

**MINERVA HOSPITALITIES**  
**P R I V A T E L I M I T E D**

**10<sup>th</sup> Annual Report**  
**2011 - 2012**

## 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

### Registered Office:

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

## NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of the Company will be held at Registered Office at Hyderabad on Friday, the 31st August, 2012 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 2012 together with the Report's of the Directors and Auditors thereon.
2. To Appoint a Director in place of Mrs. P. Divya Reddy, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint statutory auditors of the Company and fix their remuneration.

**By Order of the Board**

Hyderabad  
July 20, 2012

Sd/-  
**P. Chakradhar Reddy**  
Director

## DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting 10th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

### OPERATIONS:

There are no operations during the year. However, during the year the Company recorded Rs. 28,902/- as other income.

### DIVIDEND:

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

### DIRECTORS:

Mrs. P. Divya 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 2012-13.

### 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.

**By order and on behalf of the Board**

Hyderabad  
20-07-2012

Sd/-  
**P. Chakradhar Reddy**  
Chairman of the Meeting

## COMPLIANCE CERTIFICATE

{Rule 3 of the Companies (Compliance Certificate) Rules, 2001 read with Section 383A of Companies Act, 1956}

Reg. No. of the Company: 01- 039768  
Authorized Capital : Rs. 8,25,00,000/-  
Paid-up Capital : Rs. 4,66,92,670/-

To

The Members

### **MINERVA HOSPITALITIES PRIVATE LIMITED**

Plot No.258, Road No.18, Jubilee Hills

Hyderabad – 500033, Andhra Pradesh

We have examined the registers, records, books and papers of **MINERVA HOSPITALITIES PRIVATE LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, and its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, A.P.
3. The Company being a Private Limited Company which is Wholly owned Subsidiary of public limited company, has the minimum prescribed paid up capital and its maximum number of members during the said financial year was **two** and the company during the year under scrutiny:
  - i. has not invited public to subscribe for its shares or debentures; and
  - ii. has not invited or accepted any deposits from persons other than its members, directors or their relatives, during the financial year 2011-2012.
4. The Board of Directors met 6 times on 11-05-2011, 25-07-2011, 12-08-2011, 10-10-2011, 11-11-2011 and 12-02-2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company was not required to close its Register of Members during the financial year under review.
6. The Annual General Meeting of the Company for the financial year ended on 31st March, 2011 was held on 31st August, 2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meetings was held during the financial year.
8. The Company has not made any lone, has not given any guarantee and has not provided any security in connection with a lone made by any director or relative of any such director or any firm in which any such director or relative is a partner as referred under the provisions of Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year under scrutiny.

10. The Company has made necessary entries in the register maintained under Section 301(3) of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, during the financial year under scrutiny, the company has not obtained any approval from the Board of Directors, members and previous approval of the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year 2011-2012.
13. The Company has:
  - i) not allotted any securities during the year under review and not made any transfer/transmission of securities during the financial year under review.
  - ii) not declared any dividend including interim dividend during financial year under review.
  - iii) not required to pay/post warrants for dividends during the year under review.
  - iv) there were no amounts lying with the Company in unpaid dividend account or any application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years or more.
  - v) the Company has complied with requirements of Section 217 of the Act.
14. The Board of Directors is duly constituted and there were no instances of appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year under review.
15. The Company has not appointed any Managing Director and as Whole-time Director during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year 2011-2012.
17. There were no instances wherein the Company was required to obtain any approval from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities, under the various provisions of the Act during the financial year under scrutiny.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under during the year under review.
19. The Company has not issued any shares, debentures or other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. There was no redemption of preference shares/Debentures during the year under review as the Company has not issued any such shares/debentures.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year 2011-2012.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the financial year 2011-2012.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31, march 2012 was within the borrowing limits of the company as referred under section 293(1)(d) of the Act.
25. The Company has not made any loan and investment or given any guarantee or provided security to other bodies corporate as referred under section 372A.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.

27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during year under review.
29. The Company has not altered the provisions of the memorandum with respect to increase of share capital during the year under scrutiny.
30. The Company has not altered its Articles of Association with respect to increase of share capital during the year under review.
31. As per the information given by the Directors, there were no prosecutions initiated against or show cause notices received by the company during the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not required deducting any amount for provident fund as referred under Section 418 of the Companies Act, 1956 during the financial year.

**For P S Rao & Associates  
Company Secretaries**

Hyderabad  
July 20, 2012

**CS N. Vanitha**  
C P No: 10573



**ANNEXURE TO COMPLIANCE CERTIFICATE FOR FY 2011-2012****MINERVA HOSPITALITIES PRIVATE LIMITED****ANNEXURE: A****STATUTORY REGISTERS AS MAINTAINED BY THE COMPANY**

1. Register of Directors' U/s 303
2. Register of Directors' Shareholdings U/s 307
3. Register of Members U/s 150
4. Minutes of Board Meetings U/s 193
5. Minutes of Annual and Extra-Ordinary General Meetings U/s 193
6. Register of contracts, firms and Companies in which Directors are interested U/s 301(3).
7. Register of Contracts U/s 301
8. Register of Charges U/s 143

**ANNEXURE: B****FORMS AND RETURNS FILED DURING THE YEAR**

1. Form 20B for filing of Annual Return as on 31-08-2009 u/s 159 of the Act filed on 28-11-2011.  
-Additional Fee-

**For P S Rao & Associates  
Company Secretaries**

Hyderabad  
July 20, 2012

**CS N. Vanitha**  
C P No: 10573

## AUDITOR'S REPORT

To  
The Members,  
**MINERVA HOSPITALITIES PRIVATE LIMITED,**

We have audited the attached Balance Sheet of MINERVA HOSPITALITIES PRIVATE LIMITED, as at 31st March, 2012 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 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 & 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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, 2012;
  - (b) In the case of the Profit & Loss Account, of the Loss for the period ended on that date;

Hyderabad  
July 20, 2012

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

SD/-  
**P.MURALI MOHANA RAO**  
**PARTNER**  
Membership No. 23412

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

- I. The Company has no Fixed Assets. Hence this clause is not applicable.
- II. The Company has no Inventory. Hence this clause is not applicable.
- 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 registered 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, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
  - (b) According to the information and explanations given to us, as no such contract or arrangements made by the company, the applicability of the clause charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- 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 company has not obtained any Term Loans, hence this clause is not applicable.
- XVII. According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long term investment does not arise.
- 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 prejudicial to the interest of the Company does not arise.
- 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.

Hyderabad  
July 20, 2012

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

SD/-  
**P.MURALI MOHANA RAO**  
**PARTNER**  
Membership No. 23412

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012**

PARTICULARS	Note No.	AS ON 31-03-2012 ( ₹ )	AS ON 31-03-2011 ( ₹ )
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	4,66,92,670	4,66,92,670
(b) Reserves and Surplus	2	(52,68,428)	(52,97,330)
(c) Long-Term Borrowings	3	3,60,70,732	3,60,70,732
<b>(2) Current Liabilities</b>			
(a) Trade Payables	4	5,03,853	5,03,853
(b) Other Current Liabilities	5	33,240	33,240
<b>Total</b>		<b>7,80,32,067</b>	<b>7,80,03,165</b>
<b>II. ASSETS</b>			
<b>(1) Current assets</b>			
(a) Trade receivables	6	55,207	55,207
(b) Cash and Bank Balances	7	4,23,311	4,23,311
(c) Short-Term Loans and Advances	8	7,75,24,647	7,75,24,647
(d) Other Current Assets	9	28,902	-
<b>Total</b>		<b>7,80,32,067</b>	<b>7,80,03,165</b>

Significant Accounting Policies  
Notes to Financial Statements

1 to 12

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. 023412

Hyderabad

July 20, 2012

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**P CHAKRADHAR REDDY**

Director

Sd/-

**P. DIVYA REDDY**

Director

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

PARTICULARS	Note No.	Year Ended 31-03-2012 (₹)	Year Ended 31-03-2011 (₹)
I. Revenue from Operations		-	-
II. Other Income	10	28,902	43,250
<b>III. Total Revenue (I +II)</b>		<b>28,902</b>	<b>43,250</b>
IV. Expenses:		-	-
V. Profit before exceptional and extraordinary items and tax ( III - IV)		28,902	43,250
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		28,902	43,250
VIII. Extraordinary Items		-	-
<b>IX. Profit Before Tax (VII - VIII)</b>		<b>28,902</b>	<b>43,250</b>
X. Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit(Loss) from the period from Continuing Operations ( VII - VIII)		<b>28,902</b>	<b>43,250</b>
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax expense of Discounting Operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>28,902</b>	<b>43,250</b>
XVI. Earning per equity share:			-
(1) Basic		-	-
(2) Diluted		-	-

Significant Accounting Policies  
Notes to Financial Statements

1 to 12

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. 023412

Hyderabad

July 20, 2012

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**P CHAKRADHAR REDDY**

Director

Sd/-

**P. DIVYA REDDY**

Director

Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2012

S.NO	PARTICULARS	AS ON 31-03-2012 ( ₹ )	AS ON 31-03-2011 ( ₹ )
<b>NOTE NO. 1 : SHARE CAPITAL</b>			
<b>A Share Capital</b>			
(a)	Authorised		
	(No. of Equity Shares 82,50,000 Current Year)	8,25,00,000	-
	(No. of Equity Shares 82,50,000 Previous Year)	-	8,25,00,000
	<b>Total Authorised Share Capital</b>	<b>8,25,00,000</b>	<b>8,25,00,000</b>
(b)	Issued		
	( No. of Shares 46,69,267 Current Year )	4,66,92,670	-
	( No. of Shares 46,69,267 Previous Year )	-	4,66,92,670
(c)	Subscribed & Fully Paid Up		
	( No. of Shares 46,69,267 Current Year )	4,66,92,670	-
	( No. of Shares 46,69,267 Previous Year )	-	4,66,92,670
(d)	Subscribed & not fully paid up		
		-	-
(e)	Par Value per Equity share Rs. 10/-		
	<b>Total Equity Share capital</b>	<b>4,66,92,670</b>	<b>4,66,92,670</b>
<b>B A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>			
<b>Equity Shares of Rs.10/- each, Fully paid up</b>			
	At the Beginning	46,69,267	46,69,267
	Issued during the year - Bonus Issue	-	-
	Issued during the year - Cash Issue	-	-
	Issued during the year - ESOP	-	-
	Forfeited / Bought Back during the year	-	-
	At the end	-	-
		<b>46,69,267</b>	<b>46,69,267</b>
<b>C Details of Shareholder holding more than 5% shares of the company:</b>			
(Equity Shares of Rs. 10 each Held By)			
		<b>No. of Shares</b>	
		<b>% of Share Holding</b>	
<b>Name of Shareholder</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>Current Year</b>
			<b>Previous Year</b>
(1) Viceroy Hotels Limited	46,69,627	46,69,627	100.00
			100.00
<b>NOTE NO. 2 : RESERVES AND SURPLUS</b>			
<b>RESERVES AND SURPLUS</b>			
<b>A) Surpuls :</b>			
	i) Opening Balance - Profit and Loss Account	(52,97,330)	(53,40,580)
	Add: Transfer from Profit & Loss Account	28,902	43,250
	<b>Total Reserves and Surplus</b>	<b>(52,68,428)</b>	<b>(52,97,330)</b>

Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2012

S.NO	PARTICULARS	AS ON 31-03-2012 (₹)	AS ON 31-03-2011 (₹)
<b>NOTE NO. 3 : LONG TERM BORROWINGS</b>			
	i) Un Secured Loans		
	From Others	3,60,70,732	3,60,70,732
	<b>Total Long Term Borrowings</b>	<b>3,60,70,732</b>	<b>3,60,70,732</b>
<b>NOTE NO. 4 : TRADE PAYABLES</b>			
	a) Trade Payables(creditors)	5,03,853	5,03,853
	<b>Total Trade Payables</b>	<b>5,03,853</b>	<b>5,03,853</b>
<b>NOTE NO. 5 : OTHER CURRENT LIABILITIES</b>			
	a) Statutory Liabilities	33,240	33,240
	<b>Total Other Current Liabilities</b>	<b>33,240</b>	<b>33,240</b>
<b>NOTE NO. 6 : TRADE RECEIVABLES</b>			
	<b>Other Receivables:</b>		
	Secured, Considered Good	55,207	55,207
	Unsecured, Considered Good	-	-
	<b>Total Trade Receivables</b>	<b>55,207</b>	<b>55,207</b>
<b>NOTE NO. 7 : CASH AND BANK BALANCES</b>			
	<b>Cash and cash equivalents :</b>		
	a) Balances with banks :		
	1) On Current Accounts	6,251	6,251
	b) Cash on hand	4,17,060	4,17,060
	<b>Total Cash and Cash Equivalents</b>	<b>4,23,311</b>	<b>4,23,311</b>
<b>NOTE NO. 8 : SHORT TERM LOANS AND ADVANCES</b>			
	<b>Secured, Considered Good</b>		
	Security Deposit	8,14,248	8,14,248
	Prepaid Expense	16,932	16,932
	TDS Receivable	43,716	43,716
	Advances Recoverable in Cash or in kind	7,66,49,751	7,66,49,751
	<b>Total Short Term Loans and Advances</b>	<b>7,75,24,647</b>	<b>7,75,24,647</b>



Notes To Financial Statements For The Year Ended March 31<sup>st</sup> 2012

S.NO	PARTICULARS	AS ON 31-03-2012 ( ₹ )	AS ON 31-03-2011 ( ₹ )
<b>NOTE NO. 9 : OTHER CURRENT ASSETS</b>			
	Unamortised Expenses	-	-
	Interest Accrued on Deposits	28,902	-
	<b>Total Other Current Assets</b>	<b>28,902</b>	<b>-</b>
<b>NOTE NO. 10 : OTHER INCOME</b>			
	Interest income	28,902	43,250
	<b>Total Other Income</b>	<b>28,902</b>	<b>43,250</b>

## Significant Accounting Policies

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 assets which are revalued. Both the income and expenditure items are recognized on accrual basis.

**(b) Taxes on income:**

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.

### Notes on Accounts

11. The other income received during the year is interest on Deposits.
12. The figures have been rounded off to the nearest rupee.

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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. 023412

Hyderabad

July 20, 2012

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**P CHAKRADHAR REDDY**

Director

Sd/-

**P. DIVYA REDDY**

Director

BOOK - POST

**Registered Office:**

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