

MELIORA ASSET RECONSTRUCTION COMPANY LIMITED

Balance Sheet as at 31st March , 2019

PARTICULARS	Note No.	As at	As At
		31.03.2019	31.03.2018
		In Rupees	In Rupees
<b>EQUITY &amp; LIABILITIES:</b>			
<b>(1) SHARE HOLDERS' FUNDS</b>			
Share Capital	2	28,65,30,000	28,65,30,000
Reserves & Surplus	3	6,30,80,801	4,05,72,141
	<b>A</b>	<b>34,96,10,801</b>	<b>32,71,02,141</b>
<b>(2) CURRENT LIABILITIES</b>			
Short Term Borrowings	4	4,03,80,111	11,64,61,070
Trade Payables	5	1,14,600	99,900
Other Current Liabilities	6	27,34,09,528	92,53,898
Short Term Provisions	7	1,35,36,546	97,70,502
	<b>B</b>	<b>32,74,40,785</b>	<b>13,55,85,370</b>
<b>TOTAL</b>	<b>A+B</b>	<b>67,70,51,586</b>	<b>46,26,87,511</b>
<b>ASSETS:</b>			
<b>(1) NON-CURRENT ASSETS:</b>			
<b>(i) Fixed Assets</b>			
Tangible Assets	8	3,89,689	6,20,611
Intangible Assets	8	46,763	53,243
Intangible Assets under development	8	6,00,000	-
	<b>A</b>	<b>10,36,452</b>	<b>6,73,854</b>
<b>(ii) Non-Current Investments</b>			
Deferred tax assets (net)	9	7,79,00,000	12,43,00,000
Long Term Loans & Advances	10	80,788	59,952
Other Non-current Assets	11	1,69,000	1,69,000
	<b>B</b>	<b>7,95,26,371</b>	<b>12,71,88,901</b>
<b>(2) CURRENT ASSETS:</b>			
Current Investments	9	10,61,40,000	11,80,50,000
Cash & Bank Balances	12	46,56,12,319	18,57,63,931
Short-term Loans & Advances	13	1,17,37,143	80,55,790
Other Current Assets	11	1,29,99,301	2,29,55,035
	<b>C</b>	<b>59,64,88,763</b>	<b>33,48,24,756</b>
<b>TOTAL</b>	<b>A+B+C</b>	<b>67,70,51,586</b>	<b>46,26,87,511</b>
Summary of significant accounting policies	1		
Contingent Liabilities and commitments	1A		

The accompanying notes are an integral part of the financial statements.

As per our report of even date For and on behalf of the Board

for JRS & ASSOCIATES  
Chartered Accountants

HOMAI DARUWALLA  
Director

KUCHIBHATLA PRASAD  
Director

M RAMACHANDRAM  
Partner  
M.N 219752  
FRN.0117785  
Place: Visakhapatnam  
Date:16/05/2019

SISIR KUMAR APPIKATLA  
Director

P RAMAKRISHNARAO  
Director

K RAVI KUMAR  
Director

B LAKSHMINARAYANA  
Chief Executive Officer

P S R SWAMI  
Company Secretary

**MELIORA ASSET RECONSTRUCTION COMPANY LIMITED**  
**Statement of Profit and Loss for the year ended 31st March, 2019**

Particulars	Notes	As at	Year Ended
		31.03.2019	31.03.2018
		In Rupees	In Rupees
<b>Income</b>			
Revenue from Operations	14	5,09,18,500	3,51,86,027
Other Income	15	1,76,29,513	1,44,54,458
<b>Total Revenue (I)</b>		<b>6,85,48,013</b>	<b>4,96,40,485</b>
<b>Expenses</b>			
Employee Benefit Expenses	16	69,68,457	64,40,557
Administrative Expenses	17	22,47,431	26,04,661
Other Expenses	18	73,04,857	33,06,222
<b>Total Expenses (II)</b>		<b>1,65,20,745</b>	<b>1,23,51,440</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)</b>		<b>5,20,27,268</b>	<b>3,72,89,045</b>
Finance Costs	19	84,85,047	67,81,303
Depreciation & Amortization	8	2,95,351	4,14,466
<b>Profit before tax and exceptional items</b>		<b>4,32,46,870</b>	<b>3,00,93,276</b>
Prior Period Items		-	1,20,000
Exceptional items-loss on sale of assets		-	-
<b>Profits after exceptional items and before tax</b>		<b>4,32,46,870</b>	<b>2,99,73,276</b>
<b>Tax expenses</b>			
Current Tax		1,20,51,936	83,00,174
Prior Period Tax		-	-
Deferred Tax	24	(20,836)	(41,787)
<b>Profit for the year from continuing operations</b>		<b>3,12,15,770</b>	<b>2,17,14,889</b>
<b>Earnings per equity share (Face Value Rs.10/- each)</b>			
Basic EPS	20	0.86	0.64
Diluted EPS	20	-	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

for JRS & ASSOCIATES  
Chartered Accountants

HOMAI DARUWALLA  
Director

KUCHIBHATLA PRASAD  
Director

M RAMACHANDRAM  
Partner  
M/N 219752  
FRN.011778S  
Place: Visakhapatnam  
Date:16/05/2019

SISIR KUMAR APPIKATLA  
Director

P RAMAKRISHNARAO  
Director

K RAVI KUMAR  
Director

B LAKSHMINARAYANA  
Chief Executive Officer

P S R SWAMI  
Company Secretary



# Notes on Financial statements for the period ended 31<sup>st</sup> March, 2019

## 1. Summary of significant accounting policies

### a. Basis of Preparation:

The accounting and reporting policies of the Company have been framed to comply with the Generally Accepted Accounting Principles ("GAAP") in India, the guidelines issued by the Reserve Bank of India (RBI) from time to time and the provisions of the Companies Act, 2013. Financial Statements are prepared under historical cost convention and all Income and Expenditure are accounted on accrual basis, except otherwise stated.

### b. Principal Accounting Policies:

#### Revenue Recognition:

(i) Interest income is recognized in respect of Financial Assets acquired and restructured for revival on accrual basis.

(ii) Income in respect of assets acquired and resolved through One Time Settlement and / or by sale of underlying securities is recognized only on realization. Proceeds are appropriated first towards debt acquisition cost and balance is recognized as income.

(iii) Income is not recognized against the financial assets during the permissible planning period meant for finalization of the resolution strategy.

(iv) Share of income in case of assets acquired through trusts is recognized as per the terms of relevant trust deed.

(v) Management fee and other fee incomes are recognized as per the terms of the agreement/offer document.

### c. Asset Classification and provisioning thereon:

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

### d. 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 Written down value method (WDV) as per rates prescribed in Schedule II of the Companies Act, 2013 as given below.

Class of Asset	Useful Life	Rate of depreciation
Laptops and Tablets	3 years	63.16%
Furniture and Fittings	10 years	25.89%
Vehicles	8 years	31.23%
Office Equipment(EPABX)	5 years	45.07%
Intangible assets	10	Amortization over 10 years

e. Investments:

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

f. Rating of Security Receipts:

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

g. Pre-Acquisition Expenditure of Financial Asset:

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

h. Preliminary Expenses:

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

i. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



## 2. SHARE CAPITAL:

	as at 31.03.2019	as at 31.03.2018
<b>Authorized share capital</b>		
4,50,00,000 shares divided into		
3,00,00,000 equity shares of Rs.10/- each	30,00,00,000	30,00,00,000
1,50,00,000 Preference Shares of Rs.10/- each	15,00,00,000	15,00,00,000
<b>Issued Subscribed &amp; Paid up Share Capital</b>		
2,06,28,000 equity shares of Rs.10/-each ( Out of the above, 1,03,14,000 equity shares have been issued for consideration other than cash)	25,43,30,000	20,62,80,000
48,05,000 Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each		4,80,50,000
32,20,000 Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each	3,22,00,000	3,22,00,000
<b>TOTAL</b>	<b>28,65,30,000</b>	<b>28,65,30,000</b>

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
Equity shares	No.	Amt. Rs.	No.	Amt. Rs.
At the beginning of the period,	2,06,28,000	20,62,80,000	1,03,14,000	10,31,40,000
Issued during the period	-	-	1,03,14,000	10,31,40,000
CCCPS Converted into Equity during this financial year	48,05,000	4,80,50,000		
Outstanding at the end of the period(i)	2,54,33,000	25,43,30,000	2,06,28,000	20,62,80,000
<b>Preference Shares (CCCPS)</b>				
At the beginning of the period	80,25,000	8,02,50,000	80,25,000	8,02,50,000
Issued during the period	-	-	-	-
Converted during the year	48,05,000	4,80,50,000		
Outstanding at the end of the period(ii)	32,20,000	3,22,00,000	80,25,000	8,02,50,000
<b>TOTAL (i)+(ii)</b>	<b>2,86,53,000</b>	<b>28,65,30,000</b>	<b>2,86,53,000</b>	<b>28,65,30,000</b>



**(b) Rights attached to equity shares:**

The company has only one class of equity shares having a par value of Rs.10/- per share and one class of compulsorily convertible cumulative preference shares of Rs.10/- 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 Annual General Meeting.

**(c) Details of shareholders holding more than 5% shares in the company:**

S. No	Equity Share holders	As at 31.03.2019		As at 31.03.2018	
		Number	% holding	Number	% holding
1	Sri. Appikatla Sisir Kumar	33,11,360	13.01%	33,11,360	16.05%
2	Sri. Korada Ravi Kumar	33,11,360	13.01%	33,11,360	16.05%
3	Sri. Pillala Ramakrishna Rao	28,95,360	11.38%	28,95,360	14.04%
4	Smt. J Padmaja Rani	16,64,000	6.54%	16,64,000	8.07%
5	Smt. Keerthana Reddy			11,50,000	5.57%
6	Sri. Perla Siva Kumar	16,64,000	6.54%	16,64,000	8.07%
7	Sri. Kanteti Venkateswar Rao	27,04,000	10.63%	27,04,000	13.11%

**(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...

**3. Reserves and Surplus:**

	As at 31.03.2019	as at 31.03.2018
<b>A. Securities Premium</b>		
a) Balance as per last financial statement	1,56,11,000	11,87,51,000
b) Premium amount received on Issue of 48,05,000 Compulsorily Convertible Cumulative Preference Shares at Rs.15/- per share.		
c) Premium amount received on Issue of 32,20,000 Compulsorily Convertible Cumulative Preference Shares at Rs.15/- per share.		
d) Less: CCCP Brokerage charges		
e) Less: Bonus Shares Issued for equity shares of 1,03,14,000		(10,31,40,000)





Total securities premium(A)	1,56,11,000	1,56,11,000
<b>B. Surplus/Deficit in the statement of Profit and Loss</b>		
a. Balance as per last financial statements	2,49,61,141	1,17,03,450
b. Profit after tax for the period	3,12,15,770	2,17,14,889
c. Less: Preference dividend	(72,22,500)	(72,22,500)
d. Less: Dividend distribution tax on Preference dividend	(14,84,610)	(14,70,328)
e. Income Tax Refund	-	2,35,630
<b>Profit transferred to Reserves (a+b-c-d+e) (B)</b>	<b>4,74,69,801</b>	<b>2,49,61,141</b>
<b>TOTAL A+B</b>	<b>6,30,80,801</b>	<b>4,05,72,141</b>

**Note:** Significant information to be noted that as per RBI guidelines, the Company is required to ensure Minimum Net Owned Funds of Rs 100 Crore by end of March 2019.

**4. Short-term borrowings (secured) :**

	as at 31.03.2019	as at 31.03.2018
Overdraft from PUNJAB NATIONAL BANK (Secured against FDR's)	4,03,80,111	11,64,61,070
<b>TOTAL</b>	<b>4,03,80,111</b>	<b>11,64,61,070</b>

**5 Trade Payables:**

	As at 31.03.2019	As at 31.03.2018
a. Corporate Office Rent Payable	39,700	-
b. Professional Fee Payable (JRS & Associates)	45,400	45,400
c. Legal Fee Payable (A Aparna)	-	27,500
d. Professional Fee Payable (Padmanabhan & Associates)	29,500	27,000
<b>TOTAL</b>	<b>1,14,600</b>	<b>99,900</b>



**6 Other Current Liabilities:**

		as at 31.03.2019	as at 31.03.2018
a. TDS Payable		1,26,838	2,54,160
b. GST		21,24,837	8,26,669
c. GST Reverse Charge Mechanism		1,21,257	2,20,069
d. Dividend on CCCPs Shares (1 <sup>st</sup> & 2 <sup>nd</sup> series) payable		72,22,500**	72,22,500
e. Rent payable		-	-
f. Professional Fee Payable			
g. Other Liabilities			
a) Amount received from Reliance Cellulose	25,21,35,271		
b) Interest on (a)	1,11,48,325		
c) others	5,30,500	26,38,14,096*	7,30,500
	<b>TOTAL</b>	<b>27,34,09,528</b>	<b>92,53,898</b>

(\*)As per High Court Order in connection with SLS Properties, the sale proceeds of M/s Reliance Cellulose Products Ltd., an amount of Rs. 26, 17, 24, 589/- has been made fixed deposit in SBI & PNB)

(\*\*) An Amount of Rs 43,24,500/- is paid to CCCPs-1 shareholder as preference dividend within 30 days from Board Resolution, however not routed through separate bank account.

**7 Short Term Provisions:**

		as at 31.03.2019	as at 31.03.2018
Provision for Taxation		1,20,51,936	83,00,174
Dividend distribution tax payable		14,84,610	14,70,328
	<b>TOTAL</b>	<b>1,35,36,546</b>	<b>97,70,502</b>





**8. FIXED ASSETS:  
Tangible Assets**

Description	Gross Block			Depreciation				Net Block		
	As at 31.03.18	Additions	Deletions	As at 31.12.19	Up to 31.03.18	Up to 31.03.2019	Del eti ons	Up to 31.03.2019	As at 31.03.18	As at 31.03.19
Tablet 1	22,000	-	-	22,000	20,900	-		20,900	1,100	1,100
Laptop	1,93,590	57,949	-	2,51,539	1,45,045	64,855		2,09,257	48,545	41,635
Computers	2,47,138	-	-	2,47,138	1,27,581	75,512		2,03,093	1,19,557	44,045
Printers	47,907	-	-	47,907	22,919	15,782		38,701	24,988	9,206
Tablet 2	22,700	-	-	22,700	21,403	139		21,542	1,297	1,158
Steel Almirah	40,491	-	-	40,491	21,611	4,924		26,535	18,880	13,956
Filing Cabinet	29,233	-	-	29,233	15,256	3,626		18,882	13,977	10,351
Car	7,11,530	-	-	7,11,530	3,30,454	1,18,988		4,49,442	3,81,076	2,62,000
EPABX	12,300	-	-	12,300	1,109	5,045		6,153	11,191	6,146
<b>TOTAL</b>	<b>13,26,889</b>	<b>57,949</b>		<b>13,84,838</b>	<b>7,06,278</b>	<b>2,88,871</b>		<b>9,94,505</b>	<b>6,20,611</b>	<b>3,89,600</b>

**(B) Intangible Assets**

Description	Gross Block			Amortization				Net Block		
	As at 31.03.18	Additions	Deletions	As at 31.12.18	Up to 31.03.19	Up to 31.03.19	Del eti ons	Up to 31.03.19	As at 31.03.18	As at 31.03.19
Tally Software	64,800	-	-	64,800	11,557	6,480		18,037	53,243	46,763
<b>TOTAL</b>	<b>64,800</b>	<b>-</b>	<b>-</b>	<b>64,800</b>	<b>11,557</b>	<b>6,480</b>		<b>18,037</b>	<b>53,243</b>	<b>46,763</b>



**(B) Intangible Assets under development**

Description	Gross Block			Amortization				Net Block		
	As at 31.03.18	Additions	Del etions	As at 31.12.19	Up to 31.03.18	Upto 31.03.19	Del etions	Upto 31.03.19	As at 31.03.18	As at 31.03.19
Software*	-	6,00,000	-	6,00,000						6,00,000
<b>Total</b>		<b>6,00,000</b>		<b>6,00,000</b>						<b>6,00,000</b>

\*The software is still development stage and hence no depreciation was provided.

**9 INVESTMENTS:**

	Non-current		Current	
	as at 31.03.2019	as at 31.03.2018	as at 31.03.2019	as at 31.03.2018
a. MARC- SBT 01/2015 TRUST Mahalakshmi Farm & Nursery Subburaju Textilemills Pvt Ltd			36,40,000	53,10,000 64,90,000
b. MARC –SBT 03/2015 TRUST MB-AG Timber Pvt Ltd National Lumbers Zaan Commodities Pvt Ltd	42,00,000	42,00,000	24,00,000	63,00,000
c. MARC-DENA 04/2016 TRUST				
d. .ARC-AB 05/2016 TRUST: Bhaskara Padma Rice Industry				
e. MARC – Dena 06/2016 Trust Chowky Creations Janata Engineers & Co	28,00,000	28,00,000	42,50,000	42,50,000
f. MARC-SVC 07/2016 TRUST: Pratibha Ispat (P) Ltd			9,00,000	1,23,00,000
g. MARC-AXIS 08/2016 TRUST: Lauret Marketing & Krishna Ceramics				3,20,00,000





h. MARC-DENA 09/2016 TRUST Baid Industries Sree Autos	1,28,00,000 40,00,000	1,28,00,000 40,00,000		
i. MARC-AB 10/2016 TRUST Ravi Edible Oil Refinery Nehal Creations Reliance Cullulose & Ranichem Industries	27,00,000	85,00,000 27,00,000	1,64,00,000 3,30,00,000	85,00,000 3,30,00,000
J. MARC- UNITED 11/2017 Trust AB Furnishing Pvt Ltd	67,00,000	67,00,000		
K. MARC- AB 12/2017 Trust LEADAGE METALS LTD SREE RAYASEEMA GREEN STELOY LTD		87,00,000 78,00,000	87,00,000 78,00,000	
L. MARC 13/20017 Trust OM SREE SAI RAM	2,60,00,000	2,60,00,000		
M. MARC_DENA 14/2017 Trust Sri Krishna Educational Trust		60,00,000	1,36,50,000	99,00,000
N. MARC- IB 15/2017 Trust N er Mirra Estates	87,00,000	87,00,000		
O. MARC AB 16/2017 Trust PBR AGRI TECH Karumuri Suryakantam & 3 others	60,00,000 40,00,000	60,00,000 40,00,000		
P. MARC JSB 17/2018 Trust Indian Institute of Rural Workers		1,54,00,000	1,54,00,000	
<b>TOTAL</b>	<b>7,79,00,000</b>	<b>12,43,00,000</b>	<b>10,61,40,000</b>	<b>11,80,50,000</b>

**Note:** (1) The assets whose schedule recovery period is considered less than 12 months, they have shown under current investments. Remaining assets are shown under Non-current investments.

**10. LONG TERM LOANS & ADVANCES:**

:

	as at 31.03.2019	as at 31.03.2018
<b>Security Deposits (Unsecured considered good)</b>		
a. Rental Deposit	1,69,000	1,69,000
b. Telephone Deposit		
<b>TOTAL</b>	<b>1,69,000</b>	<b>1,69,000</b>





11. Other Assets:

	Non-current Portion		Current Portion.	
	As at 31.03.2019	as at 31.03.2018	As at 31.03.2019	as at 31.03.2018
<b>A. Unsecured and considered good Expenses recoverable from trusts managed by the company</b>				
MARC- SBT 01/2015 TRUST			83,180	25,855
MARC –SBT 03/2015 TRUST			5,12,715	62,205
MARC-DENA 04/2016 TRUST				
MARC-AB 05/2016 A.DEED EXP			21,997	872
MARC – DENA 06. TRUST A.DEED EXP			8,13,320	4,74,603
MARC – SVC 07 TRUST	65,094			3,35,964
MARC-AXIS 08 TRUST			90,000	4,32,376
MARC –DENA 09 TRUST		8,36,198	21,464	-
MARC –AB 10/17			36,510	42,93,592
MARC-United 11/2017 Trust	4,37,128	3,04,326		
MARC-AB 12/2017 Trust		5,43,927	7,32,971	
MARC13/2017 Trust	2,75,188	1,41,143		
MARC-DENA 14/2017 Trust		2,53,492	10,500	
MARC-DENA 15/2017 Trust		2,43,368	3,67,023	
MARC-DENA 16/2017 Trust	5,99,173	1,25,658		
MARC JSB 17/2018 Trust		2,11,837	3,93,870	
<b>(A)</b>	<b>13,76,583</b>	<b>26,59,949</b>	<b>30,83,550</b>	<b>56,25,467</b>
<b>B. Other items</b>				



Preliminary Expenditure				
Interest accrued on Reliance Sbi			3,30,643	
Interest accrued on Fixed Deposits			93,19,260	1,68,34,558
Input GST			32,002	2,64,116
Input GST Reverse Charge			1,69,946	2,20,069
GST Input Provisional			9,900	
Sundry Debtors			54,000	6,000
Advance Tax for FY 2016-17				
Prepaid Vehicle insurance			-	4,825
(B)			99,15,751	1,73,29,568
<b>Total (A+B)</b>	<b>13,76,583</b>	<b>26,59,949</b>	<b>1,29,99,301</b>	<b>2,29,55,035</b>

## 12. Cash & Bank Balances:

	as at 31.03.2019	as at 31.03.2018
<b>Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
a. In current accounts	14,41,416.28	19,86,248
b. Cash on hand	0	0
c. In fixed deposits	(* )46,41,70,903	(#)18,37,77,683
1. Reliance fixed deposit amount Rs 26,17,24,589		
2. MARC fixed deppsit Rs 20,24,46,314		
<b>TOTAL</b>	<b>46,56,12,319</b>	<b>18,57,63,931</b>

(\* )As per High Court Order in connection with SLS Properties, the sale proceeds of M/s Reliance Cellulose Products Ltd., an amount of Rs. 26, 17, 24, 589/- has been made fixed deposit in SBI & PNB)

(\* ) Fixed deposits worth Rs.17, 08, 57,750 /-(Seventeen crore eight lakhs fifty seven thousand Seven Hundred and Fifty Rupees) were given as security against overdraft (PNB).

(#) Fixed deposits worth Rs.15, 62, 82,003/- (Fifteen crore sixty two lakhs Eighty two thousand and three rupees) were given as security against overdraft (PNB).



**13. Short – term loans and advances:**

	as at 31.03.2019	as at 31.03.2018
TDS MARC – 1,05,08,780/- Reliance TDS on FD – 12,28,363/-	1,17,37,143	80,55,790
<b>TOTAL</b>	<b>1,17,37,143</b>	<b>80,55,790</b>

**14. Revenue from operations:**

	as at 31.03.2019	as at 31.03.2018
Incentive	59,70,000	99,95,000
Upside sharing of Recovery	1,40,00,000	1,18,81,027
<b>(A)</b>	<b>1,99,70,000</b>	<b>2,18,76,027</b>
<b>Other Financial Services</b>		
Management Fee <b>(B)</b>	3,09,48,500	1,33,10,000
<b>TOTAL (A+B)</b>	<b>5,09,18,500</b>	<b>3,51,86,027</b>

**15. Other non-operating income:**

	as at 31.03.2019	as at 31.03.2018
Interest on FD's with Banks	1,35,90,215	1,39,82,146
Interest (Others)	12,33,222	3,22,312
Other income	-	1,50,000
Reimbursement of Interest on Reliance FD	28,06,076	-
<b>TOTAL</b>	<b>1,76,29,513</b>	<b>1,44,54,458</b>





**16. Employee benefit expenses:**

	as at 31.03.2019	as at 31.03.2018
a. SALARIES	67,66,343	62,26,320
b. Staff welfare	52,073	47,753
c. Staff Welfare Health Insurance	1,50,041	1,66,484
<b>TOTAL</b>	<b>69,68,457</b>	<b>64,40,557</b>

**17. Administrative Expenses:**

	as at 31.03.2019	as at 31.03.2018
Conveyance Charges	70,748	28,155
Postage	38,780	62,653
Stationery & Printing	99,004	90,029
Rent	7,50,670	8,56,838
Travelling expenses	8,21,279	9,33,959
Legal expenses	1,03,150	2,96,000
Vehicle maintenance	2,93,692	2,65,371
Computer Maintenance	70,108	71,656
<b>TOTAL</b>	<b>22,47,431</b>	<b>26,04,661</b>

**18. OTHER EXPENSES:**

	as at 31.03.2019	as at 31.03.2018
Board Meeting Expenses	4,62,096	3,28,489
Sitting fee- Directors	11,55,000	9,65,000
Travelling allowance- Board Meeting	5,39,273	4,28,937
ARC Association Membership fee	1,00,000	25,000
CIBIL/CERSAI FEE	6,528	70,104
Statutory Audit Fee	30,000	30,000
Professional Fee	8,87,011	9,44,875
ROC & filing fees	-	8,600
Gmail Expenses	56,717	
Telephone charges	44,510	47,341
Electricity charges	1,52,585	1,31,644
Trade license fee	27,600	
Office maintenance	75,055	1,03,257



Newspapers, Books, Periodicals	9,470	12,090
Share transfer agents- DEMAT fees	51,000	49,100
Prior Period Tax	5,360	
Interest on Income Tax	35,306	27,159
Web hosting	5,814	3,780
Business development fees	8,42,164	1,00,547
Repairs and Maintenance	8,100	16,749
Round Off	3	510
Stamp papers	5,190	3,090
ARC Association Fee	-	9,950
Reimbursement of interest on Reliance FD	28,06,075	-
<b>TOTAL</b>	<b>73,04,857</b>	<b>33,06,222</b>

#### 19. Finance Cost:

	as at 31.03.2019	as at 31.03.2018
Interest expense - Overdraft	84,77,660	67,71,954
Bank charges	7,387	9,349
<b>TOTAL</b>	<b>84,85,047</b>	<b>67,81,303</b>

#### 20. EPS Calculation

	as at 31.03.2019	as at 31.03.2018
Profit after tax	3,12,15,770	2,17,14,889
Add: Income tax refund	-	2,35,630
Less: Preference dividend	(72,22,500)	72,22,500
Less: Dividend distribution tax	(14,84,606)	14,70,328
Amount available for equity share holders	2,25,08,664	1,32,57,691
No. of equity shares(Weighted average)	2,07,20,151	2,06,28,000
Basic EPS	1.0863	0.64
Diluted EPS*	-	-
Face Value of Equity share	10	10
Face Value of Preference shares	10	10

**Note.** \*The Diluted EPS is also calculated due to existence of compulsorily convertible cumulative preference shares at the end of financial year which are convertible after a period of 3 years from the date of issue of such shares at 1:1 ratio, but not disclosed as it is anti diluted EPS.

**21.** The Security Receipts issued by the Trusts, which are managed by the company as Managing Trustee, are being rated by M/s. Brickwork Ratings India Pvt Ltd., in accordance with the guidelines issued by the Reserve Bank of India for credit rating of SR's of the Trusts.



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

**23. Related Party disclosures:**

Name of the Party	Nature of Relationship
A SISIR KUMAR	Director
K RAVI KUMAR	Director

**Transactions with Related Parties**

**As a resolution agent with the following accounts:**

Particulars	Amount paid
National Lumbers	5,04,000
Bhaskara Padma Rice Industry	Nil
Prathiba Ispat (P) Ltd	12,15,500
Mahalakshmi Farms & Nursery	14,26,250
Subburaj Textile (P) Ltd	Nil
Reliance Cellulose & Rani Chemicals	Nil
Leadage Metals Limited	Nil
Sri Krishna Educational Trust	2,60,850

*The Company appointed M/s Sisir & Ravi Associates as Resolution Agents. Mr. Appikatla Sisir Kumar & Mr. Korada Ravi Kumar, promoter directors of the Company are also the partners in M/s Sisir & Ravi Associates.*

Flat taken on lease from Mr. A. Sisir Kumar for housing the Registered Office of the Company, on a monthly rent of Rs.16,500/- with an annual increase of 5% and maintenance charges on actual basis with effect from 1<sup>st</sup> August 2016

**24. Taxes on Income (AS-22)**

Items of Deferred Tax Asset	2018-19	2017-18
Depreciation as per IT	2,20,457	2,62,804
Items of deferred tax assets	20,836	41,787
Deferred Tax Liability at current rate of tax	-	-

**Note.** The deferred tax asset of Rs. 20,836/- has been created for the financial year 2018-19 due to the timing difference of depreciation component.

**25. Previous year's figures are regrouped wherever necessary.**





**26. ADDITIONAL DISCLOSURES: 31.03.2019**

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 bank/financial institutions.

**Sponsors:**

Seller-wise acquisition details as at 31.03.2019		
Sellers	Address	Acquisition Price
Nil		

**Non-Sponsors:**

Sellers	No. of Accounts	Address	Acquisition Price
State Bank of Travancore	06	Head Office, Poojappura, Trivandrum-695102(Kerala)	34,65,00,000
Dena Bank	06	Corporate Centre, C-10, Block "G", Bandra Kurla Complex, Mumbai-400 051	37,77,00,000
Axis Bank	02	Corporate Office, Bombay Dyeing Mills Compound, Pandurang Budhkar Margh, Worli, Mumbai-400 051	7,70,00,000
Andhra Bank	10	CentralOffice, Koti, Hyderabad	62,75,00,000
SVC Coop Bank	01	SVC Buildings, Vakola, Santacruz(E), Mumbai.	10,20,00,000
United Bank	01	11 Hemant Basu Sarani. Kolkata - 700001	2,21,00,000
Indian Bank	01	66, Rajaji Salai, Chennai 600001.	5,75,00,000
Janata Sahakari Bank	01	BAJIRO ROAD, PUNE	10,25,00,000
<b>TOTAL</b>	<b>28</b>		<b>1,71,28,00,000</b>

(b) Dispersion of various financial assets industry-wise as at 31.03.2019:



Industry	No. of borrowers	Acquisition Price	% of Total
Textiles & spinning	3	20,85,00,000	12.17%
Readymade Garments	2	6,94,00,000	4.05%
Nursery	1	3,54,00,000	2.07%
Timber	4	20,88,00,000	12.19%
Information & Technology	1	7,20,00,000	4.20%
Iron-Steel-Other Metals	6	32,35,00,000	18.89%
Trading	2	5,55,00,000	3.24%
Automobiles	1	2,62,00,000	1.53%
Rice & Edible Oils	2	14,75,00,000	8.61%
Chemicals	1	22,00,00,000	12.84%
Educational	2	22,50,00,000	12.99%
Oil & Gas	1	2,60,00,000	1.52%
Coffee estate & Plantation	1	5,75,00,000	3.36%
Poultry	1	4,00,00,000	2.34%
<b>TOTAL</b>	<b>28</b>	<b>1,71,28,00,000</b>	<b>100</b>

c)	Details of Related parties as per Accounting Standards and guidance notes issued by the Institute of Chartered Accountants of India and the amounts due to and from them.	<b>Note Below</b>
d)	A statement clearly showing there in the migration of financial assets from standard to non-performing.	Nil
e)	Value of Financial assets acquired during the year either on the books of the company or in the books of the Trusts. (UPTO 31.03.2019)	1,71,28,00,000
f)	Value of the financial assets fully realized during (UPTO 31.03.2019).	41,73,00,000





g)	Value of financial assets including assets acquired through Trust and outstanding for realization (AS ON 31.03.2019)	1,06,15,00,000
h)	i. value of security receipts redeemed partially (UPTO 31.03,2019)	27,30,00,000
	ii. value of security receipts redeemed fully (UPTO 31.03.2019)	41,73,00,000
j)	Value of security receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the securitization company or reconstruction company under paragraph 7(6) (ii) or 7(6)(iii)	Nil
k)	Value of land and/or building acquired in ordinary course of business of reconstruction of assets (year wise)	Nil
l)	Details of assets where the value of acquisition is more than the book value (the value of assets as declared by the seller bank in the auction)	Nil
m)	Details of Assets disposed off (either by write off or by realization) during the year at discount of more than 20% of valuation as on the previous year and reasons therefore.	Nil
n)	Details of Assets where the value of the SR has declined more than 20% of the acquisition value.	Nil

**OTHER INFORMATION:**

1. As per the guidelines of RBI, it is mandatory to increase the paid-up capital to a minimum Rs 100 Crore on or before 31-03-2019 for all ARC's. We have requested the RBI to give extension of time to meet the minimum NOF requirement of Rs 100 Cr vide our letter dated 8 April 2019.
2. With Respect to M/s Reliance Cellulose products Ltd (Trust 10), Management Fee of Rs 96,90,000/- is recognized as income on 21<sup>st</sup> September 2018 whereas an amount of Rs 1,10,00,000/- which is recovery incentive is not considered as income even though full amount is realized and deposited in fixed deposit due to pending S.A in DRT.
3. Resolution fee paid to resolution agents of different trusts is routed through Meliora. Hence the total turnover appearing in the Profit & Loss Account does not tally with that of the GSTR 3B returns filed. The detailed explanation is referred in Annexure (1).



## Annexure -1

GST RECONCILIATION				
Month	Turnover as per GSTR 3B	Turnover as per Books (A)	Resolution fee not considered in books as turnover (B)	Total (A+B)
Apr-18	-			
May-18	7,27,500.00	7,05,000.00	22,500.00	7,27,500.00
Jun-18	22,70,000.00	20,90,000.00	1,80,000.00	22,70,000.00
Jul-18	57,44,200.00	49,34,000.00	8,10,200.00	57,44,200.00
Aug-18	-			-
Sep-18	1,11,33,750.00	1,06,70,000.00	4,63,750.00	1,11,33,750.00
Oct-18	45,00,500.00	31,20,000.00	13,80,500.00	45,00,500.00
Nov-18	3,75,000.00	-	3,75,000.00	3,75,000.00
Dec-18	11,55,000.00	6,50,000.00	5,05,000.00	11,55,000.00
Jan-19	-			-
Feb-19	33,00,500.00	32,30,000.00	70,500.00	33,00,500.00
Mar-19	2,58,04,650.00	2,55,19,500.00	2,85,150.00	2,58,04,650.00
<b>TOTAL</b>	<b>5,50,11,100.00</b>	<b>5,09,18,500.00</b>	<b>40,92,600.00</b>	<b>5,50,11,100.00</b>

