



**P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

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## INDEPENDENT AUDITOR'S REPORT

To the Members of

**M/s. MINERVA ENTERPRISES PVT LTD**

**Report on the Audit of the Financial Statements**

### Qualified Opinion

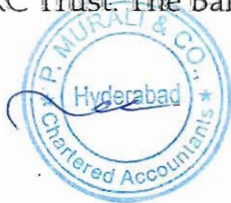
We have audited the financial statements of **M/s. MINERVA ENTERPRISES PVT LTD**("the company"), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss and statement of Cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, loss and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

We draw attention to Note no 16 of the financial statements. The company has defaulted in repayment of loans taken from Bank of India, Allahabad Bank, Andhra Bank and United Bank of India amounting to Rs. 190.94crores as per the books of account. All the loans have been classified as Non-Performing Assets by the lender banks. Further, the company has not provided Interest due on these borrowings from FY 2014-15 onwards till the current FY 2018-19 and the interest amount has not been quantified by the company. This is not in accordance with the Generally Accepted Accounting Principles.

Further, United Bank of India, Allahabad Bank and Andhra Bank have assigned all the rights, title and interests in financial assistances granted by them in favor of Edelweiss Asset Reconstruction Company Limited ("EARC"), acting in its capacity as Trustee of EARC Trust. The Balances due are subject to confirmation.





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We draw attention to Note no 18 of the financial statements. The company has made an investment of Rs. 6,25,000/- in M/s. Viceroy Hotels Limited which is in the Insolvency Resolution Process, as such the value of the investment cannot be ascertained.

**Capital Work-in-progress:** With respect to the capital work-in-progress amounting to Rs. 1,19,65,06,675/-, the company has not provided us with the valuation certificate, as such the value of the Capital Work-in-Progress cannot be ascertained.

We draw attention to note no. 20 of the Financial Statements. Advances recoverable (Asset) amounting to Rs. 94,09,27,202 /- and Unsecured Loans (Liabilities) amounting to Rs. 21,01,07,579 /- are subject to confirmation and reconciliation.

The above situations indicate the existence of material uncertainties which may cast significant doubt on the Company's abilities to continue as going concern. In the event that the going concern assumption of the company is inappropriate, adjustments will have to be made as not a going concern. However the financials have not been made with such adjustments for the F.Y 2018- 19.

#### **Management's Responsibility for the Financial Statements**

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





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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial Reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





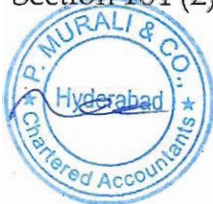
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### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we further report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, except for the matters mentioned in the Basis for Qualified Opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
  - e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses a Qualified Opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting, and
  - f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.





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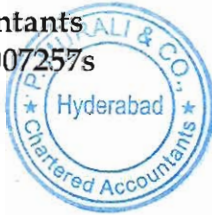
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g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has pending litigations as at 31st March 2019 which would impact the financial position and the same has been disclosed in its notes to financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For P. Murali & Co.,  
Chartered Accountants  
Firm's Regn.No:007257s

  
A. Krishna Rao  
Partner  
Membership No : 020085



Place: Hyderabad

Date: 25.06.2019



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**Annexure A to the Auditors Report**

**Annexure referred to in Independent Auditors Report to the Members of M/s MINERVA ENTERPRISES PVT LTD on the financial statements for the year ended 31<sup>st</sup> March 2019, we report that:**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) Fixed assets have been physically verified by the management at regular intervals, as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) As per the information and explanations and on the basis of our examination of records of the Company, the title deeds of the immovable property are held in the name of the Company.
- ii. The company has no Inventory. Accordingly, the provisions of this clause are not applicable to the Company.
- iii. As per the information and explanations given by the management, the Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has made investments in compliance with the provisions of Section 186. As per the information and explanations given by the management, the Company has not granted loans or provided any guarantee or security under sec. 185 and sec. 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of The Companies Act, 2013.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company has defaulted in repayment of the undisputed statutory dues of TDS amounting to Rs.40,60,931/-, which is outstanding for more than 6 months from the date they became payable.





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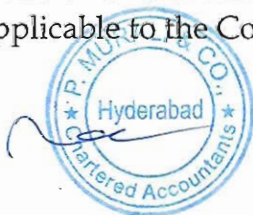
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(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax or any other material statutory dues, which have not been deposited on account of any disputes.

- viii. The company has defaulted in payment of dues to the banks for an amount of Rs.190.94 crores. The company has not provided interest on these loans from financial year 2014-15 onwards till the current financial year 2018-19, which has not been quantified by the company - refer to our basis for qualification of our audit report.

United Bank of India, Allahabad Bank and Andhra Bank have assigned all the rights, title and interests in financial assistances granted by them in favour of Edelweiss Asset Reconstruction Company Limited ("EARC")., acting in its capacity as Trustee of EARC Trust. The Balances due are subject to confirmation and reconciliation.

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the current financial year. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The company is a private limited company and hence the provision of Section 197 of Companies Act 2013 is not applicable to the company with regard to managerial remuneration.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The company is a private limited company and hence the provision of Section 177 of Companies Act 2013 is not applicable to the company. The Company has not entered transactions with related parties during the year as referred to Sec. 188. Hence this clause is not applicable to the company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.





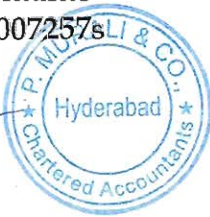
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- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P. Murali & Co.,  
Chartered Accountants  
Firm's Regn.No:007257s



A. Krishna Rao  
Partner  
Membership No : 020085

Place: Hyderabad

Date: 25.06.2019



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

### **Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')**

We have audited the internal financial controls over financial reporting of M/s **MINERVA ENTERPRISES PVT LTD** ('the company') as of 31<sup>st</sup> march 2019 in conjunction with our audit of financial statements of the company for the year ended on that date.

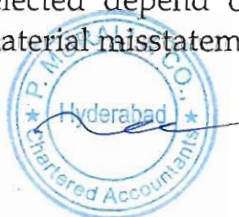
### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting ( the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.





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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





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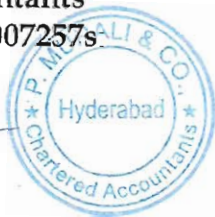
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### Qualified Opinion

In our opinion, the company has, except the matters stated in the "Basis of Qualified Opinion" section of our report, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For P. Murali & Co.,  
Chartered Accountants

Firm's Regn.No:007257s



A. Krishna Rao  
Partner

Membership No : 020085

Place: Hyderabad

Date: 25.06.2019

**Minerva Enterprises Private Limited**  
3-6-199/1, Himayat Nagar  
Hyderabad-500029  
**Balance Sheet as at 31-Mar-2019**

S.No	Particulars	Note No.	As at 31-Mar-2019	As at 31-Mar-2018
			Rs.	Rs.
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' Funds</b>			
	(a) Share Capital	2	51,67,600	51,67,600
	(b) Reserves and Surplus	3	1,58,36,812	1,74,68,675
2	<b>Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	4	1,78,93,26,651	1,80,53,25,254
	(b) Other Long Term Liabilities			
3	<b>Current Liabilities</b>			
	(a) Short-Term Borrowings		-	-
	(b) Trade Payables	5	1,15,110	1,15,110
	(c) Other Current Liabilities	6	33,01,95,981	33,01,95,981
	(d) Short Term Provisions	7	41,06,931	40,95,431
	<b>Total</b>		<b>2,14,47,49,085</b>	<b>2,16,23,68,051</b>
II.	<b>ASSETS</b>			
1	<b>Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	8	60,22,652	60,22,652
	(ii) Capital Work-in-Progress		1,19,65,06,676	1,19,63,73,373
	(b) Non-Current Investments	9	6,53,502	44,45,182
	(c) Long-Term Loans and Advances	10	94,09,27,202	93,92,24,544
2	<b>Current Assets</b>			
	(a) Cash and Cash Equivalents	11	1,70,394	1,63,02,301
	(b) Short-Term Loans and Advances			-
	(c) Other Current Assets	12	4,68,659	1,91,342
	<b>Total</b>		<b>2,14,47,49,085</b>	<b>2,16,23,68,051</b>

Significant Accounting Policies and Notes on Accounts 1  
The accompanying Notes are an Integral part of the Financial Statements

As per our report of even date

For P Murali & Co  
Chartered Accountants  
Firm Reg. No : 007257S

A. Krishna Rao  
Partner  
M No. 020085



For Minerva Enterprises Private Limited

P. Kameswari

P. Kameswari  
Director  
DIN:1587727

Govind Raj Devraj

Govind Raj Devraj  
Director  
DIN: 7526450

Place: Hyderabad  
Date: 25.06.2019

**Minerva Enterprises Private Limited**

3-6-199/1, Himayat Nagar

Hyderabad-500029

Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note No	Year Ending 31-03-2019	Year Ending 03-2018	31-
		Rs.	Rs.	
I. Revenue from Operations				-
II. Other Income	13	2,77,317		-
III. Total Revenue (I + II)		2,77,317		-
IV. Expenses:				
Other Operating Expenses				11,500
Administrative Expenses	14	11,500		-
Loss on sale of shares	15	18,97,680		-
Financial costs				-
Depreciation and amortization expense				-
Total Expenses		19,09,180		11,500
V. Profit before exceptional and extraordinary items and tax (III - IV)		(16,31,863)		(11,500)
VI. Exceptional Items		-		-
VII. Profit before extraordinary items and tax (V - VI)		(16,31,863)		(11,500)
VIII. Extraordinary Items		-		-
IX. Profit Before Tax (VII - VIII)		(16,31,863)		(11,500)
X. Tax expense:				
(1) Current tax				-
(2) Deferred tax				-
XI. Profit(Loss) from the period from Continuing Operations (VII - VIII)		-16,31,863		(11,500)
XII. Profit/ (Loss) from Discontinuing Operations		-		-
XIII. Tax expense of Discounting Operations		-		-
XIV. Profit/ (Loss) from Discontinuing operations (XII - XIII)		-		-
XV. Profit/ (Loss) for the period (XI + XIV)		-16,31,863		(11,500)
XVI. Earning per equity share:				
(1) Basic				
(2) Diluted				

Significant Accounting Policies and Notes on Accounts

1

The accompanying Notes are an Integral part of the Financial Statements

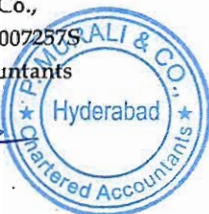
As per our report of even date

For P.Murali & Co.,

Firm Regn. No: 0072575

Chartered Accountants

*A. Krishna rao*  
A. Krishna rao  
Partner  
M No 020085



For Minerva Enterprises Private Limited

*P. Kameswari*

P. Kameswari  
Director  
DIN:1587727

*Govind Raj Devraj*

Govind Raj Devraj  
Director  
DIN: 7526450

Place : Hyderabad

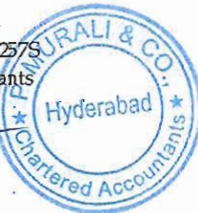
Date : 25-06-2019

Minerva Enterprises Private Limited.		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019		
Particulars	Current Year	Previous Year
	Amount in Rs.	Amount in Rs.
<b>I. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Taxation and extraordinary items	(16,31,863)	(11,500)
Adjustments for :-		
Depreciation		
Loss on Sale of Fixed Assets		
Loss on Sale of Shares	18,97,680	
Interest Expenses		
Interest Income	(2,77,317)	
Operating profit before working capital changes	(11,500)	(11,500)
Adjustments for :-		
(Increase) / Decrease in Trade Receivables		
(Increase) / Decrease in Inventory		
Increase / (Decrease) in Trade Payables		
Increase / (Decrease) in Other Current Liabilities		
Increase / (Decrease) in Short Term Provisions	11,500	37,000
Increase / (Decrease) in Short Term Borrowing		
(Increase)/Decrease in Other current assets	(2,77,317)	
(Increase) / Decrease in Short Term Loans & Advances		
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>		
Less : Income Tax Paid		
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	(2,77,317)	25,500
<b>II. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed Assets including Capital Work-in-Progress	(1,33,303)	(46,74,260)
Sale of fixed Assets		
Interest Income received	2,77,317	
Sale of Investments	3,94,000	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	5,38,014	(46,74,260)
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) Long Term Borrowings	(1,59,98,603)	(4,17,29,198)
Increase/(Decrease) Long Term Provisions		
(Increase)/Decrease Long Term Loans and Advances	(3,94,000)	4,62,80,642
Increase/(Decrease) in Shareholder's funds		
Interest and Financial charges paid		
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(1,63,92,603)	45,51,444
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,61,31,906)	(97,316)
Add : Opening balance of Cash & Cash equivalents	1,63,02,301	1,63,99,617
<b>Closing balance of Cash &amp; Cash equivalents</b>	1,70,394	1,63,02,301

As per our report of even date

For P.Murali & Co.,  
Firm Regn. No: 0072579  
Chartered Accountants

A. Krishna rao  
Partner  
M No 020085



For Minerva Enterprises Private Limited

P. Kameswari  
Director  
DIN:1587727

Govind Raj Devraj  
Director  
DIN: 7526450

Place : Hyderabad  
Date : 25.06.2019

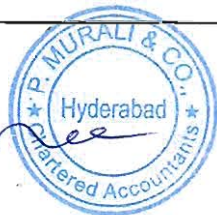
Notes to Financial Statements for the year ended March 31, 2019

NOTE NO.2: SHARE CAPITAL

Particulars	As on 31-03-2019 Rs.	As on 31-03-2018 Rs.
Equity Share Capital		
(a) Authorised		
( No. of Shares 5,00,000 Current Year )		
( No. of Shares 5,00,000 Previous Year )	1,50,00,000	1,50,00,000
	1,50,00,000	1,50,00,000
(b) Issued		
( No. of Shares 5,16,760 Current Year )	51,67,600	51,67,600
( No. of Shares 5,16,760 Previous Year )		
(c) Subscribed & Fully Paid Up		
( No. of Shares 5,16,760 Current Year )	51,67,600	51,67,600
( No. of Shares 5,16,760 Previous Year )		
(d) Subscribed & not fully paid up		-
(e) Par Value per share Rs. 10/-		
<b>Total Equity Share capital</b>	<b>51,67,600</b>	<b>51,67,600</b>
<b>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>		
Equity Shares of Rs.10/- Each, Fully paid up		
At the Beginning	5,16,760	5,16,760
Issued during the year - Cash Issue	-	-
Forfeited / Bought Back during the year	-	-
At the end	<b>5,16,760</b>	<b>5,16,760</b>
<b>Details of Shareholder holding more than 5% shares of the company:</b>	<b>% of Share Holding</b>	<b>% of Share Holding</b>
Equity Shares of Rs. 10/- each Held By		
Name of Shareholder	No. of Shares	
	Current Year	Previous Year
(1) Prabhakar Reddy	300,671	300,671
(2) Prem K.Chiruvolu	92,600	92,600
(3) Sarada Chiruvolu	91960	91960
	58	58.18
	18	17.92
	18	17.80

NOTE NO.3 RESERVES AND SURPLUS

Particulars	As on 31-03-2019 Rs.	As on 31-03-2018 Rs.
a) Securities Premium	1,66,10,400	1,66,10,400
b) Capital Reserve	6,60,690	6,60,690
c) Surplus	-14,34,278	1,97,585
<b>Total Reserves and Surplus</b>	<b>1,58,36,812</b>	<b>1,74,68,675</b>



**NOTE NO. 4 LONG TERM BORROWINGS**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
From banks		
Bank Of India	38,68,13,533	38,68,13,533
Andhra Bank	-	38,31,08,945
Allahabad Bank	-	47,16,60,031
United Bank of india	-	35,36,85,166
Secured	-	-
Term Loans		
Edelweiss [A B(TL)]	Note (1)	38,31,08,945
Edelweiss [(A LB(TL)]	Note (1) & Note (2)	-
Edelweiss [(UBI (TL)]	Note (1)	-
	35,36,85,166	-
village, Serilingampally, RR District, Hyderabad and Lease Hold rights on 2.44 Lakh sft built up space along with undivided share and hypothecation and other Miscellaneous Fixed Assets present and Future)		
Unsecured Loans		
From other parties	21,01,07,579	21,00,57,579
<b>Total Long Term Borrowings</b>	<b>1,78,93,26,651</b>	<b>1,80,53,25,254</b>

NOTE (1) Balance Outstanding in Term Loans in the Andhra Bank ,Allahabad Bank and United Bank Of India was taken over by Edelwiess Asset Reconstruction Company Limited ("EARC") ,acting in its capacity as trustee of EARC Trust-SC 153

(2) Balance in Allahabad Bank DSRA Account amounting Rs. 91,09,934/- and Allahabad Bank TRA Account amounting Rs.69,38,669/- i.e., total amounting to Rs. 1,60,48,603/- is adjusted to Allahabad Bank term loan account.

**NOTE NO. 5 TRADE PAYABLES**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
Trade Payables	1,15,110	1,15,110
<b>Total Trade Payables</b>	<b>1,15,110</b>	<b>1,15,110</b>

**NOTE NO. 6 OTHER CURRENT LIABILITIES**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
Interest Accrued and not due on Borrowings	33,01,95,981	33,01,95,981
<b>Total Other Current Liabilities</b>	<b>33,01,95,981</b>	<b>33,01,95,981</b>

**NOTE NO. 7 SHORT TERM PROVISIONS**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
TDS Payable	40,60,931	40,60,931
Audit Fee Payable	46,000	34,500
<b>Total Short Term Provisions</b>	<b>41,06,931</b>	<b>40,95,431</b>

**NOTE NO. 9 NON CURRENT INVESTMENTS**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
Investments in equity instruments		
Quoted , Fully Paid Up		
Viceroy Hotels Limited	6,25,000	29,16,680
Smifs Capital markets Limited	23,500	23,500
Unquoted , Fully Paid Up		
AP Mahesh Cooperative Bank Limited	5,002	5,002
PH Hotels Private Limited	-	15,00,000
<b>Total Non Current Investments</b>	<b>6,53,502</b>	<b>44,45,182</b>



**NOTE NO. 10 LONG TERM LOANS AND ADVANCES**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
Unsecured, considered good Advances recoverable in cash or in Kind	94,09,27,202	93,92,24,544
<b>Total Long Term Loans and Advances</b>	<b>94,09,27,202</b>	<b>93,92,24,544</b>

**NOTE NO. 11: CASH AND CASH EQUIVALENTS**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
Balances with banks		
-Earmarked Balances - TRA Account		69,38,669
-Security Against Borrowings - DSRA Account		91,09,934
-On Current Accounts	99,673	1,11,876
Cash on hand	70,722	1,41,822
<b>Total Cash and Cash Equivalents</b>	<b>1,70,395</b>	<b>1,63,02,301</b>

**Note No.12 OTHER CURRENT ASSETS**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
Advance Income Tax and TDS Receivables	2,19,074	1,91,342
Interest on Fixed Deposits	2,49,585	
<b>Total Other Current Assets</b>	<b>4,68,659</b>	<b>1,91,342</b>

**NOTE NO. 13 OTHER INCOME**

Particulars	As on 31-03-2019	93,92,24,544
	Rs.	Rs.
Interest on Fixed Deposits	2,77,317	-
<b>Total Other Income</b>	<b>2,77,317</b>	<b>-</b>

**NOTE NO. 14 ADMINISTRATIVE EXPENSES**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
Audit Fee	11,500	11,500
<b>Total Administrative Expenses</b>	<b>11,500</b>	<b>11,500</b>

**NOTE NO. 15 LOSS ON SALE OF SHARES**

Particulars	As on 31-03-2019	As on 31-03-2018
	Rs.	Rs.
Loss on Sale of Shares	18,97,680	-
<b>Total Loss on Sale of Shares</b>	<b>18,97,680</b>	<b>-</b>



**NOTE NO.8 FIXED ASSET**

Particulars	Gross Block		Depreciation		Net Block	
	AS AT 01.04.2018	Additions during the year	AS AT 31.03.2019	UP TO 31.03.2018 For the year	UP TO 31.03.2019	AS AT 31.03.2019 AS AT 31.03.2018
Building	73,48,800	-	73,48,800	-	13,60,398	59,88,402
Computer	34,250	-	34,250	-	-	34,250
<b>TOTAL</b>	<b>73,83,050</b>	<b>-</b>	<b>73,83,050</b>	<b>-</b>	<b>13,60,398</b>	<b>60,22,652</b>
Capital Working Progress	1,19,63,73,373	1,33,303	1,19,65,06,676			1,19,65,06,676



## **M/s. MINERVA ENTERPRISES PVT LTD**

### **SIGNIFICANT ACCOUNTING POLICIES:**

#### **a) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS:**

These financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the Historical Cost convention on the accrual basis except for certain financial instruments which are measured at Fair Values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### **b) REVENUE RECOGNITION:**

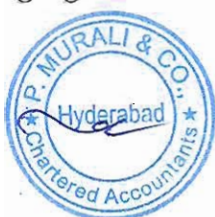
- 1) The Company follows the mercantile system of Accounting and recognizes Income and expenditure on accrual basis.
- 2) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

#### **c) PROVISIONS:**

Provisions are recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

#### **d) CASH FLOW STATEMENT:**

Cash flow statements are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



**e) INVESTMENTS:**

Investments are classified into Current and Long Term investments. Current investments are valued at lower of cost and fair value and Long-term investments are valued at cost of acquisition. Provision is made for decline, other than temporary in the value.

**f) TAXATION:**

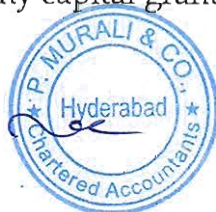
The current charge for income tax is calculated in accordance with the relevant regulations applicable to the company. Deferred tax asset or liability is recognized for future tax consequences attributable to the timing differences that result between profit offered for Income tax and the profit as per the financial statements. Deferred tax asset or liability is measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

**g) CAPITAL WORK IN PROGRESS:**

Capital work in progress is carried at cost and incidental and attributable expenses including interest and depreciation on fixed assets in use during construction are carried as part of "Expenditure During Construction Period, Pending Allocation" to be allocated on major assets on commissioning of the project. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

**h) FIXED ASSETS:**

Fixed Assets are stated at cost less depreciation. Project expenses/ Pre-operative expenses are capitalized to the respective asset heads on a proportionate basis. Any capital grant or subsidy received is reduced from the cost of eligible assets



**M/s. MINERVA ENTERPRISES PVT LTD****Notes to Accounts:**

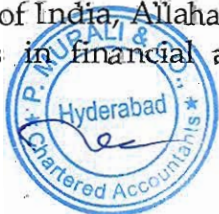
16. The Company has taken up a Five Star Hotel Project at Gachibowli Hyderabad at a Total project cost of INR 447.54crs. The company has approached Allahabad Bank, Bank of India, Andhra Bank and United Bank of India. The Loan was sanctioned by Banks under Consortium with Allahabad Bank as the Leader. The Joint documentation was done on 27.10.2009. The Repayment of the Term loan in 28 quarterly installments commenced from 30.04.2014

Thereafter due to changes in architectural, structural design and business model, as suggested by the operator, the project execution got delayed with consequent increase in the project cost. Meanwhile, the promoters have faced severe financial crunch due to economic downturn and slow down of their existing businesses and due to which the company has defaulted in payment of Interest and Installments. The Banks started recovery proceedings under SARFAESI Act during December-2014. Subsequently, the Operator exited from the Project. The Details of Loans sanctioned and released by banks are as under:

SNo	Bank	Term Loan Sanctioned (In Rs. Crs)	Date of Sanction	Term Loan Released (In Rs. Crs)	Interest Outstanding as per books of accounts. (Interest provided upto FY 2013-14)
1	Allahabad Bank	88.28	25.05.2009	38.68	8.70
2	Andhra Bank	75.00	18.03.2009	38.31	7.27
3	Bank of India	75.00	10.02.2009	45.56	7.06
4	United Bank of India	75.00	13.04.2009	35.37	9.98
		<b>313.28</b>		<b>157.93</b>	<b>33.01</b>

The company has defaulted in payment of dues to the banks. The company has not provided interest on these loans from financial year 2014-15 onwards till the current financial year 2018-19, which has not been quantified by the company .

17. United Bank of India, Allahabad Bank and Andhra Bank have assigned all the rights, title and interests in financial assistances granted by them in favor of Edelweiss Asset



Reconstruction Company Limited ("EARC"), acting in its capacity as Trustee of EARC Trust. The Balances due are subject to confirmation.

18. The company has made an investment of Rs. 6,25,000/- in M/s. Viceroy Hotels Limited which is in the Insolvency Resolution Process, as such the value of the investment cannot be ascertained.(Refer Note no.9)
19. The Company has not received any intimation from "Suppliers" regarding their status under Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosure if any, relating to the amount unpaid as at the year end together with interest paid/payable as required under the said act have not been given.
20. Advances recoverable amounting to Rs. 94,09,27,202 /- (Refer Note no.10) and Unsecured Loans amounting to Rs. 21,01,07,579 /- (Refer Note no.4) are subject to confirmation and reconciliation.
21. Auditors' Remuneration:

Particulars	31-03-2019 Rupees	31-03-2018 Rupees
Audit Fee	11,500/-	11,500/-

22. Previous years' figures are restated/regrouped/rearranged wherever necessary in order to confirm to the current years' grouping and classifications.
23. The company has not provided depreciation on fixed assets and consequently has not provided Deferred tax Liability/ Asset.
24. Figures have been rounded off to the nearest rupee.

#### SIGNATURE TO NOTES 1 To 24

As per our report of even date  
For P. Murali & Co.,  
Chartered Accountants  
Firm Registration No : 007257S

A. Krishna Rao

Partner

Membership No: 020085

Place : Hyderabad

Date :

For and on behalf of the Board  
M/s. MINERVA ENTERPRISES PVT LTD



Govind Raj Devraj

Director

DIN: 07526450



P. Kameshwari

Director

DIN: 01587727