

# **HOTEL RUGBY LIMITED**



**HOTEL & RESORTS**

**20th Annual Report  
Year Ended 31st March, 2011**

**BOARD OF DIRECTORS :**

<b>Shri Mahendra R. Thacker</b>	Managing Director
<b>Smt. Darshana M. Thacker</b>	Executive Director
<b>Shri Ashok M. Kadakia</b>	Director
<b>Shri V. P. Shah</b>	Director
<b>Shri Jyotindra Kapadia</b>	Director
Appointed w.e.f 01-02-2011	
<b>Shri Mihir Thacker</b>	Director
Resigned w.e.f. 29-8-2011	

**AUDITORS :**

**R. Kabra & Company**  
Chartered Accountants

**SOLICITORS :**

Law Charter

**BANKERS :**

Union Bank of India  
Axis Bank Ltd.

**REGISTERD OFFICE :**

6, Stadium House  
81/83, Veer Nariman Road,  
Mumbai - 400 020.  
Tel. : 2282 1721  
Fax : 2202 1090

<b>C O N T A N T S</b>
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**REGISTRAR & SHARE TRANSFER AGENTS :**

M/s. Link Intime India Pvt. Limited.  
C/13, Pannalal Silk Mills Compound,  
L. B. S. Marg,  
Bhandup (W), Mumbai - 400 078.  
Tel. : 2596 3838



**HOTEL RUGBY LIMITED  
NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 20<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF HOTEL RUGBY LIMITED WILL BE HELD ON WEDNESDAY, THE 28<sup>TH</sup> SEPTEMBER, 2011 AT 3.00 P.M. AT MAHARASHTRA CHAMBERS OF COMMERCE TRUST, 6<sup>TH</sup> FLOOR, DAHANUKAR HALL, ORICON HOUSE, MAHARASHTRA CHAMBERS OF COMMERCE PATH, FORT, MUMBAI – 400 001, TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as on 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Ashok Kadakia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and authorise the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Jyotindra Kapadia who was appointed as an Additional Director of the Company on 1<sup>st</sup> February, 2011 and holds office till the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation.”

**By Order of the Board  
For HOTEL RUGBY LIMITED,**

**MAHENDRA R.THACKER**  
Managing Director

Registered Office:  
6, Stadium House,  
81/83, Veer Nariman Road,  
Churchgate, Mumbai 400020.

**Place:** Mumbai  
**Date:** 29.08.2011

**NOTES:**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Register of Transfers will remain closed from 27<sup>th</sup> September, 2011 to 28<sup>th</sup> September, 2011 (both days inclusive).
3. Members are requested to intimate any change in their address to the Company and Share Transfer Agents- M/s. Link Intime India Pvt. Ltd. (Formerly M/s. Intime Spectrum Registry Ltd.), C/13, Pannalal Silk Mill Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078 at the earliest quoting their Folio Numbers.
4. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 8 days before the date of the meeting so that the information required may be made available at the meeting.
5. The relevant details of directors seeking appointment/re-appointment under Item No. 2 and 4 above, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges are given under the Corporate Governance Report.
6. Members are requested to bring the copy of Annual Report sent to them.
7. In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs vide its Circular No 17/2011 dated 21.04.2011, all members who are holding shares of the Company in physical mode, are requested to register their e-mail IDs, so as to enable the Company to send all notices/reports/documents/intimations and other correspondence etc. through e-mails, in the electronic mode instead of receiving physical copies of the same. For registering your email ID, kindly send your email ID details to rugbyhotel@rediffmail.com. Members holding shares in Demat mode, who have not registered their e-mail IDs with DPs, are requested to register/update their email IDs with their DPs.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956  
ITEM NO. 4 :**

Mr. Jyotindra Kapadia was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 1<sup>st</sup> February, 2011. Pursuant to Section 260 of the Companies Act, 1956, Mr. Jyotindra Kapadia holds office only up to the Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member alongwith deposit of Rs. 500/- signifying his intention to propose Mr. Jyotindra Kapadia as a candidate for the office of Director.

The appointment of the Director requires the approval of the shareholders in General Meeting by way of an ordinary resolution.

None of the Directors except Mr. Jyotindra Kapadia, is in any way concerned or interested in the above resolution.

**Registered Office:**

6, Stadium House,  
81/83, Veer Nariman Road,  
Churchgate, Mumbai 400020.

**Place:** Mumbai

**Date:** 29.08.2011

**By Order of the Board  
For HOTEL RUGBY LIMITED,**

**MAHENDRA R.THACKER**  
Managing Director



### DIRECTORS' REPORT

Your Directors hereby present the 20<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2011.

#### **FINANCIAL RESULTS:**

The figures of the current accounting year are summarized below:

<b>Particulars</b>	<b>For the Year ended 31.03.2011 (Rs. in Lacs)</b>	<b>For the Year ended 31.03.2010 (Rs. in Lacs)</b>
Sales and Other Income	36.89	28.82
Profit Before Interest, Tax And Depreciation	21.74	13.22
Interest	0	1.72
Profit Before Exceptional Items & Tax	21.74	11.50
<b>Less :- Exceptional Item</b> Prior Period Expenses	2.14	0.00
<b>Add :- Exceptional Income</b> Sundry deposit provided earlier written back	50.00	0
Profit Before Tax	69.60	11.50
<b>Less :- Provision for Taxation</b>	0	1.80
Net Profit After Tax	69.60	9.70
Less: Short Provision for Income Tax earlier year	1.63	0.03
Add: Deferred Tax Reversed of earlier year	0	1.54
	67.97	11.21
Loss Brought forward	(3723.96)	(3735.17)
Profit/(Loss) Available for Appropriation	(3655.99)	(3723.96)
Profit/(Loss) Brought Forward		

#### **APPROPRIATIONS:**

Transfer to General Reserve	NIL	NIL
Proposed Dividend	NIL	NIL
Balance Carried To Balance Sheet	(3655.99)	(3723.96)

**DIVIDEND:**

In view of the accumulated losses of the earlier years, your Directors express their inability to declare any dividend for the year under review.

**OPERATIONS:**

The Company has not carried out any Business activity during the year. Your Directors are considering various avenues & options for the activities to be undertaken. The Company has earned the income by way of Interest & Dividend.

**PUBLIC DEPOSITS:**

The Company has neither invited nor accepted any Public Deposit within the meaning of the Section 58A of the Companies Act, 1956 and rules made thereunder, during the year under review.

**OBSERVATIONS IN THE AUDITORS REPORT:**

With regard to point 4 (f) (1) pertaining to accounts prepared on going concern basis the Board wishes to state that the Company has sold majority of its fixed assets and settled liabilities towards Bank(s). Out of the Balance amount left, the Company is considering various options for the revival of the business. Company has therefore prepared accounts on going concern basis.

With regard to point 4 (f) (2) pertaining to the Share Capital of the Company, the Board wishes to state that Schedule I has given full details. As regards non-verification of investments, the same is certified by the management.

The other observations, if any, made by the Auditors in their Audit Report have been duly clarified and explained either in the Report or in the relevant notes forming part of the Annual Accounts, which are self explanatory and do not need any further clarification.

**AUDITORS:**

The Auditors **M/s R. Kabra & Co.**, Chartered Accountants, Mumbai, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. You are requested to consider their re-appointment and authorise the Board of Directors to fix their remuneration.

**SUBSIDIARY COMPANIES:**

The Company has two subsidiaries viz. Polar Finance Limited and Jai Thackers Land Development Limited.

A statement pursuant to Section 212 of the Companies Act, 1956 in respect of these subsidiaries is appended to the Balance Sheet. In terms of General Circular No.2/2011 dated 8<sup>th</sup> February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the annual accounts and other reports specified in Section 212(1) in respect of the subsidiary companies have not been attached to the Balance Sheet. Financial Information of the subsidiary Companies is disclosed in the Annual Report. The Company will make available these documents/details to the members of the Company and the Subsidiary Companies



upon request made in this regard to the Company. The Annual Accounts of the subsidiary Companies will also be kept for inspection by any member of the Company at its Registered Office and at the Registered Office of the concerned subsidiary company.

In accordance with the requirements of Accounting Standard AS-21 prescribed by the Institute of Chartered Accountants of India, the Consolidated Financial Statements of the Company and its subsidiaries is annexed to this Annual Report.

**PARTICULARS OF EMPLOYEES:**

During the year under review, as there were no employees on the payroll of the Company, drawing salary/remuneration of Rs.2,00,000 p.m or more, information pertaining to Section 217 (2A) of the Companies Act, 1956 is not applicable.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ashok Kadakia retires by rotation and being eligible offers himself for re-appointment.

During the year, Mr. Jyotindra Kapadia was appointed as an Additional Director w.e.f 01.02.2011. Pursuant to Section 260 of the Companies Act, 1956, Mr. Jyotindra Kapadia holds office only up to the Annual General Meeting. The appointment of the Director requires approval of the shareholders in General Meeting by way of ordinary resolution.

Mr. Mihir Thacker resigned from the Board w.e.f 29.08.2011. The Board wishes to place on record its appreciation for services rendered by him during his tenure.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Board states

- (a) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures.
- (b) That the Directors had selected such accounting policies and applied them consistently and made 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 on 31<sup>st</sup> March, 2011 and of the Profit/Loss of the Company for the year under review;
- (c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities;
- (d) That the Directors had prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE:**

A separate report on Corporate Governance has been incorporated as a part of this report along with a certificate from Auditors of the Company, which is annexed thereto.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

The company's assessment performance for the period ended 31.03.2011 and the outlook for the current year are based on the current environment and business situation. However, unforeseen circumstances and those arising from external factors could affect the performance and the results.

**(i) Industry Structure and Business Overview:**

The Company sold/transferred its assets & investments & paid all Banks through OTS their dues during the previous year & now looking for new avenues of business.

**(ii) Opportunities and Threats:**

Previously, the Company was engaged in the business of Hotels providing catering services and preparing and selling of sweets and savories.

**(iii) Risk Management:**

In the absence of any Foreign Transactions, the monitoring and corrective actions carried out by the Company are in accordance with the size of the business.

**(iv) Segment-wise Performance:**

Since the last three years, there is no business segment except Company earning other income

**(v) Financial & Operational Performance**

The Board is considering various options for revival of business, either for Joint Venture or strategic partnership with suitable partner in the business of the Company. Meanwhile, the Company has invested its surplus funds in various Mutual Funds.

**(vi) Internal Control Systems:**

The Standard Operating Policy, Procedures and Guidelines are issued from time to time to achieve best Practices for adequate control in regard to operations of the Company.

Comprehensive internal audit is also carried out by an independent internal auditor to ensure Compliance and identify weaknesses in the system.

**(viii) Human Resources & Industrial Relations:**

The industrial relations continued to be harmonious and cordial providing an atmosphere conducive to sustenance of growth and enhancement of value for shareholders. In view of the sale of Hotel, there are no employees in the Company.

**(ix) Health and Safety:**

Adequate safety measures have been taken at all the Places of Businesses. Highest standard of hygiene is maintained while preparing food items.

**(x) Conclusion:**

The Company is hopeful to break through into new business and is looking various avenues for the same.

**(xi) Cautionary Statement:**

Some of the statements contained within this report may be forward looking in nature and may involve risks and uncertainties. Actual Result and Outcomes in future may vary materially from





those discussed herein. Factors that may cause such variances include, but are not limited to management of growth, market acceptance of Company's product and services, risk associated with new product version, dependence on third party relationship and the activities of competitors.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

##### **(A) CONSERVATION OF ENERGY:**

Energy Conservation remained an area of priority for the Company. Selective replacement of obsolete equipments has enabled the Company to achieve reduction in energy consumption.

**Since your Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.**

##### **(B) TECHNOLOGY ABSORPTION:**

The activities of the Company do not involve any technology absorption or expenditure on research and development.

##### **(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	<b>31.03.2011</b>	<b>31.03.2010</b>
Foreign Exchange Earnings	Rs. NIL	Rs. NIL
Foreign Exchange Outgo	Rs. NIL	Rs. NIL

#### **APPRECIATION:**

Your Directors wish to place on record their appreciation for the wholehearted co-operation received from Shareholders and Bankers of the Company.

**For and On behalf Of the Board**

**Date** : 29.08.2011

**Place** : Mumbai

**Mr. Mahendra Thacker**

Managing Director

#### **Regd. Office:**

6, Stadium House  
81/83 Veer Nariman Road  
Mumbai - 400 020.

**Mrs. Darshana Thacker**

Executive Director



## REPORT OF THE AUDITORS ON CORPORATE GOVERNANCE

To the Members,  
HOTEL RUGBY LIMITED,

We have examined the compliance of conditions of Corporate Governance by HOTEL RUGBY LIMITED for the year ended 31<sup>st</sup> March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances are pending for a period of one month against the Company as per the records maintained by the Shareholders/ Investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Mumbai**

**Date: 29<sup>th</sup> August, 2011**

**For R. KABRA & Co.,**  
Chartered Accountants

**(R. L. KABRA)**  
Partner  
M. NO. 16216  
Firm Reg. No.104502W

## Corporate Governance

Pursuant to Clause 49 of the listing agreement a Report on Corporate Governance is given below :

### 1. Company's Philosophy on Corporate Governance:

The Company is committed to maintain highest level of Corporate Governance with transparency and corporate accountability in its actions and operations and to become a good corporate citizen.

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the activities of the organization keeping in mind the interests of shareholders and the society.

### 2. Board of Directors:

- (a) **As on 31.03.2011, Board consisted of Two Executive Directors, One Non-Executive Director and three Non-Executive Independent Directors. Thus, the Board comprises of majority of Non-Executive Directors.**

Name of Directors	Category	No. of outside Directorship and Committee Membership in domestic public companies. #			
		Other Directorships		Committee Memberships	
		As a Member	As a Chairman	As a Member	As a Chairman
Mr. Mahendra R. Thacker	Executive	2	2	Nil	Nil
Mrs. Darshana M. Thacker	Executive	2	Nil	Nil	Nil
Mr. Ashok M. Kadakia	Non-Executive Independent	4	1	1	Nil
Mr. V. P. Shah	Non-Executive Independent	1	Nil	Nil	Nil
Mr. Mihir Thacker	Non-Executive	2	Nil	Nil	Nil
* Mr. Jyotindra Kapadia	Non-Executive Independent	Nil	Nil	Nil	Nil

\* Mr. Jyotindra Kapadia was appointed by the Board as an Additional Director w.e.f . 01.02.2011

### NOTES:

- (a) Attendance of Directors at Board Meetings and last Annual General Meeting  
The Board of the Company met six times during the year on the following dates viz. 30/04/2010, 01/06/2010, 31/07/2010, 31/08/2010, 30/10/2010 and 31/01/2011.

The Company placed before the Board the annual operating plans, various other information, including those specified under Annexure 1 of the Listing Agreement, from time to time.

**The attendance at the Board Meetings and the Last Annual General Meeting (29.09.2010) were as under:**

Name of the Director	Business relationship with the Company	Attendance Board Meeting	AGM
Mr. Mahendra R. Thacker	Promoter	6	Yes
Mrs. Darshana M. Thacker	Promoter's Family	6	Yes
Mr. Ashok M. Kadakia	None	6	Yes
Mr. V. P. Shah	None	6	Yes
Mr. Mihir Thacker	Promoter's Family	0	No
Mr. Jyotindra Kapadia	None	0	N. A

**(b) Remuneration of Directors:**

Details of remuneration paid to Directors for the year ended 31<sup>st</sup> March, 2011 are as follows:

Name of the Director	Loans & Advances from the Company	Sitting Fees	Salary & perquisites	Commission	Total
Mr. Mahendra R. Thacker	Nil	Nil	Nil	Nil	Nil
Mrs. Darshana M. Thacker	Nil	Nil	Nil	Nil	Nil
Mr. Ashok M. Kadakia	Nil	Nil	Nil	Nil	Nil
Mr. V. P. Shah	Nil	Nil	Nil	Nil	Nil
Mr. Mihir Thacker	Nil	Nil	Nil	Nil	Nil
Mr. Jyotindra Kapadia	Nil	Nil	Nil	Nil	Nil

In view of carried forward losses, none of the Directors charged any fees during the year.

**(c) Code of Conduct:**

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. All the Members of the Board have affirmed the Compliance with the Code on annual basis.



## II. Audit Committee:

During the year, there was re-constitution of Audit Committee. Mr. V. P Shah was appointed as Chairman in place of Mr. Ashok Kadakia. and Mr. Mahendra Thacker joined the Committee while Mr. Mihir Thacker resigned from the Committee.

1. The Audit Committee is consisting of following Directors:

Name	Designation	Non-executive / Independent
Mr. V. P. Shah	Chairman	Independent
Mr. Mahendra Thacker	Member	Executive
Mr. Ashok M. Kadakia	Member	Independent

2. During the year under review 5 meetings were held on 30.04.2010, 31.07.2010, 31.08.2010, 30.10.2010 and 31.01.2011 respectively.

### Role of Audit Committee:

The Role of Audit Committee shall include the following:

1. Oversight of the company's Financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board. The appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditor for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statement before submission to the board for approval. With particular reference to :
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in term of Clause (2AA) of section 217 of the Companies Act, 1956
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statement arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party audit report.
  - g) Qualification in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing. With the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function. if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.



10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern. .
11. To look into the reasons for substantial defaults in repayment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.  
Explanation (i) : The term "related party transaction " shall have the same meaning as contained in the Accounting Standard 18, Related Party Transaction. Issued by The Institute of Chartered Accountants of India.

Explanation (ii) : If the company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

#### **Review of Information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and result of operations.
2. Statement of significant related party transaction (as defined by the audit committee), Submitted by management;
3. Management letters/letters of internal control weakness issued by the statutory auditors;
4. Internal audit reports relating to internal control weakness; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

#### **4. Remuneration Committee:**

During the year, there was re-constitution of Remuneration Committee. Mr. V. P Shah was appointed as Chairman in place of Mr. Ashok Kadakia. and Mr. Mahendra Thacker joined the Committee while Mr. Mihir Thacker resigned from the Committee.

The Remuneration Committee is consisting of following Directors:

<b>Name of Director</b>	<b>Designation</b>	<b>Non-executive/ Independent</b>
Mr. V.P.Shah	Chairman	Independent
Mr. Mahendra Thacker	Member	Executive
Mr. Ashok M. Kadakia	Member	Independent

None of the Directors are paid any fees or remuneration during the year. There are two Wholetime Directors i.e. Managing Director and Executive Director without any remuneration, commission and perquisites.



#### 5. Share Transfer and Investors Grievances Committee:

The Share Transfer and Investors' Grievance Committee comprised of 3 Directors viz. Mr. Ashok M. Kadakia, as Chairman, Mr. Mahendra R. Thacker and Mrs. Darshana M. Thacker as Members. The Committee reviews the status of Investor Grievances and recommends measure to improve the Investor Services.

During the Year under review, the Share Transfer Committee and Investor Grievance Committee met twice during the year on 30.04.2010 and 30.10.2010 to address the Investors Grievances & expedite the Share Transfer process.

To expedite the transfer process in the physical segment, authority has been delegated to the Share Transfer Committee, which comprises of Mr. Mahendra R. Thacker, Managing Director and Mrs. Darshana M. Thacker, Executive Director.

- (1) Mr. Mahendra R. Thacker Managing Director of the Company is the Compliance Officer.
- (2) No. of Shareholders complaints received – 1
- (3) No. of Complaints solved to the satisfaction of shareholders - 1
- (4) No. of complaints not solved to the satisfaction of shareholders - NIL
- (5) No. of pending Complaints – NIL

#### 6. General Body Meeting :

Annual General Meeting (AGM)	Date	Time	Venue	Special Resolution passed
17 <sup>th</sup> AGM	27 <sup>th</sup> June 2008	10.30a.m.	M.C.Ghia Hall, Bhogilal Hargovindas Bldg, 18/20, K Dubhash Marg,, Mumbai- 400001.	NIL
18 <sup>th</sup> AGM	24 <sup>th</sup> September 2009	11.00 a.m.	Maharashtra Chambers of Commerce Trust, 6 <sup>th</sup> Floor, Oricon House, Maharashtra Chambers of Commerce Path, Fort, Mumbai – 400 001.	NIL
19 <sup>th</sup> AGM	29 <sup>th</sup> September 2010	11.00 a.m.	Maharashtra Chambers of Commerce Trust, 6 <sup>th</sup> Floor, Oricon House, Maharashtra Chambers of Commerce Path, Fort, Mumbai – 400 001.	NIL

No Special Resolution was required to be put through Postal Ballot Last year. No Special Resolutions on the matters requiring Postal Ballot are placed for Shareholders' approval at this Meeting.

## 7. Disclosures:

No transaction of material nature has been entered into by the Company with Directors or Management and their relatives, etc. that may have a potential conflict with interest of the Company. The Register of Contracts containing transactions in which Directors are interested is placed before the Board regularly.

During the year, there has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, during the year the question of penalties or strictures being imposed by SEBI or The Stock Exchanges does not arise. However, BSE had suspended the trading of share of company for non payment of yearly fees which has since been paid. The Company has complied from time to time the minor queries raised by SEBI/ Stock Exchanges during the year.

## 8. Means of Communication

- |   |   |  |
|---|---|--|
| 1. Whether half yearly report sent to Share holders                 | : | No. As the quarterly results Of the Company are published in Newspapers.     |
| Newspapers in which Quarterly Results are Published                 | : | 1. The Free Press Journal (English)<br>2. Navshakti (Marathi)                |
| Website if any at which results are published                       | : | NIL  |
| The presentation made to Institutional investors or to the Analysts | : | No presentation has been made to institutional investors or to the analysts. |

## 9. General Shareholder Information:

- |                              |   |  |
|------------------------------|---|--|
| a) Annual General Meeting    | : |  |
| Date and Time                | : | 28 <sup>th</sup> September, 2011 at 3.00 p.m   |
| Venue                        | : | Maharashtra Chambers of Commerce Trust,<br>6 <sup>th</sup> Floor, Dahanukar Hall, Oricon House,<br>Maharashtra Chambers of Commerce Path,<br>Fort, Mumbai – 400 001. |
| b) Financial Year            | : | 1 <sup>st</sup> April to 31 <sup>st</sup> March  |
| c) Book Closure Date         | : | 27 <sup>th</sup> September 2011 to 28 <sup>th</sup> September 2011 (both days inclusive)   |
| d) Dividend Payment Date     | : | Not Applicable   |
| e) Listing on Stock Exchange | : | National Stock Exchange of India Ltd<br>Bombay Stock Exchange Ltd - <b>Suspended</b>   |
| f) Stock Code                | : | National Stock Exchange – HOTELRUGBY<br>The Stock Exchange, Mumbai – 526683  |
| g) Payment of Listing Fees   | : | BSE – Paid upto Financial Year 2011-12<br>NSE - Paid upto Financial Year 2011-12   |





h) ISIN : INE275F01019

i) Market Price Data: High, Low during each month in last financial year

Months (2010 - 11)	High	Low
April 2010	7.55	6.30
May 2010	13.45	6.30
June 2010	9.60	7.65
July 2010	10.65	9.05
August 2010	12.30	9.35
September 2010	15.45	10.65
October 2010	12.00	10.15
November 2010	12.20	9.70
December 2010	11.45	9.85
January 2011	13.10	10.00
February 2011	12.50	9.90
March 2011	11.75	10.25

j) Registrar & Transfer agents: M/s. Link Intime India Pvt. Ltd.  
C/13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West)  
Mumbai – 400 078  
Tel No. : 2596 3838

k) Share Transfer System: Share transfer in physical form can be lodged with M/s. Link Intime India Pvt. Ltd., at the above-mentioned address.

l) Distribution of Shareholding as on 31<sup>st</sup> March, 2011

Slab of Shareholding No of Equity Shares	No of Equity Shareholders	% to Total No. of	No. of Shares Held	% to % to Total Shares held
1 - 500	7660	88.67	1433982	10.01
501 - 1000	575	6.65	494170	3.45
1001 - 2000	235	2.72	367456	2.57
2001 - 3000	63	0.73	161951	1.13
3001 - 4000	30	0.35	112326	0.78
4001 - 5000	19	0.22	88973	0.62
5001 - 10000	38	0.44	251049	1.75
10001 onwards	19	0.22	11412893	79.69
<b>Total</b>	<b>8639</b>	<b>100.00</b>	<b>14322800</b>	<b>100.00</b>



According to Categories of Shareholders as on 31<sup>st</sup> March, 2011.

Categories	Number of Shares	Amount (In Rs.)	%
Promoters, Directors, Relatives of Directors & Associated Companies	10597112	105971120	73.99
Clearing Member	17445	174450	0.12
Other Bodies Corporate	712660	7126600	4.9757
Nationalised Banks	700	7000	0.0049
Foreign Holdings	237610	2376100	1.6589
Public	2757273	27572730	19.2509
<b>Total</b>	<b>14322800</b>	<b>143228000</b>	<b>100</b>

m) Dematerialisation of Shares and Liquidity:

The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Security (India) Limited (CDSL) and Equity Shares of the Company are available for dematerialisation with effect from 26<sup>th</sup> March, 2002. As on 31<sup>st</sup> March, 2011, 89.32 % of the Company's Share Capital is dematerialized.

n) Outstanding GDRs/ADRs/Warrants: There are no outstanding convertible warrants or instruments or any convertible instruments

o) Plant locations (Resort) : NIL

p) Address for Correspondence : **Registered Office:**  
6, Stadium House,  
81/83, Veer Nariman Road,  
Churchgate, Mumbai 400020.

**RTA's Address:**

M/s. Link Intime India Pvt. Ltd.  
(Formerly M/s. Intime Spectrum Registry Ltd.)  
C/13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West)  
Mumbai – 400 078.  
Tel : 2596 3838

q) Particulars of Directors seeking appointment/ re-appointment:



1) Mr. Ashok M. Kadakia is a Commerce Graduate having good exposure in the field of business and industry. He is the Director of the following Companies:

<b>Name of the Company Committee</b>	<b>Designation / Membership of Board /</b>
Emmessar Biotech Nutrition Ltd.	Chairman
Ashok Cellulose Ltd	Director
Ashapura Minechem Ltd	Director
Ashok Pharmaceuticals Pvt. Ltd	Director
Kumaka Industries Ltd.	Director
Aqua-Alco Bio-tech Pvt. Ltd.	Director
Kadakia Alkalies & Chemicals Ltd	Director
Mahagujarat Chamunda Cement Co. Pvt. Ltd.	Director
Ashok Organics Industries Ltd.	Director

2) Mr. Jyotindra Kapadia was appointed by the Board w.e.f 01.02.2011 as an additional director of the Company. The brief resume, experience, functional expertise and membership on various Boards and Committees of the Directors proposed to be appointed as mentioned in Item No. 4 of the Notice as per Corporate Governance code defined under Clause 49 of the Listing Agreement are furnished below:

Name	Mr. Jyotindra Kapadia
Age	68 Years
Date of Appointment	01.02.2011
Experience	He was in textiles business since 1965 and had a processing House for Textiles at Surat, He has good knowledge for business and had also dealt in Export Import for textiles.
Qualification	B. Sc
List of other Directorships	Nil
Membership/ Chairman of Committees of the other Companies	Nil

He is not on the Board of Directors of any other Companies.



**CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY**

The CEO and CFO Certification of the Financial Statements and Cash Flow Statement for the year are obtained.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:**

**DECLARATION**

I, Mr. Mahendra R. Thacker, Managing Director of Hotel Rugby Limited, hereby declare that all the members of the Board of Directors and the Senior Managerial personnel have affirmed Compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchange, for the year ended 31.03.2011.

For **Hotel Rugby Limited**

Mumbai  
Date: 29<sup>th</sup> August, 2011

**Mahendra R. Thacker**  
**Managing Director**



## AUDITOR'S REPORT

### TO THE MEMBERS OF HOTEL RUGBY LIMITED

1. We have audited the attached Balance Sheet of **HOTEL RUGBY LIMITED** as at 31<sup>st</sup> March 2011 and its Profit & Loss Account and the Cash Flow Statement for the year ended on that date attached thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 & its amendments thereto, we enclose herewith in the annexure a statement on the matter specified therein.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - (a) 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;
  - (b) 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 the books;
  - (c) The Balance Sheet, the Profit and Loss account and the Cash Flow Statement referred to in this report are in agreement with the books of account;
  - (d) In our opinion, the profit and loss account, the balance sheet and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956;
  - (e) According to information and explanations given to us and on the basis of written representations from the Directors of the company, taken on record by the Board Of Directors, **three Directors of the company are disqualified from being appointed as a Director of the company under section 274 (1) (g) of the Companies Act, 1956 as at 31<sup>st</sup> March, 2011 (since two of the subsidiaries (Public Companies) where they are directors have earlier not filed the annual accounts and annual return for continuous previous three financial years which were filed delayed subsequent to the due date and the disqualification continues for a period of five years since the year ended 31<sup>st</sup> March 2009)**
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, **subject to :**



SR.NO.	PARTICULARS
1	<b>Note No. (I) (b) (ii) regarding major fixed assets are sold and accounts are prepared on going concern concept.</b>
2	<b>Note under schedule 1 for share capital regarding equity share issued for consideration other than cash and schedule 4 for investments including non-verification.</b>

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 Balance Sheet, of the State of Affairs of the company as at 31<sup>st</sup> March, 2011.
- b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For R.KABRA & Co.**  
Chartered Accountants

**Place : MUMBAI**  
**Date : 29-8-2011**

**R.L.KABRA**  
Partner  
M No : 16216  
Firm Reg.No.104502W



## Hotel Rugby Limited

### Annexure referred to in Paragraph 3 of our report of even date of M/s. Hotel Rugby Limited for the year ended 31<sup>st</sup> March 2011.

On the basis of such checks of the books and records as we considered appropriate and the information and explanations given to us during the course of the audit, we state as under:

- (i) (a) There are no fixed assets of the company and therefore the question of maintaining proper records showing full particulars, including quantitative details and situation of fixed assets does not arise.
- (b) Since there are no fixed assets, the question of its physical verification and discrepancies with book records does not arise.
- (c) Fixed Assets have been disposed off fully during the earlier years, **thus the going concern concept of the company effected**
- (ii) In our opinion and according to the information and explanation given to us the company do not have any inventories during the current year and thus clause ii(a) pertaining to physical verification, clause ii(b) pertaining to procedure of physical verification and clause ii(c) regarding maintenance of proper record of inventories are not applicable.
- (iii)(a) In our opinion and according to the information and explanation given to us the company has granted unsecured loans, to companies, firms or other parties covered in the register maintained under section 301 of the Act, The number of party is one. The Maximum Balance during the current year is Rs.48,94,000/- and the closing balance as on year end is Rs 25,60,000/-.
- (b) We have been explained that above loan is in the nature of **business advance / deposit and are interest free. Except this**, it is not prejudicial to the interest of the company and other terms & conditions of the loans are as per the prevailing norms.
- (c) As explained to us, receipt of the principal amount and interest if any are on demand basis **& question of regularity cannot be ascertained therefore.**
- (d) As explained to us, the amount is receivable on demand basis, so the question of overdue amount does not arise.
- (e) Clause no iii (e), iii (f) and iii (g) is not applicable since the company has not taken unsecured loans, from companies, firms or other parties covered in the register maintained under section 301 of the Act during the current year.



- (iv) In our opinion and according to the information and explanation given to us by the management, the internal control systems are adequate with the size of the company and the nature of its business and there are no purchase of inventory and fixed assets and sale of goods and services during the year except other Income.
- (v) (a) As explained to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered **however updation is required ;and**
- (b) There are no transactions relating to purchase therefore clause v(b) is not applicable.
- (vi) There are no public deposit and therefore the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under are not applicable.
- (vii) According to the information and explanation given to us, **the company has an Internal audit system, through internal controls which is** commensurate with the size of the company and nature of its business
- (viii) To the best of our knowledge and as explained to us, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of section 209 of the Act.
- (ix) (a) There are no arrears for outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the company examined by us, there are no arrears as on 31.03.2011 of the disputes taxes except that various assessments under Income Tax and Service Tax are pending finalization.
- (x) There are accumulated losses at the end of the financial year which are more than fifty percent of the net worth. The company has not incurred any cash loss in the current financial year neither in the immediately preceding financial year after appropriation items.
- (xi) Clause xi is not applicable since there are no secured loans during the current year.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
- (xiv) The company is not dealing or trading in shares, securities, debentures and other Investments and as explained by the company and relied upon by us, the shares and other investments have been held by the company, in its own name unless otherwise stated.
- (xv) On the basis of the information and explanation given to us and records produced before us, the company has not given any guarantee for loans taken by others from bank or financial institutions.





- (xvi) Except overdraft against Fixed Deposit Receipts for working capital which was only during certain days during the year, the company has not taken any term loan in current year; therefore the question of applicability for the purpose for which the loan is taken does not arise.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet and Cash Flow of the company, we report that the company has not utilized the funds raised on short term basis for long term purpose.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The security or charge has not been created in respect of any debenture since no Debentures were issued.
- (xx) During the current year, the company has not raised money through public issue.
- (xxi) During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company, noticed or reported during the current year, nor we have been informed of such case by the management.

**For R KABRA & CO.  
Chartered Accountants  
Firm Reg.No.104502W**

**Place : Mumbai  
Date : 29-8-2011**

**R. L. Kabra  
Partner  
M. No. 16216**



**HOTEL RUGBY LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

I SOURCES OF FUNDS	<u>SCHEDULE NO.</u>	<u>AS AT</u> <u>31-03-2011</u> RS.	<u>AS AT</u> <u>31-03-2010</u> RS.
<b><u>SHAREHOLDER'S FUNDS :</u></b>			
Share Capital	1	143,228,000	143,228,000
Reserves and Surplus	2	285,560,505	285,560,505
<b><u>OTHERS :</u></b>			
Advance Subscription towards			
Time Share Sale	0	0	44,249
Deposits from Time Shareholders	0	0	679,500
		<b>428,788,505</b>	<b>429,512,254</b>
<b>II APPLICATION ON FUNDS</b>			
<b><u>INVESTMENTS</u></b>	3	7,900,003	400,003
<b><u>CURRENT ASSETS, LOANS AND ADVANCES :</u></b>			
<b><u>Cash and Bank Balances</u></b>			
Cash and Bank	4	1,277,473	1,026,722
Fixed Deposits with Banks	5	51,171,895	40,379,298
Loans and Advances	6	3,283,195	6,907,448
Rupali Commercial Pvt. Ltd			10,000,000
		55,732,563	58,313,468
<b><u>Less : Current Liabilities and Provisions</u></b>			
Current Liabilities	7	443,269	1,597,509
		443,269	1,597,509
<b><u>NET CURRENT ASSETS</u></b>		55,289,294	56,715,959
Balance from Profit & Loss A/c		365,599,207	372,396,292
		<b>428,788,505</b>	<b>429,512,254</b>

**NOTES ON ACCOUNTS**

11

As per over report of even date  
**For R. KABRA & CO.**  
Chartered Accountants

For and on behalf of the Board  
Managing Director

**R. L. Kabra**  
Partner  
M. No.: 16216  
**Firm Registration No. 104502W**  
**Place : Mumbai**  
**Date : 29-8-2011**

Executive Director



**HOTEL RUGBY LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2011**

	<u>SCHEDULE NO.</u>	<u>Year Ended</u> <u>31-03-2011</u> Rs.	<u>Year Ended</u> <u>31-03-2010</u> Rs.
<b><u>INCOME :</u></b>			
Sales and Other Income	8	3,689,584	2,882,324
		<u>3,689,584</u>	<u>2,882,324</u>
<b><u>EXPENDITURE :</u></b>			
Other Operating Expenses	9	1,515,628	1,560,088
Interest	10	0	171,963
Depreciation		0	0
		<u>1,515,628</u>	<u>1,732,051</u>
Profit Before Tax		2,173,956	1,150,273
Less : Provision for Taxation			
- Current tax		0	(180,000)
Profit After Tax		2,173,956	970,273
Add :Sundry deposit provided earlier written back		5,000,000	0
Less: Prior Period Expenses		(213,787)	0
Less: Short Provision for Income Tax ( Earlier yr )		(163,085)	(3,302)
Add :- Deferred Tax Liabilites W/off		0	154,187
		6,797,084	1,121,158
Add : Loss Brought Forward		(372,396,292)	(373,517,450)
<b>Deficit carried to Balance Sheet</b>		<u><b>(365,599,207)</b></u>	<u><b>(372,396,292)</b></u>
Earning Per Share (Basic EPS)		<b>0.47</b>	<b>0.08</b>

**NOTES ON ACCOUNTS**

As per over report of even date  
**For R. KABRA & CO.**  
Chartered Accountants

11  
For and on behalf of the Board  
Managing Director

**R. L. Kabra**

Partner

M. No.: 16216

**Firm Registration No. 104502W****Place : Mumbai****Date : 29-8-2011**

Executive Director



**HOTEL RUGBY LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET**  
**AS AT 31ST MARCH,2011**

	<u>AS AT</u> <u>31-03-2011</u> Rs.	<u>AS AT</u> <u>31-03-2010</u> Rs.
<b><u>SCHEDULE 1</u></b>		
<b><u>AUTHORISED</u></b>		
1,61,00,000 Equity Shares Rs.10/- each	161,000,000	161,000,000
<b><u>ISSUED, SUBSCRIBED AND PAID UP</u></b>		
14,322,800 Equity Shares of face value of Rs.10/- each	143,228,000	143,228,000
(of the above (a) 99,800 Equity Shares of the face Value of Rs.10/- each were issued as fully-paid shares for consideration other than cash vide Memorandum of Understanding executed on 16-09-91 with M/s. Rugby Hotel, the erstwhile firm which was taken over by the company. And (b) 2,940,000 Equity Shares were issued, as fully paid Bonus Shares on 29-9-93 by capitalising revaluation reserve of Rs. 19,621,140/- and Capital reserve of Rs. 9,778,860/-)	<u>143,228,000</u>	<u>143,228,000</u>
<b><u>SCHEDULE 2</u></b>		
<b><u>RESERVES AND SURPLUS</u></b>		
<u>Share Premium Account</u>	177,058,200	177,058,200
<u>Capital Reserve</u>	100,000,466	100,000,466
<u>General Reserve</u>	8,501,839	8,501,839
	<u>285,560,505</u>	<u>285,560,505</u>



**HOTEL RUGBY LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET**  
**AS AT 31ST MARCH, 2011**

	<u>AS AT</u> <u>31-03-2011</u>	<u>AS AT</u> <u>31-03-2010</u>
	Rs.	Rs.
<b>SCHEDULE 3</b>		
<b>INVESTMENTS : (NOT VERIFIED)</b>		
(As certified by management)		
<b>I (UNQUOTED) (At Cost Unless Stated Otherwise) :</b>		
1. 1,000 Shares of Rs.50/- each of Dombivli Nagari Sahakari Bank Limited fully paid-up	50,000	50,000
2. 5,000 Shares of Rs.10/- each of The Malad Sahakari Bank Limited fully paid-up	50,000	50,000
3. 4,000 Shares of Rs.25/- each of The Kalyan Janata Sahakari Bank Limited fully paid-up	100,000	100,000
4. 10,000 Shares of Rs.10/- each of Janakalyan Sahakari Bank Limited fully paid-up	100,000	100,000
5. 4,000 Shares of Rs.25/- each of Bharat Sahakari Bank Limited fully paid-up	100,000	100,000
<b>Investment in Subsidiaries</b>		
1. 5,066,330 Equity Shares of face value of Rs.10/- each of Polar Finance Limited fully paid-up	1	1
2. 5,320,000 Equity Shares of face value of Rs.10/- each of Jai Thackers Land Development Limited fully paid-up	1	1
3. 558,260 Preference Shares of face value of Rs.10/- each of Jai Thackers Land Development Limited fully paid-up	1	1



**HOTEL RUGBY LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET**  
**AS AT 31ST MARCH,2011**

	<b>AS AT</b>	<b>AS AT</b>
	<b>31-03-2011</b>	<b>31-03-2010</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>II (QUOTED) (AT COST)</b>		
Birla MIP-Growth (No. of Units 19,342.5840) (Previous Year NIL)	500,000	0
M.V. as on 31st March,2011 Rs.514,611		
Birla Sunlife Short Term Plan (No. of Units 90,824.1560) (Previous Year NIL)	900,000	0
M.V. as on 31st March,2011 Rs.940,648		
HDFC Short Term Plan - Growth (No. of Units 49,442.6710) (Previous Year NIL)	900,000	0
M.V. as on 31st March,2011 Rs.937,542		
HSBC MIP - Saving ( No. of Units 80,705.6910) (Previous Year NIL)	1,000,000	0
M.V. as on 31st March,2011 Rs.944,894		
ING India BSE 200 (Previous Year NIL)	2,500,000	0
M.V. as on 31st March,2011 Rs.2,295,404		
Reliance Money Manager Fund (No. of Units 556.9110) (Previous Year NIL)	700,000	0
M.V. as on 31st March,2011 Rs.737,118		
Reliance Monthly Income Plan (No. of Units 89,810.1410 ) (Previous Year NIL)	1,000,000	0
M.V. as on 31st March,2011 Rs.974,036		
	<b>7,900,003</b>	<b>400,003</b>

NOTE:- (1) Market Value of Quoted Investment is Rs.7,344,253/-

(2) Cost of Quoted Investment is Rs.7,500,000/-

(3) Cost of Unquoted Investment is Rs.4,00,003/-

**SCHEDULE 4 CASH & BANK BALANCES**

Cash on hand	119,029	150,288
<b>Bank Balances :</b>		
With Scheduled Banks		
On Current Account	1,158,444	876,434
	<b>1,277,473</b>	<b>1,026,722</b>

**SCHEDULE 5 Fixed Deposits with Banks**

Union Bank of India	31,161,895	20,369,298
HDFC Bank	20,000,000	20,000,000
Deposits with Bank ( Original Deposited with Maharashtra Pollution Control Board )(not verifiable and not confirmed)	10,000	10,000
	<b>51,171,895</b>	<b>40,379,298</b>



**HOTEL RUGBY LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET**  
**AS AT 31ST MARCH, 2011**

	<u>AS AT</u> <u>31-03-2011</u> Rs.	<u>AS AT</u> <u>31-03-2010</u> Rs.
<b>SCHEDULE 6</b>		
<b><u>LOANS AND ADVANCES :</u></b>		
A. Advances recoverable in cash or in kind for value to be received Deposits for electricity, gas, telephone, etc to receiveble	73,669	165,869
B. Advance Tax and Tax Deducted at Source		
Tds on Interest A.Y. 2007-08	0	133,136
Tds on Interest A.Y. 2008-09	0	209,393
Tds on Interest A.Y. 2009-10	0	579,612
Tds on Interest A.Y. 2010-11	336,171	336,171
Tds on Interest A.Y. 2011-12	302,654	0
	638,825	1,258,312
C. Other Loan & Advances		
i ) Deposit recoverable from Juhu Gymkhana through Crystal Hospitality Services Ltd	0	1,500,000
ii) Due from Subsidiaries M/s Jai Thackers Land Development Ltd	2,560,000	3,394,000
Accrued Interest on FD with Banks	10701	589,267
	<b>3,283,195</b>	<b>6,907,448</b>



**HOTEL RUGBY LIMITED**  
**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE**  
**YEAR ENDED 31ST MARCH,2011**

	<b>YEAR ENDED</b> <b>31-03-2011</b>	<b>YEAR ENDED</b> <b>31-03-2010</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>SCHEDULE 7</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors and Other Liabilities	200,446	609,686
Provision for Tax A.Y. 2009-10	0	535,000
Provision for Tax A.Y. 2010-11	180,000	180,000
Rupali Commercial Pvt Ltd (Time Share Settlement)	62,823	272,823
	<b>443,269</b>	<b>1,597,509</b>
<b>SCHEDULE 8</b>		
<b>SALES AND OTHER INCOME :</b>		
Interest on Bank FD	2,699,879	2,880,517
Miscellaneous Income	168,487	1,808
Dividend Income	90,142	0
Int on Income Tax Refund	7,327	0
Time Share Deposits Written Back	723,749	0
	<b>3,689,584</b>	<b>2,882,324</b>
<b>SCHEDULE 9</b>		
<b>OTHER OPERATING EXPENSES :</b>		
Contribution to Provident and Other Funds	-	3,840
Rates and Taxes	13,321	0
Legal and Professional Fees	483,518	463,863
<u>Payments to auditors</u>		
Audit fees	41,363	60,665
Tax audit fees	41,363	16,545
Income Tax Matters	0	0
Other Services	13,788	19,303
	96,514	96,513
Advertisement	64,623	67,618
Miscellaneous Expenses	765,453	534,301
Loss on Sale of Motor car	0	231,353
Sundry Debit Balances & Loan & Advances w/off	92,200	0
Stamp Duty	0	162,600
	<b>1,515,628</b>	<b>1,560,088</b>
<b>SCHEDULE 10</b>		
<b>INTEREST :</b>		
Interest on overdraft loan	0	171,963
	<b>0</b>	<b>171,963</b>



**HOTEL RUGBY LIMITED****SCHEDULE 11****NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011****(I) SIGNIFICANT ACCOUNTING POLICIES :****(a) System of Accounting**

The Company generally adopts the mercantile system of accounting.

**(b) Fixed Assets**

- (i) The fixed assets acquired, if any, during the current year are stated at cost plus incidental expenses relating to the same.
- (ii) The Major part of the fixed assets has been transferred/sold/disposed off during the year 2007 itself and the balance fixed assets are also sold during the previous years. Since all the fixed assets have been sold therefore the going concern concepts of the business has been affected.

**(c) Depreciation**

- (i) Depreciation is provided under the Straight Line Method at the rate specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions is provided prorata on monthly basis.
- (ii) The Gross Block & Corresponding depreciation is shown as deduction wherever assets are sold/ disposed off during the year with Profit/ Loss adjusted to Profit & Loss A/c.

**(d) Investments**

- (i) The investments in unquoted and quoted shares (except in subsidiaries) are stated at cost. The subsidiaries investments are shown at token value of Rs. 1/- by writing off the investment in earlier years.
- (ii) Any depreciation or fall in investment value unless otherwise held for long term is provided in the books.
- (iii) The Company is currently having investment in subsidiaries namely, Polar Finance Ltd and Jai Thacker Land Development Ltd.
- (iv) Any other investment in share & mutual fund held if any are for long term period and diminution, if any, is temporary in nature and hence not provided.

**(e) Retirement Benefits**

Since the last few years there are no major operations in the company and also there are no employees in the company and therefore other than any old liabilities if any which is not known, the provisions of The Payment of Gratuity Act, 1972, Leave Salary & The Employees Provident Fund & Miscellaneous Provision Act, 1952 are not applicable.

**(f) Sales**

The company has no sales from business of food or catering or hotel and no other new activity during the current year ended 31<sup>st</sup> March 2011 is commenced and therefore segment reporting is not applicable for the current year.

**(g) Inventories:**

During the current year, there are no Purchases & Sales and therefore no inventories are held.

**(h) Revenue Recognition****Timeshare Units sold**

The company has sold the Hotel at Matheran during the previous years and correspondingly decided to settle all Timeshare deposit holder's amount. No revenue effect on account of Timeshare sale is therefore applicable during the current year.

**(i) Borrowing Costs**

Borrowing costs attributable to construction of asset are capitalized as a part of the cost of such asset upto date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

**(j) Accounting for Taxes on Income**

Provision for the current tax is made on the assessable income at the relevant assessment year.

Deferred Tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

Deferred Tax assets are recognised if there is reasonable certainty that there will be sufficient future profits available to realise such assets.

**(k) Business Segments**

Till the previous years, the company was engaged in the business of hoteliring, providing catering services and preparing and selling of sweet and savories. Hence the reportable business segments are Hotel, Catering Services and Sweet business. Since last few years there is no business segment except company is earning other income.

**(l) Provisions, Contingent Liabilities & Contingent Assets**

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

**(m) Earning per Share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes ) by the weighted average number of equity shares outstanding during the year, for the purpose of calculating diluted earning per shares, the net profit or loss for the year attributable to equity per shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(n) Cash Flow Statement:**

Cash flow Statement is prepared under the Indirect Method.

**(II) NOTES:**

1. The Sundry Balance of Creditors, Loans and Advances (either debit or credit) and Other Liabilities are subject to confirmation.
2. Since all the fixed assets have been sold until and there are no other assets as per the management which are doubtful or value will be diminished and therefore there is no requirement of impairment of assets in accordance with AS-28 on Impairment of Assets issued by the ICAI.
3. In the opinion of the board, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all the known liabilities have been made, subject to and read with the notes, at the reasonable amounts.
4. Advance Subscription as well as deposit towards time share sale have been settled by inviting deposit holders to take refund and in the opinion of management no liability is materially left & therefore balances lying in the credit have been written back in P&L A/c during the current year.
5. Remuneration to Managing Director and Executive Director.

	<b>Year Ended 31.03.2011 (Rs.)</b>	<b>Year Ended 31.03.2010 (Rs.)</b>
Salary	NIL	NIL
Perquisites	<u>NIL</u>	<u>NIL</u>
Total	<u>NIL</u>	<u>NIL</u>

No remuneration is paid w.e.f 1<sup>st</sup> Aug 2006 since Managing Director & Executive Director have voluntary stopped the remuneration in view of financial difficulties of the company.

6. The computation of net profits for the purpose of calculation of Director's remuneration under section 349 of the Companies Act, 1956 is not enumerated since no commission is allowed / paid to Managing Director and/or Executive Director of the company for the year.
7. Contingent liability not provided, for
  - a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (previous year Rs. NIL).
  - b) Uncompleted assessment of Income Tax, and Services Tax of the company for which assessment are pending for various years. The amount is unascertainable.



8. (a) Deferred Tax Liability arises due to timing difference of depreciation.  
 (b) The major assets of the company have been sold / disposed off during the previous years and there fore the respective deferred tax is adjusted accordingly during the previous years.  
 (c) There are no other timing differences and therefore no deferred tax.
9. (a) The accounting year of the company i.e 31<sup>st</sup> March year ending will be same as tax financial year.  
 (b) There is no tax liability during the year in view of carried forward losses.
10. The Company is making efforts to comply with the provision of section 383 A of the companies Act, 1956 regarding appointment of whole time Company Secretary, however it has not been able to appoint so till now.
11. Previous years figures are regrouped, rearranged and restated wherever necessary.
12. Additional information pursuant to para 3 and 4 of the Part-II of Schedule of VI to the Companies Act, 1956:  
 a) Dividends remitted in foreign currency Rs. NIL/- (Previous Year Rs. NIL/-)  
 b) All other information – either NIL or Not Applicable.
13. Micro and medium scale business entities.  
 In the absence of information received by the company about supplied pertaining to the micro small & medium enterprises, as defined in the micro, small and medium enterprises development Act 2006 to whom the company owes on account of principal amount together with interest including interest on delayed payments and accordingly no additional disclosure have been made
- In the opinion of the management, the above information regarding micro, Small & Medium Enterprises has through been determined, however no such parties could be identified on the basis of information available with the company. This has been relied upon by the auditors.
14. Related Party Disclosures for the year ended 31<sup>st</sup> March, 2011

**(A) Related Party and their relationship**

**Subsidiary Companies**

**Associates**

**Key Management**

Jai Thacker's Land Development Ltd

Crystal Hospitality Services Pvt. Ltd

Mahendra R.Thacker

Darshana M. Thacker

Polar Finance Limited

K. R. Thacker & Others

Mihir M.Thacker

**(B) Transaction with the related parties**

	<b>Year</b>	<b>Subsidiary</b>	<b>Associate</b>	<b>Key Management</b>	<b>Total</b>
Unsecured Loan	as on 31 <sup>st</sup> Mar.11	-	-	-	-
	as on 31 <sup>st</sup> Mar 10	-	-	-	-
Loan & Advances given	as on 31 <sup>st</sup> Mar.11	25,60,000	-	-	25,60,000
	as on 31 <sup>st</sup> Mar.10	33,94,000	15,00,000	-	48,94,000

## 16. Earning per Share:

	<b>Year ended 31.3.2011 (Rs.)</b>	<b>Year ended 31.3.2010 (Rs.)</b>
Earning Attributable to Equity Shareholders (Numerator)	67,97,084	1,121,158
Weighted Average Equity Shareholders (Denominator)	14,322,800	14,322,800
<b>Basic &amp; Diluted Earnings per Share</b>	<b>0.47</b>	<b>0.08</b>

**17. Additional Information as required under part IV of Schedule VI to the Companies Balance Sheet abstract and company's General Business Profile:**
**i. Registration Details :**

Registration No.	63,265
State Code	11
Balance Sheet Date	31-03-2011

**ii. Capital Raised during the year:****(Amount in Rs.)**

Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**iii. Position of Mobilisation and Development of funds:**

Total Liabilities	428,788,505
Total Assets	428,788,505
Sources of Funds:	
Paid-up Capital	143,228,000
Reserve and Surplus	285,560,505
Secured Loans	NIL
Unsecured Loans	NIL
Deferred Tax Liabilities	0
Advance Subscription and Deposits towards time share sale	0



## Application of Funds:

Net Fixed Assets	NIL
Investments	7,900,003
Net Current Assets	55,289,294

**iv. Performance of Company:**

Turnover And Other Expenses	3,689,584
Total Expenditure	1,515,628
Profit/ (Loss) Before	2,173,956
Profit/ (Loss) After Tax & Extra ordinary items	6,797,084
Earning Per Share (Rs.)	0.47

Generic Name of Three Principal Products / Services of Company  
(As per Monetary Terms)

Item Code No. (ITC Code)	591001006
Product: Description	<b>Hotels</b>

**Signatures to Schedules "1" to "11"**

**For R. KABRA & CO.**  
Chartered Accountants

**For and on behalf of the Board**  
Managing Director

**R. L. Kabra**  
Partner  
M. No.: 16216  
**Firm Registration No. 104502W**  
**Place : Mumbai**  
**Date : 29-8-2011**

Executive Director




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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011**

	<b>31 st March 2011</b>	<b>31st March,2010</b>
<b>A. Cash Flow From Operating Activities :</b>		
Net Profit Before Tax	2,173,956	1,150,000
Adjustments For :		
Profit on Sale of Investment	-	(1,800)
Interest	-	172,000
Time Share Refund written back	(723,749)	
Loss on sale of Fixed asset	-	231,000
Provision For Income Tax	-	180,000
Dividend Income	(90,142)	-
Interest Received	(2,687,989)	(2,881,000)
Operating Profit Before Working Capital Changes	<u>(1,327,924)</u>	<u>(1,149,800)</u>
Adjustments For :		
Inventories		
Trade and Other Receivables	13,624,253	(2,820,000)
Trade Payables	(619,240)	127,820
Timeshare Sale	-	-
Cash Generated From Operations	<u>11,677,089</u>	<u>(3,841,980)</u>
Interest Paid	-	(171,000)
Direct Taxes Paid	(163,084)	(180,000)
Cash Flow From / (Used in ) Operating Activities Before Extra Ordinary Items	<u>11,514,005</u>	<u>(4,192,980)</u>
Add: Sundry Deposits provided earlier written back	5,000,000	-
Less: Prior Period Items	(213,787)	-
Cash Flow From/(Used in ) Operating Activities After Extra Ordinary Items	<u>16,300,218</u>	<u>(4,192,980)</u>
<b>B. Cash Flow From Investing Activities :</b>		
Purchase of Fixed Assets		
Sale of Fixed Assets	-	550,000
Sale of Investments	-	15,000,000
Purchase of Investments	(7,500,000)	-
Dividend Received	90,142	-
Other	-	-
Interest Received	<u>2,687,989</u>	<u>2,880,000</u>
Net Cash From / (Used In) Investing Activities	<u>(4,721,869)</u>	<u>18,430,000</u>

**C. Cash Flow From Financing Activities :**

Increase / (Decrease) in Bank Borrowings	-	(4,556,000)
Short Term Borrowings		
Cash Flow From / (Used in) Financing Activity	-	(4,556,000)
Net Cash Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	11,578,349	9,681,020
Cash and Cash Equivalents as at 31st March, 2010	41,406,020	31,725,000
Cash and Cash Equivalents as at 31st March, 2011	52,984,369	41,406,020

**Per our report attached to the Balance Sheet**

**For R. KABRA & CO.**  
**Chartered Accountants**  
**R. L. Kabra**  
 Partner

M. No.: 16216

**Place : Mumbai**

**Date : 29-8-2011**

**Firm Registration No. 104502W**

**For and on behalf of the Board**

**Managing Director**

**Executive Director**





## Auditors' Report

### Auditor's Report on Consolidated Financial Statements

1. We have examined the attached consolidated Balance Sheet of Hotel Rugby Limited and its Subsidiaries as at 31<sup>st</sup> March, 2011 and the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year then ended.
2. These financial statements are the responsibility of the management of Hotel Rugby Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We conducted audit of the financial statements of subsidiary company referred in 6(a) and 6(b) of notes to accounts, we conducted audit of their respective financial statements for the year ended 31<sup>st</sup> March 2011, whose financial statements reflect total assets of Rs.62,21,428/- as at 31<sup>st</sup> March 2011 and total revenue of Rs.160 for the year ended 31<sup>st</sup> March 2011.
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS-21), Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Hotel Rugby Limited and its subsidiaries included in the consolidated financial statements and on the basis of assumption as narrated in the notes to consolidated accounts.
5. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Hotel Rugby Limited and its aforesaid subsidiaries and **Subject to assumptions and the basis of consolidation for peculiar items as disclosed in notes to accounts and subject to qualification in the audit report which are not repeated and reproduced herewith on audited financial statement of Hotel Rugby Limited and subject to further qualification of the Subsidiaries Jai Thackers Land Development Limited as below;**



SR. NO	PARTICULARS
1	Note No.1 of notes to accounts regarding company's accounts are prepared on going concern concept
2	The company has not complied with AS – 3 (Cash flow Statement)
3	Note No.16 (b) being balance subject to confirmation in joint venture.

and the further qualification of the subsidiaries Polar Finance Limited as below;

SR.NO.	PARTICULARS
1	Note No.1 of notes to accounts regarding company's accounts are prepared on going concern concept
2	The company has not complied with AS – 3 (Cash flow Statement)

1. We are of the opinion that :

- a) The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Hotel Rugby Limited and its subsidiaries as at 31<sup>st</sup> March, 2011;
- b) The Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of Hotel Rugby Limited and its subsidiaries for the year then ended; and.
- c) The Consolidated Cash Flow statements give a true and fair view of the consolidated cash flows of Hotel Rugby Limited and its subsidiaries for the year then ended.

**For R. KABRA & CO.**  
Chartered Accountants

Place : MUMBAI

Date : 29-8-2011

**R. L. KABRA**  
Partner  
**M.No: 16216**  
**Firm Reg. No.104502W**



**HOTEL RUGBY LIMITED**  
**CONSOLIDATED 'BALANCE SHEET AS AT 31ST MARCH,2011**

<b>I SOURCES OF FUNDS</b>	<b><u>SCHEDULE NO.</u></b>	<b>AS AT 31-Mar-11</b>	<b>AS AT 31-Mar-10</b>
<b><u>SHAREHOLDER'S FUNDS :</u></b>			
Share Capital	1	143,240,000	143,240,000
Rerserves and Surplus	2	413,716,402	413,716,402
<b><u>LOAN FUNDS :</u></b>			
Unsecured Loans	3	1,730,883	2,312,686
<b><u>DEFERRED TAX LIABILITY</u></b>		0	0
<b><u>OTHERS :</u></b>			
<u>Advance Subscription towards</u>			
Time Share Sale		0	44,249
Deposits from Time Shareholders		0	679,500
<b>Total</b>		<b><u>558,687,285</u></b>	<b><u>559,992,837</u></b>
<b>II APPLICATION ON FUNDS</b>			
<b><u>INVESTMENTS</u></b>	4	19,238,372	11,738,372
<b><u>CURRENT ASSETS, LOANS AND ADVANCES :</u></b>			
<u>Cash and Bank Balances</u>			
Cash and Bank Balances	5A	1,581,927	1,125,513
Fixed Deposits with Banks	5B	51,171,895	40,379,298
Loans and Advances	6	732,702	5,257,955
Rupali Commercial Pvt. Ltd		0	10,000,000
		<b><u>53,486,524</u></b>	<b><u>56,762,766</u></b>
<u>Less : Current Liabilities and Provisions</u>			
Current Liabilities	7	1,583,290	2,801,500

**NET CURRENT ASSETS**

Balance from Profit &amp; Loss A/c

51,903,234

53,961,266

487,545,679

494,293,199

**Total****558,687,285****559,992,837****NOTES ON ACCOUNTS**

11

As Per our report attached

For and on behalf of the Board

**For R. KABRA & CO.**

Chartered Accountants

Managing Director

**R. L. Kabra**

Partner

M.No : 16216

**Place : Mumbai**

Executive Director

**Date : 29-8-2011****Firm Registration No. 104502W**



**HOTEL RUGBY LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011**

**SCHEDULE NO.**

		Year Ended 31-Mar-11	Year Ended 31-Mar-10
<b>INCOME :</b>			
Sales and Other Income	8	3,689,744	2,882,584
<b>EXPENDITURE :</b>			
Other Operating Expenses	9	1,565,353	2,301,813
Interest	10	0	171,963
Depreciation		0	0
		1,565,353	2,473,776
Profit Before Tax		2,124,391	408,808
Less : Provision for Taxation			
- Current tax		0	(180,000)
Profit After Tax		2,124,391	228,808
Add :- Sundry Deposits Provided earlier written back		5,000,000	0
Less: Proir Period Expenses		(213,787)	0
		6,910,604	228,808
Less: Short Provision for Income Tax (earlier yr)		(163,084)	(3,302)
		6,747,520	225,506
Add :- Deferred Tax Liabilites Written back		0	154,187
Net profit / Loss after tax		6,747,520	379,693
Add : Profit Brought Forward		(494,293,199)	(494,672,892)
		<b>(487,545,679)</b>	<b>(494,293,199)</b>
<b>APPROPRIATIONS :</b>			
Surplus Carried to Balance Sheet		<b>(487,545,679)</b>	<b>(494,293,199)</b>
Earning Per Share (Basic EPS)		0.47	0.03

**NOTES ON ACCOUNTS**

11

As Per our report attached  
**For R. KABRA & CO.**  
Chartered Accountants

For and on behalf of the Board

**R. L. Kabra**

Partner

M.No : 16216

**Place : Mumbai**

**Date : 29-8-2011**

**Firm Registration No. 104502W**

Managing Director

Executive Director



**HOTEL RUGBY LIMITED**  
**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011**

	<b>AS AT 31-Mar-11</b>	<b>AS AT 31-Mar-10</b>
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,61,00,000 Equity Shares Rs.10/- each	<u><u>274,882,600</u></u>	<u><u>274,882,600</u></u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
	143,240,000	143,240,000
A) 14,322,800 Equity Shares of face value of Rs.10/- each of Hotel Rugby Ltd. (of the above (a) 99,800 Equity Shares of the face Value of Rs.10/- each were issued as fully-paid shares for consideration other than cash vide Memorandum of Understanding executed on 16-09-91 with M/s. Rugby Hotel, the erstwhile firm which was taken over by the company. And		
(b) 2,940,000 Equity Shares were issued, as fully paid Bonus Shares on 29-9-93 by capitalising revaluation reserve of Rs. 19,621,140/- and Capital reserve of Rs. 9,778,860/-.)		
B) 2000 shares of Rs.10/- each of Polar Finance Ltd.		
C) 10,000 shares of Rs.10/- each of Jai Thackers Land Development Ltd.		
	<u><u>143,240,000</u></u>	<u><u>143,240,000</u></u>
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS:</b>		
Share Premium Account	177,058,200	177,058,200
Revaluation Reserve	420,000	420,000
(Reserve on Revaluation of Investment in equity shares of Hotel Rugby Limited, Holding Company )		



Capital Reserve (out of the above capital reserve Rs 14.70 million has been capitalised on receipt of 588,000 fully paid Bonus Shares @ Rs.25/- per share of Hotel Rugby Limited)	224,236,363	224,236,363
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General Reserve	12,001,839	12,001,839
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	<u>413,716,402</u>	<u>413,716,402</u>
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	<u>413,716,402</u>
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**SCHEDULE 3****UNSECURED LOANS :**

Loan From Director	1,730,883	2,312,686
	<u>1,730,883</u>	<u>2,312,686</u>

**SCHEDULE 4****INVESTMENTS : (NOT VERIFIED)**

(As certified by management)

**I (UNQUOTED) (At Cost Unless Stated Otherwise) :**

1. 1,000 Shares of Rs.50/- each of Dombivli Nagari Sahakari Bank Limited fully paid-up	50,000	50,000
2. 5,000 Shares of Rs.10/- each of The Malad Sahakari Bank Limited fully paid-up	50,000	50,000
3. 4,000 Shares of Rs.25/- each of The Kalyan Janata Sahakari Bank Limited fully paid-up	100,400	100,400
4. 10,000 Shares of Rs.10/- each of Janakalyan Sahakari Bank Limited fully paid-up	102,000	102,000
5. 4,000 Shares of Rs.25/- each of Bharat Sahakari Bank Limited fully paid-up	102,000	102,000
6. 1,10,000 Equity shares of Rs.10/- each in M/s Sea Jewel Property Developers Private Limited (Refer note no 20 (d) to (h) of scheule 14)	1,100,000	1,100,000

**Others**

Investment in Joint Venture for Building	74,457	74,457
Trade Investment in Joint Venture M/s Sea Jewel Property Developers Private Limited (Refer note no 20 (d) to (h) of scheule14)	10,159,515	10,159,515
	<u>11,738,372</u>	<u>11,738,372</u>

**II (QUOTED) (AT COST) (Not Verified):**

Birla MIP-Growth (No. of Units 19,342.5840) (Previous Year NIL) M.V. as on 31st March,2011 Rs.514,611	500,000	0
Birla Sunlife Short Term Plan (No. of Units 90,824.1560) (Previous Year NIL) M.V. as on 31st March,2011 Rs.940,648	900,000	0
HDFC Short Term Plan-Growth (No. of Units 49,442.6710) (Previous Year NIL) M.V. as on 31st March,2011 Rs.937,542	900,000	0
HSBC MIP - Saving (No. of Units 80,705.6910) (Previous Year NIL) M.V. as on 31st March,2011 Rs.944,894	1,000,000	0
ING India BSE 200 (Previous Year NIL) M.V. as on 31st March,2011 Rs.2,295,404	2,500,000	0
Reliance Money Manager Fund (No. of Units 556.9110) (Previous Year NIL) M.V. as on 31st March,2011 Rs.737,118	700,000	0
Reliance Monthly Income Plan (No. of Units 89,810.1410) (Previous Year NIL) M.V. as on 31st March,2011 Rs.974,036	1,000,000	0
	<u>19,238,372</u>	<u>11,738,372</u>

Note: (1) Market Value of Quoted Investment is **7,344,253**

(2) Cost of Quoted Investment is **7,500,000**

(3) Cost of Unquoted Investment is **Rs. 11,738,372/-**

**SCHEDULE 5****A :CASH AND BANK BALANCES :**

Cash on hand	187,800	221,559
<b>Bank Balances :</b>		
With Scheduled Banks		
On Current Account	1,394,127	903,954
	<u>1,581,927</u>	<u>1,125,513</u>



**B : Fixed Deposit with Banks**

Union Bank of India (verified)	31,161,895	20,369,298
HDFC Bank (verified)	20,000,000	20,000,000
Deposits with Bank ( Original Deposited with Maharashtra Pollution Control Board )(not verifiable and not confirmed)	10,000	10,000
	<b>51,171,895</b>	<b>40,379,298</b>

**SCHEDULE 6****LOANS AND ADVANCES :**

A. Advances recoverable in cash or in kind for value to be received Deposits for electricity, gas, telephone, etc to be receivable	73,669	165,869
B. Advance Tax and Tax Deducted at Source Net of Provision for Taxation	644,252	1,263,739
Crystal Hospitality Services Ltd	0	1,735,000
C. Other Loan & Advances		
i) Deposit recoverable from Juhu Gymkhana through Crystal Hospitality Services Ltd	0	1,500,000
Deposit with B. E. S. T	4,080	4,080
ii) Others		
Accrued Interest on FD with Banks	10,701	589,267
	<b>732,702</b>	<b>5,257,955</b>

**SCHEDULE 7****CURRENT LIABILITIES :**

Sundry Creditors and Other Liabilities	640,467	1,113,677
Mr.Melwani for shares of M/s Sea Jewel Property Developers Private Limited (Refer note no 20 (d) to (h) of scheule 14)	700,000	700,000
Provision for Tax	0	535,000
Provision for Tax A.Y. 2010-11	180,000	180,000
Rupali Commercial Pvt Ltd (Time Share Settelment)	62,823	272,823
	<b>1,583,290</b>	<b>2,801,500</b>



## HOTEL RUGBY LIMITED

## SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT &amp; LOSS ACCOUNT FOR THE 31ST MARCH 2011

	AS AT 31-Mar-11	AS AT 31-Mar-10
<b>SCHEDULE 8</b>		
<b>SALES AND OTHER INCOME :</b>		
Sales	0	0
Interest on Bank FD	2,699,879	2,880,517
Miscellaneous Income	168,487	1,808
Dividend Income	90,302	260
Int on Income Tax Refund	7,327	0
Time Share Refund Written Back	723,749	0
	<u>3,689,744</u>	<u>2,882,584</u>
<b>SCHEDULE 9</b>		
<b>OTHER OPERATING EXPENSES :</b>		
Contribution to Provident and Other Funds	-	3,840
Rates and Taxes	13,321	0
Legal and Professional Fees	522,122	1,199,893
<u>Payments to auditors</u>		
Audit fees	52,393	66,180
Tax audit fees	41,363	16,545
Income Tax Matters	0	0
Other Services	13,788	19,303
	<u>107,544</u>	<u>102,028</u>
Advertisement	64,623	67,618
Bank Charges	90	180
Miscellaneous Expenses	765,453	534,301
Loss on Sale of Motor car	0	231,353
Sundry Debit Balances & Loan & Advances w/off	92,200	0
Stamp Duty	0	162,600
	<u>1,565,353</u>	<u>2,301,813</u>
<b>SCHEDULE 10</b>		
<b>INTEREST :</b>		
Interest on overdraft loan	0	171,963
	<u>0</u>	<u>171,963</u>



## SCHEDULE 11

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

### BASIS OF PREPARATION:

1. The accounts have been prepared as per accounting policies of Hotel Rugby Limited and its subsidiary companies.
2. The excess of the share capital and reserves of one company over the cost of investments in another company has been described as "Capital Reserve" in the Consolidated Financial Statements. Diminution in value of shares of one subsidiary company held by another subsidiary company has been considered for the purpose of calculation of Capital Reserve. The difference calculated during the year in adjustment has been effected in Capital Reserve as Post Sale of Investments.
3. Adjustment have been made in respect of inter group transactions as Inter-corporate Deposits, Investments etc.
4. Minority interest in subsidiary companies belongs to promoters and their relatives. Hence minority interest has not been considered.
5. The results arising out of consolidation are subject to confirmation with respective parties. The consolidation has been done as required under Clause 32 of the Listing Agreement.
6. All the subsidiary companies have been considered for consolidation purpose the details of which are as follows.

Name of the Subsidiary	Year ended as on	Percentage of Holding	Place of Incorporation
(a) Polar Finance Limited	31.03.2011	99.996%	Mumbai(India)
(b) Jai Thacker Land Development Limited	31.03.2011	99.81%	Mumbai(India)

7. Considering the crossholdings of holding and subsidiary companies and holdings of one of subsidiary company in another subsidiary company and it being peculiar crossholding transactions with diminution provisions made in one subsidiary as against none in others. The consolidation has been prepared in the best possible method taking into account AS-21 for Consolidated Financial Statements and other accounting standards.
8. The accounting year of two subsidiary companies viz. Polar Finance Limited, and Jai Thacker's Land Development Limited is same as that of the holding company. Hence for the purpose of consolidation the audited figures for the year 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011 is taken.



9. Considering the materiality, the cut off dates for acquisition of shares by holding company in subsidiary companies and vice-versa is taken as 30<sup>th</sup> April, 1995 even though the actual acquisition is earlier.

#### **SIGNIFICANT ACCOUNTING POLICIES:-**

Most of the accounting policies of the holding Company and that of the subsidiaries are similar.

#### **NOTES**

1. The Sundry Balances of Debtors, Creditors, Loans and Advances (either debit or credit) and other liabilities are subject to confirmation.
2. Since all the fixed assets have been sold until last year end and there is no other assets as per the management which are doubtful or value will be diminished and therefore there is no requirement of impairment of assets in accordance with AS-28 on Impairment of Assets issued by the ICAI.
3. In the opinion of the board, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all the known liabilities have been made subject to and read with the notes, at the reasonable amounts.
4. Advance Subscription as well as deposit towards time share sale have been settled by inviting deposit holders to take refund and in the opinion of management no liability is materially left and therefore balances lying in the credit have been written back in the P & L A/c during the current year.
5. Remuneration to Managing Director and Executive Director

	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
Salary	NIL	NIL
Perquisites	NIL	NIL
Total	NIL	NIL

No remuneration is paid w.e.f. 1<sup>st</sup> Aug 2006 since Managing Director & Executive Director have voluntary stopped the remuneration in view of Financial difficulties of the company.

6. The computation of net profits for the purpose of calculation of Director's remuneration under section 349 of the Companies Act, 1956 is not enumerated since no commission is allowed / paid to Managing Director and/or Executive Director of the company for the year.
7. Contingent Liability not provided for



- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (Previous Year Rs.NIL).
- (b) Uncompleted assessment of Income Tax and Services Tax of the company for which assessment are pending for various years. The amount is unascertainable.
8. (a) Deferred Tax Liability arises due to timing difference of depreciation.  
 (b) The major assets of the company have been sold / disposed off during the previous years and therefore the respective deferred tax is adjusted accordingly during the previous years.  
 (c) There are no other timing differences and therefore no deferred tax.
9. (a) The accounting year of the company i.e. 31<sup>st</sup> March year ending will be same as tax financial year.  
 b) There is no Tax liability during the year in view of carried forward losses.
10. The Company is making efforts to comply with the provision of section 383A of the Companies Act, 1956 regarding appointment of whole time company secretary; however it has not been able to appoint so till now.
11. Previous years figures are regrouped, rearranged and recasted wherever necessary.
12. Additional information pursuant to para 3 and 4 of the Part-II of Schedule of VI to the Companies Act, 1956:  
 (a) Dividends remitted in foreign currency Rs. NIL/-(Previous Year Rs. NIL/-)  
 (b) All other information – either NIL or Not Applicable
13. Micro and medium scale business entities.  
 In the absence of information received by the company about supplied pertaining to the micro small & medium enterprises, as defined in the micro, small and medium enterprises development Act 2006 to whom the company owes on account of principal amount together with interest including interest on delayed payments and accordingly no additional disclosure have been made.

In the opinion of the management, the above information regarding micro, small & Medium Enterprises has though been determined, however no such parties could be identified on the basis of information available with the company. This has been relied upon by the auditors.

14. Related Party Disclosures for the year ended 31st March, 2011  
 (A) Related Party and their relationship

Associates  
 Crystal Hospitality Services Pvt. Ltd.

K. R. Thacker & Others

Key Management  
 Mahendra R.Thacker  
 Darshana M.Thacker  
 Mihir M. Thacker



## (B) Transaction with the related parties

	<b>Year</b>	<b>Associate</b>	<b>Key Management</b>	<b>Total</b>
Unsecured Loan	As on 31 <sup>st</sup> Mar.11	-	-	-
	As on 31 <sup>st</sup> Mar.10	-	-	-
Loans & Advances given	As on 31 <sup>st</sup> Mar.11	-	-	-
	As on 31 <sup>st</sup> Mar.10	32,35,000	-	32,35,000

## 15. Earning per Share:

	Year ended 31.03.2011	Year ended 31.03.2010
Earning Attributable to Equity Shareholders (Numerator) (Before Appropriations)	6,747,520	379,693
Weighted Average Equity Shareholders (Denominator)	14,324,000	14,324,000
Basic & Diluted Earnings per Share	0.47	0.03

## 16. Important note of Jai Thacker Land Development Limited:

- a) The accounts are prepared on going concern concept basis though the net worth has almost been eroded.
- b) The balance standing debit to Trade Investments in Joint Venture of M/s Sea Jewel Developers Properties Pvt Ltd at year end of Rs.101,59,515/- along with further Investments of shares in the said company of 1,10,000 Equity shares of face value of Rs.10/- each totaling to Rs.11,00,000/- are though not confirmed at year end by the party, however is considered fully recoverable and good by the management. No formal JV agreement is entered by the company

## 17. Important note of Polar Finance Limited

The accounts for the year ended 31st March, 2011 have been prepared on the basis of a "going concern" concept though the accumulated losses is more than the net worth of the company.

Signatures to schedule "1" to "12"

**For R KABRA & CO.**

Chartered Accountants  
Firm Registration No.104502W  
R. L. Kabra  
Partner  
M. No 16216

**For and on behalf of the Board**

Managing Director  
  
Executive Director

Place : Mumbai  
Date : 29-8-2011


**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011**

	31st March, 2011	31st March, 2010
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit Before Tax	2,124,391	408,808
Adjustments For:		
Profit on Sale of Investment		1,800
Time Share Refund written back	(723,749)	
Interest		171,963
Depreciation		
Loss on sale of Fixed Assets		231,353
Profit on Sale of Fixed Asset		
Interest Received	(2,695,316)	(2,880,517)
Dividend Income	(90,302)	
Provision For Tax		180,000
Operating Profit Before Working Capital Changes	<u>(1,384,976)</u>	<u>(1,886,593)</u>
Adjustments For:		
Inventories		
Trade and Other Receivables	14,525,253	(2,167,096)
Trade Payables	(1,218,210)	214,150
Timeshare Sale		
Cash Generated From Operations	<u>11,922,067</u>	<u>(3,839,539)</u>
Interest Paid		(171,963)
Direct Taxes Paid	(163,084)	(180,000)
Cash Flow From / (Used in ) Operating Activities Before Extra Ordinary Items	<u>11,758,983</u>	<u>(4,191,502)</u>
Add: Sundry Deposits Provided Earlier written back	5,000,000	
Less: Prior Period Items	(213,787)	
Cash Flow From! (Used in ) Operating Activities After Extra Ordinary Items	<u>16,545,196</u>	<u>(4,191,502)</u>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets		
Sale of Fixed Assets		550,000
Sale of Investments		15,000,000
Purchase of Investments	(7,500,000)	
Dividend Received	90,302	-
Interest Received	2,695,316	2,880,517
Net Cash From I (Used In) Investing Activities	<u>(4,714,382)</u>	<u>18,430,517</u>
<b>C. Cash Flow From Financing Activities:</b>		
Increase I (Decrease) in Bank Borrowings	-	(4,557,000)
Repayment of Unsecured Loans	(581,803)	-
Short Term Borrowings		
Cash Flow From /(Used in) Financing Activity	(581,803)	(4,557,000)
Net Cash Increase I (Decrease) in Cash and Cash Equivalents (A±B+C)	11,249,011	9,682,015
Cash and Cash Equivalents as at 31st march, 2010	41,504,811	31,822,796
Cash and Cash Equivalents as at 31st March, 2011	52,753,822	41,504,811

As Per our report attached to the Balance Sheet  
For R KABRA & CO.  
Chartered Accountants

R. L. Kabra  
Partner  
M.No.: 16216  
Firm Registration No. 104502W  
Place : Mumbai  
Date: 29th August, 2011

For and on behalf of the Board

Managing Director

Executive Director


**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

Name of the Subsidiary	: Polar Finance Ltd	Jai Thackers Land Development Ltd
Financial Year of the Subsidiary Company ended on	: 31.03.2011	31.03.2011
(a) Number of Shares held by Hotel Rugby Ltd. (Holding Company) with its nominees in the subsidiary at the end of Financial Year of the Subsidiary	: 5066330 Equity shares of face value of Rs.10/- fully paid	5320000 equity Shares of face value of Rs.10/- fully paid
(b) Extent of shareholding interest of Holding Company at the end of the Financial Year of the Subsidiary	: 99.99%	99.81%
The Net aggregate amount of the Subsidiary's Profit/(Losses) so far as it concerns the members of the Holding Company not dealt with in the Holding Company		
(i) For the Financial Year ended 31st March 2011	: (5524)	(43956)
(ii) For the previous Year	: (5474)	(734592)
The Net aggregate amount of the Profit of the Subsidiary which has been dealt with in the accounts of the Holding Company		
(iii) For the Financial Year ended 31st March 2011	: NIL	NIL
(iv) For the previous Year	: NIL	NIL
Material changes between the end of the Financial Year of the Subsidiary and the Holding Company's Financial Year	: N. A	N. A

**For and On behalf Of the Board**

Date : 29.08.2011  
Place : Mumbai

**Mr. Mahendra Thacker**  
Managing Director

**Mrs. Darshana Thacker**  
Executive Director




**DETAILS OF SUBSIDIARY COMPANIES FOR 2010-11**

	<b>Name of the Subsidiary</b>	<b>Polar Finance Ltd.</b>	<b>Jai Thackers Land Development Ltd.</b>
	Financial Year ends on	31st March 2011	31st March 2011
a.	Share Capital	50665300	58882600
b.	Reserves	15120000	3500000
c.	Total Assets	81763	11570569
d.	Debit Balance of Profit & Loss A/c	67641570	54304902
e.	Total Liabilities	1938033	3492871
f.	Details of Investments		
	Investment in Equity Shares	2200	1102200
	Others	0	10233972
g.	Turnover	0	0
h.	Profit before Taxation	(5525)	(44040)
i.	Provision for Taxation	0	0
j.	Profit After Taxation	(5525)	(44040)
k.	Proposed Dividend	0	0



## HOTEL RUGBY LIMITED

Regd. Office : 6, Stadium House, 81/83, Veer Nariman Road, Churchgate, Mumbai - 400 020.  
**20TH ANNUAL GENERAL MEETING, 28TH SEPTEMBER 2011**

### ATTENDANCE SLIP

(To be handed over the entrance of the meeting Venue)

Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

\_\_\_\_\_  
 Name of the attending member (in block letters)

Name of the Proxy (in block letters) (to be filled by the Proxy attending instead of the member)  
 I hereby record my presence at the 20th Annual General Meeting of the Company to be held at  
 Maharashtra Chambers of Commerce Trust, 6th Floor, Oricon House, Maharashtra Chambers of  
 Commerce Path, Fort, Mumbai - 400 001.

\_\_\_\_\_  
 Members' / Proxy's Signature

- Note : 1. Members/Joint members/proxies are requested to sign and handover this slip at the entrance. Duplicate slip will be issued at the entrance of the meeting venue.  
 2. If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/ your proxy for reference at the meeting.

## HOTEL RUGBY LIMITED

Regd. Office : 6, Stadium House, 81/83, Veer Nariman Road, Churchgate, Mumbai - 400 020.  
**20TH ANNUAL GENERAL MEETING, 28TH SEPTEMBER 2011**

### PROXY FORM

Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members  
 of the above names Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
 of filling him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the 20th Annual General Meeting of the  
 Company to be held at Maharashtra Chambers of Commerce Trust, 6th Floor, Oricon House, Maharashta  
 Chambers of Commerce Path, Fort, Mumbai - 400 001.



Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature (P) Sign  
 across the stamp

- Note : 1. The Proxy form must be deposited at the Registered office of the Company not less than 48 hours before the time for holding the meeting.  
 2. The Proxy need not be a member of the Company.