(xvi), 4(xix), 4(xx) of Companies (Auditor's Report) Order, 2003 are not applicable to the company for the year under report.

Place: Hyderabad
Date : 17.05.2011

For K.S.RAO & CO.,
Chartered Accountants
(Regn.No.003109S)

(P.GOVARDHANA REDDY)
Partner
Membership No.29193

Balance Sheet as at 31st March, 2011

Particulars	Sch.	As at 31.03.2011 ₹	As at 31.03.2010 ₹
I. Sources of Funds			
1. Share holders funds			
a) Share Capital	01	1,000,000,000	573,851,000
b) Reserves and Surplus	02	37,646,815	15,561,624
c) Share application money		-	105,408,344
2. Deferred Tax Liability		227,231	-
Total		1,037,874,046	694,820,968
II. Application of Funds			
1. Fixed Assets	03		
a) Gross Block		5,983,510	3,457,819
b) Less: Depreciation		805,981	473,239
c) Net Block		5,177,529	2,984,580
2. Investments in security receipts of Trusts	04	442,617,000	461,367,000
3. Financial Assets	05	276,997,603	133,610,083
4. Current Assets, Loans and Advances			
a) Sundry Debtors	06	66,105,043	11,025,954
b) Cash and Bank balances	07	417,980,378	188,050,223
c) Loans and Advances	08	69,952,104	36,446,021
		554,037,525	235,522,198
Less: Current Liabilities and Provisions	09		
a) Liabilities		87,828,280	54,230,312
b) Provisions		155,504,698	88,002,912
		243,332,978	142,233,224
Net Current Assets		310,704,547	93,288,974
5. Miscellaneous Expenditure (to the extent not written off /adjusted)	10	2,377,367	3,570,331
Total		1,037,874,046	694,820,968

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

P. Govardhana Reddy

Partner

Place: Hyderabad

Date : 17.05.2011

For and on behalf of the Board

M.S.R.V. Prasad

Director

D. Nanha Ram

Chief Executive Officer

M. Gopalakrishnaiah

Whole-time Director

V. Vani

Company Secretary

Profit and Loss account for the year ended 31st March, 2011

Particulars	Sch.	2010-11 ₹	2009-10 ₹
I. Income			
Interest earned(TDS-₹6878384)		71,013,653	69,513,529
Management Fee		20,817,625	22,155,000
Advisory & Consultancy Fee (TDS-₹275750)		2,500,000	2,500,000
Surplus on Sale of Financial Asset		76,077,892	-
Interest against FDR with banks (TDS-₹2589464)		24,546,097	9,011,679
Misc Income /Processing fee		180,391	1,180,868
Total		195,135,658	104,361,076
II. Expenditure			
Staff Cost	11	9,714,981	7,183,916
Establishment & Other Expenses	12	6,021,807	7,445,961
Depreciation	03	388,786	280,420
Preliminary expenses written off		1,192,964	1,192,964
Total		17,318,538	16,103,261
III. Profit For The Year Before Taxation		177,817,120	88,257,815
Less : Provision for taxation			
Current Tax		59,110,907	30,000,000
Deferred Tax		227,231	-
Short provision of earlier years		-	106,547
IV. Profit After Taxation		118,478,982	58,151,268
Balance brought forward		10,861,624	13,213,268
Profit available for appropriation		129,340,606	71,364,536
Transfer to General Reserve		5,300,000	2,500,000
Provision for Dividend		82,939,010	49,577,257
Provision for Dividend Distribution Tax		13,454,781	8,425,655
V. SurplusCarried to Balance Sheet		27,646,815	10,861,624
Earnings Per Share-Refer note no.8 on notes on accounts (Face value of ₹100/- each)		14.34	10.56
Significant Accounting Policies	13		
Notes on Accounts	14		

As per our report of even date

For and on behalf of the Board

For K.S.Rao & Co.

Chartered Accountants

P. Govardhana Reddy

Partner

Place: Hyderabad

Date : 17.05.2011

M.S.R.V. Prasad

Director

D. Nanha Ram

Chief Executive Officer

M. Gopalakrishnaiah

Whole-time Director

V. Vani

Company Secretary

Schedules annexed to and forming part of the accounts for the year ended 31st March, 2011

S.NO	Particulars	As at 31.03.2011 ₹	As at 31.03.2010 ₹
01	Share Capital		
	Authorised 150,00,000 Equity Shares of ₹100 /- each	1,500,000,000	1,500,000,000
	Total	1,500,000,000	1,500,000,000
	Issued , Subscribed and Paid- Up 1,00,00,000 (previous year 57,38,510) Equity Shares of ₹100 /- each fully paid up	1,000,000,000	573,851,000
	Total	1,000,000,000	573,851,000
02	Reserves And Surplus		
	General Reserve	10,000,000	4,700,000
	Balance in Profit and Loss account	27,646,815	10,861,624
	Total	37,646,815	15,561,624
04	Investments (At Cost, Long-Term, Unquoted)		
	Investments in Security Receipts of Trust		
	i) PARAS-ALIND-001 Trust 1500 SRs-Face Value of ₹1,00,000 each	150,000,000	* 150,000,000
	ii) PARAS-GSAL-002 Trust 2500 SRs - Face Value of ₹1,00,000 each	250,000,000	250,000,000
	iii) PARAS-FBTL-003 Trust 37317 SRs (previous year 56067) Face Value of ₹1000 each	37,317,000	56,067,000
	iv) PARAS- DLBPF-005 Trust 53 SRs (previous year 53) Face Value of ₹1,00,000 each	5,300,000	5,300,000
	* Regrouped in the current year		
	Total	442,617,000	461,367,000
05	Financial Assets		
	Loan Assets- CITL	12,374,485	15,555,204
	Loan Assets- IDPL	39,775,560	33,298,400
	Loan Assets- PCAC	-	66,312,859
	Loan Assets- WWP	5,743,620	5,743,620
	Loan Assets- PPL	48,681,000	12,700,000
	Loan Assets- KZIL	84,093,490	-
	Loan Assets- VBTL	45,500,000	-
	Loan Assets- GATL	19,136,061	-
	Loan Assets- PVSL	15,193,387	-
	Loan Assets- SPCL	6,500,000	-
	Total	276,997,603	133,610,083

Schedules annexed to and forming part of the accounts for the year ended 31st March, 2011

S.NO	Particulars	As at 31.03.2011 ₹	As at 31.03.2010 ₹
06	Sundry Debtors (unsecured and considered good) Debts outstanding for a period exceeding six months PARAS -ALIND -001 Trust PARAS -DLBPF -005 Trust Others debts : (i) Recoverable from Trusts PARAS -ALIND -001 Trust PARAS -GSAL -002 Trust PARAS -FBTL -003 Trust PARAS -DLBPF -005 Trust PARAS -VIPL -006 Trust (ii) Other debtors	226,584 82,000 1,000 10,901,907 2,756,789 2,045,890 11,000 50,079,873	- - 226,584 8,334,235 2,403,416 61,719 - -
	Total	66,105,043	11,025,954
07	Cash And Bank Balances Cash in hand Cash with Scheduled Banks In Current accounts In Fixed Deposits [include ₹862.22 Lakhs(previous year ₹459.69 Lakhs) advances received for financial assets acquisition. One FDR for ₹50 Lakhs is pledged as security towards bank guarantee]	13,630 8,766,748 409,200,000	42,267 11,551,126 176,456,830
	Total	417,980,378	188,050,223
08	Loans And Advances (Unsecured, Considered good recoverable in cash or in kind or for value to be received) Advance for financial asset acquisition Advance for expenses Advance to suppliers Staff advance Deposits Accrued interest Prepaid expenses Advance Tax and TDS Service Tax Input Credit	- 137,079 43,500 - 1,571,000 9,902,507 272,776 58,004,642 20,600	2,500,000 - - 29,000 187,000 2,091,792 64,501 31,552,988 20,740
	Total	69,952,104	36,446,021

Schedules annexed to and forming part of the accounts for the year ended 31st March, 2011

S.NO	Particulars	As at 31.03.2011 ₹	As at 31.03.2010 ₹
09	Current Liabilities And Provisions		
	a) Current Liabilities [No outstanding dues to Micro, Small and Medium Enterprises as per the provisions of Micro Small and Medium Enterprises Development Act 2006]		
	Creditors for other finance	348,797	64,374
	Creditors for expenses	618,689	385,572
	Advance received for asset acquisition	86,222,125	45,069,110
	Other Liability	638,669	8,711,256
		87,828,280	54,230,312
	b) Provisions		
	Income Tax	59,110,907	30,000,000
	Dividend	82,939,010	49,577,257
	Dividend Distribution Tax	13,454,781	8,425,655
		155,504,698	88,002,912
	Total	243,332,978	142,233,224
10	Miscellaneous Expenditure (to the extent not written off or adjusted)		
	Opening balance	3,570,331	4,763,295
	Less: Written off during the year	1,192,964	1,192,964
	Total	2,377,367	3,570,331

03. Fixed Assets

(Amount in Rupees)

S.No	Description	Gross Block				Depreciation				Net Block	
		As at 31.03.2010	Additions	Deletions	As at 31.03.2011	Up to 31.03.2010	For the year	Deletions	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	Furniture and Fixtures	1,183,447	1,544,755	390,604	2,337,598	129,380	104,516	52,164	181,732	2,155,866	1,054,067
2	Data Processing Equipment (including software)	797,689	119,144	-	916,833	163,288	141,416	-	304,704	612,129	634,401
3	Office Equipment	609,315	544,304	36,877	1,116,742	39,895	38,700	3,880	74,715	1,042,027	569,420
4	Motor Car	863,370	740,414	-	1,603,784	136,700	99,605	-	236,305	1,367,479	726,670
5	Library	3,998	4,555	-	8,553	3,976	4,549	-	8,525	28	22
	Total ₹	3,457,819	2,953,172	427,481	5,983,510	473,239	388,786	56,044	805,981	5,177,529	2,984,580
	Previous Year	3,097,956	359,863	-	3,457,819	192,819	280,420	-	473,239	2,984,580	2,905,137

Schedules annexed to and forming part of the accounts for the year ended 31st March, 2011

S.NO	Particulars	2010-11 ₹	2009-10 ₹
11	Staff Cost		
	Whole-time Director's remuneration	900,000	600,000
	Salaries and allowances	8,667,080	6,076,612
	Gratuity and Leave encashment premium	147,901	507,304
	Total	9,714,981	7,183,916
12	Establishment And Other Expenses		
	Rent	941,597	696,600
	Electricity, Water & House keeping	336,103	303,954
	Communication cost	268,357	190,468
	Advertisement expenses	60,000	9,000
	Bidding expenses	160,350	67,231
	Business development expenses	88,270	53,541
	Board meeting expenses	121,127	71,558
	Repairs and Maintenance	276,883	96,473
	Insurance	56,035	23,437
	Security expenses	102,887	-
	Printing and Stationery	235,294	182,239
	Directors sitting fee	820,000	370,000
	Legal and Professional charges	722,720	1,082,666
	Filing expenses	21,910	3,038,675
	Travelling and Conveyance	777,244	592,847
	Vehicle Maintenance	252,640	161,681
	Miscellaneous expenses	346,285	269,158
	Donations	50,000	32,000
	Loss on sale of furniture	184,105	-
	Auditors remuneration		
	As Auditors	200,000	200,000
	For Certification	-	4,433
	Total	6,021,807	7,445,961

Schedule-13

Significant Accounting Policies

1. Basis of Preparation:

The accounting and reporting policies of the Company have been framed to comply with the Generally Accepted Accounting Principles ("GAAP") in India, the guidelines issued by the Reserve Bank of India (RBI) from time to time and the provisions of the Companies Act, 1956. 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:

- (a) Interest income is recognized in respect of financial assets acquired and restructured for revival on a c c r u a l basis.
- (b) Income in respect of assets acquired and resolved through OTS and / or by sale of underlying securities is recognized only on realization. Proceeds are appropriated first towards debt acquisition cost and balance is recognized as income.
- (c) Income is not recognized against the financial assets during the permissible planning period meant for finalization of the resolution strategy.
- (d) Share of income in case of assets acquired through Trusts is recognized as per the terms of relevant trust deed.
- (e) Management fee and other fee incomes are recognized as per the terms of the agreement/offer document.

3. Asset Classification and Provisioning thereon:

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

4. Fixed Assets:

- (a) Fixed Assets are stated at cost less accumulated depreciation.
- (b) Cost includes cost of purchase and all expenditure such as installation costs and professional fees incurred on the assets before it is put to use.
- (c) Depreciation is charged on straight line method in accordance with Schedule XIV of the Companies Act, 1956.

5. Investments:

Investment of the Company in Security Receipts of the various trusts set up by the Company is carried at cost. Diminution, if any, based on NAV declared by the respective trusts is provided by charging it to Profit & Loss Account. Investments in Security Receipts (SRs) held by the Company are treated as "Available for Sale Category".

6. Rating of Security Receipts:

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

7. Employee Benefits:

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

8. Pre-Acquisition Expenditure of Financial Asset:

Expenditure incurred in acquiring financial asset is debited to the respective financial asset.

9. Preliminary Expenses:

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

14. Notes on Accounts

1. During the current year 42, 61,490 Equity Shares were allotted.

2. Contingent Liabilities not provided : (Rupees in Lakhs)

Particulars	As at 31.03.2011	As at 31.03.2010
On account of bank guarantee	14.25	Nil

(FDR for ₹50 Lakhs was pledged with the issuer Banker and the same was returned by the Banker on 28.04.2011 on return of the guarantee bond)

3. Director's Remuneration (Amount in Rupees)

Particulars	Current Year	Previous Year
Salary	7,20,000	4,20,000
Medical expenses reimbursed	36,000	36,000
Conveyance charges reimbursed	1,20,000	1,20,000
Telephone expenses reimbursed	24,000	24,000
Total	9,00,000	6,00,000

4. The Security Receipts issued by the Trusts which are managed by the Company as managing trustee are being rated by CARE in accordance with the guidelines issued by Reserve Bank of India for credit rating of SRs of the Trusts.

5. Employee benefits as per AS-15: As per actuarial valuation as on 31.03.2011 given by LIC of India and recognized in the financial statements in respect of employee gratuity benefit scheme.

i. Changes in present value of obligation as on 31.03.2011 (Amount in Rupees)

Present value of obligations at the beginning of year	45,529
Interest cost	3,642
Current service cost	23,155
Benefits paid	Nil
Actuarial (gain)/loss on obligations	91,209
Present value of obligations as at end of year	1,63,535

ii. Changes in the fair value of plan assets as on 31.03.2011

Fair value of assets at beginning of year	46,291
Expected return on plan assets	5,519
Contributions	22,297
Benefits paid	Nil
Actuarial gain/(loss) on plan assets	Nil
Fair value of plan assets at the end of year	74,107

iii. Fair value of plan assets

Fair value of plan assets at beginning of year	46,291
Actual return on plan assets	5,519
Contributions	22,297
Benefits paid	Nil
Fair value of plan assets at the end of year	74,107
Funded status	(89,428)
Excess of actual over estimated return of plan assets	Nil

iv. Actuarial Gain/Loss recognized

Actuarial (gain)/ loss on obligation	(91,209)
Actuarial (gain)/ loss for the year – plan assets	Nil
Actuarial (gain)/ loss on obligation	91,209
Actuarial (gain)/ loss recognized in the year	91,209

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

Present value of obligations as at the end of year	1,63,535
Fair value of plan assets as at the end of the year	74,107
Funded status	(89,428)
Net asset /(liability) recognized in balance sheet	89,428

vi. Expenses recognized in statement of Profit and Loss

Current service cost	23,155
Interest cost	3,642
Expected return on plan assets	(5,519)
Net actuarial(gain) / loss recognized in the year	91,209
Expenses recognized in statement of Profit and Loss	1,12,487

6. The Company has only one line of business and as such has no separate reportable segment to be disclosed under AS17 "Segment Reporting".
7. There are no related party transactions during the year ended 31st March, 2011 which requires to be disclosed under AS 18 "Related Party Disclosures".

8. EPS Calculation:

The Company has raised additional capital of ₹42.62 Crores during the current financial year and the EPS calculation based on effective capital is as under:

Particulars	Current Year	Previous Year
No. of shares outstanding at the beginning of the year	5,738,510	5,105,010
No. of shares issued and allotted during the year	4,261,490	633,500
No. of shares outstanding at the end of the year	10,000,000	5,738,510
Weighted average number of shares	8,261,364	5,508,584
PAT (Rupees in Crores)	11.85	5.82
EPS (Face value ₹100/-per share) (In Rupees)	14.34	10.56

9. Taxes on Income (AS-22)

(Amount in Rupees)

Items of deferred tax liability	As at 31.03.2011	As at 31.03.2010
Depreciation	6,84,069	6,04,327
Items of deferred tax assets	NIL	NIL
Deferred tax liability at current rate of tax	2,27,231	2,00,742

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

11. Additional Disclosures:

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

a) Name and addresses of the bank/financial institutions from whom financial assets were acquired and the value at which such assets were acquired from each such bank/financial institution.

Sponsors:

(Rupees in Lakhs)

Seller wise acquisition details as at 31 st March, 2011		
Sellers	Address	Acquisition Price
Sponsors		Nil

Non - Sponsors:

(Rupees in Lakhs)

Seller wise acquisition details as at 31 st March, 2011		
Sellers	Address	Acquisition Price
Bank of Baroda	Baroda Corporate Centre, Plot No.26, G-26, Bandra Kurla Complex , Bandra (East) , Mumbai -400 051	1645.00
IDBI Bank	IDBI Towers, WTC Complex, Cuffe Parade, Mumbai-400 005.	2406.00
ICICI Bank	ICICI Towers, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051.	550.00
Deutsche Bank	DB House, Hazarimal Somani Marg, Fort, Mumbai – 400 001.	400.00
State Bank of India	Madame Cama Road, Mumbai – 400 021	887.26
State Bank of Hyderabad	Hyderabad Bank Towers, Gun Foundry, Hyderabad – 500 001.	173.17
The Dhanalakshmi Bank Ltd.	Corporate Office, Naickanal, Thrissur-680 001.	550.00
The Lakshmi Vilas Bank Limited	Administrative Office, Salem Main Road, Karur – 639 006	600.00
IFCI Limited	IFCI Tower, 61 Nehru Palace , New Delhi -110 019.	417.86
Karur Vysya Bank Limited	Erode Road, Karur – 639 002.	15.00
Indian Bank	PB No.1384, 66, Rajaji Salai, Chennai-600 001	257.00
Bank of India	Star House, C-5, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051	282.75
State Bank of Mysore	646, K.G.Road, Bangalore-560 009	80.00
The Federal Bank Limited	PB No.103, Federal Towers, Aluva-683 101, Ernakulam, Kerala	60.00
Indian Renewable Energy Development Agency Limited	Corporate Office, 3 rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi-110 066	653.00
Stressed Assets Stabilization Fund	IDBI Towers, WTC Complex, Cuffe Parade, Colaba, Mumbai-400005.	350.00
Standard Chartered Bank	90, Mahatma Gandhi Road, Fort, Mumbai-400 001	50.00
State Bank of Travancore	Head Office, Poojappura, Trivandrum-695 102, Kerala	48.00
ING Vysya Bank	22, M.G. Road, Bangalore-560 001	35.00
Indian Overseas Bank	Central office, PB. No.3765, 763, Anna Salai, Chennai-600 002	52.00
Dena Bank	Dena Bank Corporate Center, C-10, G Block, Bandra Kurla Complex, Mumbai-400 051.	65.00
Total		9577.04

b) Industry wise Acquisition of Financial Assets as at 31st March, 2011:

(Rupees in Lakhs)

Industry	No. of borrower	Acquisition Price	% to Total
Power generation equipments, etc.,	2	1505.00	15.72
Iron & Steel	2	2720.00	28.40
Bio-chemical & pesticides	4	2339.03	24.42
NBFC	11	633.00	6.61
Textiles	2	160.00	1.67
Asbestos roofing	1	20.00	0.21
Pharma	2	58.00	0.61
Plastics	1	50.00	0.52
Information technology	3	187.00	1.95
House hold appliances	1	600.00	6.27
Food products	1	397.75	4.15
Coir	1	792.26	8.27
Consumer durable loans	1	50.00	0.52
Others	1	65.00	0.68
Total	33	9577.04	100.00

c) Related party transactions – Nil
d) For the year 2010-2011, the Company has no accounts classified under Non Performing category.

- e) Value of financial assets acquired either on the books of the Company or in the books of the Trusts during the financial year --₹3155.87 Lakhs
- f) Value of financial assets realized during the financial year --₹1675.86 Lakhs
- g) Value of financial assets including assets acquired through Trusts and outstanding for realization as at the end of the financial year --₹7619.92 Lakhs
- h) i. Value of Security Receipts redeemed partially during the financial year --₹ 187.50 Lakhs
- ii. Value of Security Receipts redeemed fully during the financial year -- Nil
- i) Value of Security Receipts pending for redemption as at the end of the financial year --₹4903.17 Lakhs

- | | | |
|--|---|-----|
| j) Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii) | – | Nil |
| k) Value of land and/or building acquired in ordinary course of business of reconstruction of assets (year wise) | – | Nil |

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

P. Govardhana Reddy

Partner

Place: Hyderabad

Date : 17.05.2011

For and on behalf of the Board

M.S.R.V. Prasad

Director

D. Nanha Ram

Chief Executive Officer

M. Gopalakrishnaiah

Whole-time Director

V. Vani

Company Secretary

Cash flow statement for the year ended 31st March, 2011

S.NO	Particulars	Year ended 31.03.2011 ₹	Year ended 31.03.2010 ₹
A.	Cash flow from operating activities		
	Net profit before tax and extraordinary items	177,817,120	88,257,815
	Adjustments for:		
	Depreciation	388,786	280,420
	Interest	(24,546,097)	(9,011,679)
	Preliminary expenses written off	1,192,964	1,192,964
	Loss on sale of fixed assets	184,105	
	Operating profit before working capital changes	155,036,878	80,719,520
	Adjustments for:		
	Financial assets	(143,387,520)	(283,836,667)
	Trade and other receivable	(54,322,803)	(6,045,287)
	Trade payable	33,597,968	54,044,074
	Cash generated from operations	(9,075,477)	(155,118,360)
	Income tax paid	(64,877,309)	(32,073,076)
	Fringe benefit tax	Nil	(59,595)
	Net cash from operating activity	(73,952,786)	(187,251,031)
B.	Cash flow from investing activity		
	Proceeds from sale of fixed assets	187,332	Nil
	Purchase of fixed assets	(2,953,172)	(359,863)
	Interest received	16,735,382	8,901,596
	Security Receipts (on redemption by trusts)	18,750,000	153,950,000
	Net cash used in investing activity	32,719,542	162,491,733
C.	Cash flow from financing activities		
	Proceeds from fresh issue of capital	426,149,000	63,350,000
	Share application money	(105,408,344)	9,345,495
	Dividend paid	(49,577,257)	
	Net cash generated in financing activity	271,163,399	72,695,495
	Net increase in cash and cash equivalents (A+B+C)	229,930,155	47,936,197
	Cash and cash equivalents as at 31.03.2010	188,050,223	140,114,026
	Cash and cash equivalents as at 31.03.2011	417,980,378	188,050,223

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

P. Govardhana Reddy

Partner

Place: Hyderabad

Date : 17.05.2011

For and on behalf of the Board

M.S.R.V. Prasad

Director

D. Nanha Ram

Chief Executive Officer

M. Gopalakrishnaiah

Whole-time Director

V. Vani

Company Secretary

(Amount in 000's)

Balance Sheet Abstract and Company's General Business Profile			
1)	Registration Details		
	Registration No	53327	State Code
	Balance Sheet Date	31-03-2011	1
2)	Capital Raised During the Year		
	Public Issue	Nil	Bonus Issue
	Rights Issue	Nil	Private Placement
3)	Position of Mobilisation and Deployment of funds		
	Total Liabilities	1,281,207	Total Assets
	Source of Funds		
	Paid-up Capital	1,000,000	Reserves and Surplus
			Secured Loans
	Application of Funds		
	Net Fixed Assets	5,178	Loans and Investments
	Net Current Assets & Advances	310,704	Miscellaneous Expenditure
4)	Performance of the Company		
	Turnover (Gross Income)	195,136	Total Expenditure
	Profit Before Tax	177,817	Profit After Tax
	Earnings Per Share in Rupees	14.34	Dividend Rate %
5)	Generic names of Principal Products/Services of the Company	Acquisition of Non Performing Assets	
	Item Code	Asset Reconstruction/ Securitisation	

As per our report of even date

For K.S.Rao & Co.

Chartered Accountants

P. Govardhana Reddy

Partner

Place: Hyderabad

Date : 17.05.2011

For and on behalf of the Board

M.S.R.V. Prasad

Director

D. Nanha Ram

Chief Executive Officer

M. Gopalakrishnaiah

Whole-time Director

V. Vani

Company Secretary

Accolades

Blue Ocean Biotech

Phone: 0884-2327033,
Mobile: 7702333523, 7702333524
Email: Blueoceanbiotech@gmail.com.2nd May 2011

To,
The Chief Executive Officer,
Pridhvi Asset Reconstruction and Securitisation Co Ltd
Indira Chambers,
Road No.10, Banjara Hills
Hyderabad-500 034

Dear Sir,

Reg: Purchase of starch unit of M/s Vensa Biotek Ltd, G.Ragampet

This is to place on record our deep and sincere appreciation for the way in which the sale of assets of M/s Vensa Biotek Ltd and the various issues concomitant to the sale were handled by your company.

We have purchased the assets of M/s Vensa Biotek Ltd from you during the month of Mar'2011 under SARFAESI Act 2002. After following due process and confirmation of sale, you have extended us enormous support in dealing with extremely critical issues that cropped up during the process of sale by holding our hand and guiding us with experience and wisdom.

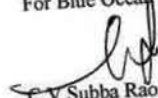
You have also helped us tide over issues relating to payment of several statutory dues and further provided the required financial support for refurbishment of the entire plant and machinery. Indeed, this admirable and committed approach in dealing with sick units and their ultimate revival would go a long way in resurrecting large number of such sick units.

We would like to specially thank Mr.Nanha Ram and Mr.Hussain who played a stellar role in the culmination of the entire transaction successfully.

Best Wishes

Yours Sincerely

For Blue Ocean Biotech Pvt.Ltd.


C.V. Subba Rao
Director