



MINERVA HOSPITALITIES PRIVATE LIMITED  
Annual Report  
2010 - 2011



## CORPORATE INFORMATION

### Board of Directors:

Mr. P. Chakradhar Reddy	-	Director
Mrs. P. Divya Reddy	-	Director

### Auditors:

M/s.P.Murali & Co.,  
Chartered Accountants  
6-3-655/2/3, 1st Floor, Somajiguda  
Hyderabad – 500 082

### Bankers:

State Bank of Mysore  
Syndicate Bank

### Registered Office:

Plot No.258, Road No.18,  
Jubilee Hills  
Hyderabad – 500 033

## NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of the Company will be held at Registered Office at Hyderabad on Wednesday the 31st August, 2011 at 10.00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March 2011 together with the Report's of the Directors and Auditors thereon.
2. To Appoint a Director in place of Mr.P.Chakradhar Reddy who retires by rotation and being eligible, offers himself for re-appointment.
3. "RESOLVED that M/s. P.MURALI & CO., Chartered Accountants, Hyderabad the retiring auditors be and are hereby appointed as Statutory Auditors for the financial year 2011-12 to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be decided by the Board.

Hyderabad  
July 25, 2011

For and on behalf of the Board  
Minerva Hospitalities Private Limited

Sd/-  
Director

## DIRECTOR'S REPORT

To

The Members

Your Directors have pleasure in presenting 9th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

### OPERATIONS:

There are no operations during the year.

### DIVIDEND:

The Board does not recommend any dividend during the year under review.

### DIRECTORS:

Mr. Mr.P.Chakradhar Reddy retires by rotation and being eligible offered himself for reappointment. The Board commends his re-appointment as Director.

### AUDITORS:

M/s.P.MURALI & CO., Chartered Accountants, Auditors of the Company retires at the ensuring Annual General Meeting the Company received a letter from them expressing their willingness to be re-appointed as Statutory Auditors to the effect that their appointment, if made will be in accordance with the provisions of section 224(1B) of the Companies Act, 1956. Hence the Board recommends their appointment as Statutory Auditors for the FY 2011-12.

### AUDIT REPORT:

Regarding the Auditors observations and comments in their report for the FY 2010-11, they are self-explanatory and the Company is making efforts / steps to comply the same.

### PARTICULARS OF EMPLOYEES:

There are no employees, who are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Information 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.

#### a) Conservation of Energy:

Proper Control points are set up at all levels to identify the wastage in Power & Fuel consumption and to take/initiate corrective steps.

b) Research and Development and Technology Absorption

- i. Our Research & Development Cell has been making continuous efforts to ensure the best quality standards.
- ii. No technology either indigenous or Foreign is involved.

c) Foreign Exchange Earnings and Outgo:

During the year the Company has not earned/spent any foreign exchange.

DEPOSITS:

During the year under review, the Company has not accepted deposits from the Directors, Relatives and Public.

EMPLOYEE RELATIONS:

The relationship with the employees continues to be cordial. The Directors would like to place on record their appreciation of the services rendered by all the employees of the Company.

DIRECTORS RESPONSIBILITY STATEMENT, PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

In the preparation of the Annual Accounts, the Generally Accepted Accounting Principles have been followed. All the Accounting Standards as applicable to the Company has been followed. The Directors have selected accounting policies and applied them consistently and make 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 at the end of the Financial year and of the Loss of the Company for the period. Proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities. The Directors have prepared the Annual Accounts on a 'Going Concern Basis.

ACKNOWLEDGMENTS:

Yours Directors acknowledge with gratitude and wish to acknowledge the continued support and confidence proposed in the management by the Shareholders and employees of the company.

For MINERVA HOSPITALITIES PRIVATE LIMITED

Hyderabad  
July 25, 2011

Sd/-  
P. Chakradhar Reddy  
Director

## AUDITORS' REPORT

To  
The Members,  
MINERVA HOTELS PRIVATE LIMITED,

We have audited the attached Balance Sheet of MINERVA HOTELS PRIVATE LIMITED, as at 31st March, 2011 and also the Profit & Loss Account for the period ended on the 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.

We conducted our audit in accordance with 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors Report) order 2003 and as amended by the companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure the statement on the matters specified in paragraph 4 and 5 of the said order.

Further, 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 & Profit & Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet & Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of 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 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 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 & Loss Account, of the Lost for the period ended on that date;

For P. MURALI & CO.,  
Chartered Accountants  
Firm's Regn. No. : 007257S

Hyderabad  
July 25, 2011

Sd/-  
P.MURALI MOHANA RAO  
Partner  
Membership No. 23412

## Annexure to the Auditors' Report

- 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 fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II.
  - (a) The Inventory has been physically verified during the year and in our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
The Company is maintaining proper records of inventory and as explained to us , no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III.
  - a) The Company has not either granted or taken any loans, secured or unsecured to / from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
  - b) As the Company has not granted any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
  - c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
  - d) No loans have been granted to Companies, Firms & other listed in the register U/s. 301 of the Companies Act, 1956, hence overdue amount of more than rupees one lac does not arise and the clause is not applicable.
  - e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s. 301 of the Companies Act. 1956.
  - f) As the Company has not taken any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
  - g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties, is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of good There is no continuing failure by the company to correct any major weaknesses in internal control.
- V.
  - (a) In our opinion and according to the information and explanation given to us, such transactions have not been made by the company exceeding the value of Five Lacs Rupees in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 are being maintained.
  - (b) According to the information and explanations given to us transactions made by the company and charging the reasonable price having regard to the prevailing market prices at the relevant time.
- VI. In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits and compliance with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public do not arise and no order is passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section(1) of section 209 of the Companies Act, 1956.
- IX.
  - a)The Company is regular in depositing statutory dues including PF, ESI, Income Tax, and any other statutory dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.

- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has accumulated losses at the end of the financial year and the company has incurred cash losses in this financial year and in the immediately preceding such financial year.
- XI. According to information and explanations given to us, the Company has no outstanding loans from banks and financial institutions and the default in repayment of dues to financial Institutions or banks do not arise.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XVI. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. According to the information and explanations given to us, the Term Loans were applied by the company for the purpose for which the loans were obtained.
- XVII. According to the information given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long term investment and vice-versa during the year under audit.
- XVIII. According to the information and explanations given to us, the Company has not made preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is not prejudicial to the interest of the Company.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of securities in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P. MURALI & CO.,  
Chartered Accountants  
Firm's Regn. No. : 007257S

Hyderabad  
July 25, 2011

Sd/-  
P.MURALI MOHANA RAO  
Partner  
Membership No. 23412



BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

S.No.	PARTICULARS	SCHEDULE NO'S.	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)
<b>I. SOURCES OF FUNDS</b>				
1. SHARE HOLDERS FUNDS				
	a. Capital	1	4,66,92,670	4,66,92,670
	b. Reserves & Surplus	2	(52,97,330)	(53,40,580)
	c. Secured Loans		--	--
	d. Unsecured Loan	3	3,60,70,732	3,65,89,732
	<b>TOTAL</b>		<b>7,74,66,072</b>	<b>7,79,41,822</b>
<b>II APPLICATION OF FUNDS</b>				
1. FIXED ASSETS				
	a. Gross Block		--	--
	b. Less : Depreciation		--	--
	c. Net Block		--	--
	d. Capital Work in progress		--	--
2. INVESTMENTS				
3. CURRENT ASSENT, LOANS & ADVANCES				
	a. Sundry Debtors	4	55,207	55,207
	b. Cash & Bank Balance	5	4,23,311	4,23,311
	c. Loans & Advance	6	7,75,24,647	7,80,06,798
	Less: Current Liabilities & Provisions	7	5,37,093	5,37,093
	<b>NET CURRENT ASSETS</b>		<b>7,74,66,072</b>	<b>7,79,48,223</b>
	4. MISCELLANEOUS EXPENDITURE		--	(6,401)
	( To the extent of not written off adjusted)			
	<b>TOTAL</b>		<b>7,74,66,072</b>	<b>7,79,41,822</b>
Notes to Accounts		9		

AS PER OUR REPORT OF EVEN DATE  
FOR P. MURALI & CO.,  
Chartered Accountants  
Firm's Regn. No. : 007257S

SD/-  
P. MURALI MOHANA RAO  
Partner  
Membership No. 23412

Hyderabad  
July 25, 2011

FOR AND ON BEHALF OF THE BOARD

SD/-  
P. CHAKRADHAR REDDY  
Director

SD/-  
P. DIVYA REDDY  
Director

## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

S.No.	PARTICULARS	SCHEDULE NO's.	YEAR ENDED 31-03-2011 (Rupees)	YEAR ENDED 31-03-2010 (Rupees)
<b>INCOME</b>				
	Sales		--	--
	Other Income		43,250	--
	<b>TOTAL</b>		<b>43,250</b>	
<b>EXPENDITURE</b>				
	Consumption of Provisions & Stores		--	--
	Personnel Cost		--	--
	Administrative Expenses	8	--	20,000
	Interest & Financial Charges		--	--
	Depreciation		--	--
	Misc Exp Written off		--	--
	<b>TOTAL</b>		<b>--</b>	<b>20,000</b>
	Profit Before Tax		43,250	(20,000)
	Provision For Taxes and Deferred Tax		--	--
	Profit After Taxes		43,250	(20,000)
	Prior Period Adjustments		--	--
	Profit After Adjustments		43,250	(20,000)
	Profit Brought Forward		(53,40,580)	(53,20,580)
	Balance Carried To Balance Sheets		(52,97,330)	(53,40,580)
	Notes to Accounts	9		

AS PER OUR REPORT OF EVEN DATE  
FOR P. MURALI & CO.,  
Chartered Accountants  
Firm's Regn. No. : 007257S

SD/-  
P. MURALI MOHANA RAO  
Partner  
Membership No. 23412

Hyderabad  
July 25, 2011

FOR AND ON BEHALF OF THE BOARD

SD/-  
P. CHAKRADHAR REDDY  
Director

SD/-  
P. DIVYA REDDY  
Director

PARTICULARS	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
82,50,000 Equity Shares of Rs.10/- Each	8,25,00,000	8,25,00,000
ISSUED, SUBSCRIBED & PAID - UP		
46,69,267 Equity Shares of Rs.10/- Each	4,66,92,670	4,66,92,670
TOTAL	4,66,92,670	4,66,92,670
SCHEDULE 2		
RESERVES & SURPLUS		
Profit and Loss Account	(52,97,330)	(53,40,580)
TOTAL	(52,97,330)	(53,40,580)
SCHEDULE 3		
UNSECURED LOANS		
Others	3,60,70,732	3,65,89,732
TOTAL	3,60,70,732	3,65,89,732
SCHEDULE 4		
SUNDRY DEBTORS'		
Others Considered Goods	55,207	55,207
TOTAL	55,207	55,207
SCHEDULE 5		
CASH & BANK BALANCES		
Cash on Hand	4,17,060	4,17,060
Cash at Bank	6,251	6,251
TOTAL	4,23,311	4,23,311
SCHEDULE 6		
LOANS & ADVANCES		
Loans and Advances	7,66,49,751	7,72,05,098
Deposits	8,14,248	7,84,769
Others	60,648	16,931
TOTAL	7,75,24,647	7,80,06,798

PARTICULARS	AS ON 31-03-2011 (Rupees)	AS ON 31-03-2010 (Rupees)
SCHEDULE 7		
CURRENT LIABILITIES & PROVISIONS		
Creditors for Supplies & Capital Goods	5,03,853	5,03,853
Outstanding Expenses & Provisions	33,240	33,240
TOTAL	5,37,093	5,37,093

PARTICULARS	YEAR ENDED 31-03-2011 (Rupees)	YEAR ENDED 31-03-2010 (Rupees)
SCHEDULE 8		
ADMINISTRATIVE EXPENSES		
Other Expenses	--	20,000
TOTAL	--	20,000

## SCHEDULE 9

### NOTES FORMING PART OF THE ACCOUNTS

#### 1. Significant Accounting Policies to the Balance sheet and Profit and loss account

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI), referred to in Section 211 (3C) of the Companies Act, 1956. The significant accounting policies adopted in the presentation of the Accounts are as under:

##### (a) Accounting Convention and Revenue Recognitions:

The Financial statements have been prepared in accordance with historical cost convention except for such fixed which are revalued. Both the income and expenditure items are recognized on accrual basis.

##### (b) Retirement Benefits:

Staff benefits arising out of retirement / death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave Encashable and other post-separation benefits are accounted for on the basis of contribution to the schemes, or an independent actuarial valuation as the case may be.

##### (c) Fixed Assets:

Fixed assets are stated at cost of acquisition and subsequent improvements thereto, inclusive of taxes, freight, and other incidental expenses related to acquisition, improvements and installation, except in case of revaluation of fixed assets where it is stated at revalued amount. Interest during construction period on loans to finance fixed assets is capitalized.

##### (d) Depreciation:

Depreciation on fixed assets other than land is provided under the straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, as existing on that date.

##### (e) Transactions in Foreign Exchange:

Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain/loss arising out of the fluctuations in exchange rate is accounted for on realization.

Payment made in foreign currency are converted at the applicable rate prevailing on the date of remittance.

Foreign currency loans covered by forward contracts are realigned at the forward contracts while those not covered by forward contracts are realigned at the rate ruling at the year end. The differences in realignment are accounted for in the Profit and Loss Account.

##### (f) Borrowing Cost

Borrowing cost that is attributable to the acquisition /construction of fixed assets is capitalized as part of the cost of respective assets.

##### (g) Inventories

Stock of food and beverages and operating supplies are carried at cost or Net Realizable Value, whichever is lower.

##### (h) Taxes on income:

(i) Income tax is computed in accordance with Accounting Standard 22 - 'Accounting for Taxes on Income (AS-22)', issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.

(ii) Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liabilities recorded for timing differences, i.e. differences that originate in one accounting period and reverse in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.

(iii) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(i) Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in terms of Accounting Standard 29 — 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), issued by the ICAI. when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

B. Notes On Accounts

1. The Other Income received during the year is Interest on Deposits.
2. The figures have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 9

AS PER OUR REPORT OF EVEN DATE  
FOR P. MURALI & CO.,  
Chartered Accountants  
Firm's Regn. No. : 007257S

SD/-  
P. MURALI MOHANA RAO  
Partner  
Membership No. 23412

Hyderabad  
July 25, 2011

FOR AND ON BEHALF OF THE BOARD

SD/-  
P. CHAKRADHAR REDDY  
Director

SD/-  
P. DIVYA REDDY  
Director

