

HOTEL RUGBY LIMITED



HOTEL & RESORTS

18th Annual Report
Year ended 31st March, 2009

**BOARD OF DIRECTORS :**

Shri Mahendra R. Thakcer	Managing Director
Smt. Darshana M. Thacker	Executive Director
Shri Ashok M. Kadakia	Director
Shri V. P. Shah	Director
Shri Jitendra C. Shah	Director
Shri Mihir Thacker	Director

AUDITORS :

R. Kabra & Company
Chartered Accountants

SOLICITORS :

Law Charter

BANKERS :

Union Bank of India
Axis Bank Ltd.

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REGISTERED OFFICE :

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

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.

Hotel Rugby Limited**18th Annual Report****NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 18TH ANNUAL GENERAL MEETING OF THE MEMBERS OF HOTEL RUGBY LIMITED WILL BE HELD ON THURSDAY, THE 24TH SEPTEMBER, 2009 AT 11.00 A.M. AT MAHARASHTRA CHAMBERS OF COMMERCE TRUST, 6TH FLOOR, 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 31st March, 2009 and Profit and Loss Account for the period ended 31st March, 2009 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 authorize the Board of Directors to fix their remuneration.

By Order of the Board
For HOTEL RUGBY LIMITED

MAHENDRA R. THACKER
Managing Director

Registered Office :
81/83, Veer Nariman Road,
Churchgate, Mumbai-400 020.

Place : Mumbai
Date : 17th August, 2009

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 22nd September, 2009 to 24th September, 2009 (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, Pannafal 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 above, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges given under the Corporate Governance Report.
6. Members are requested to bring the copy of Annual Report sent to them.

By Order of the Board
For HOTEL RUGBY LIMITED

MAHENDRA R. THACKER
Managing Director

Registered Office :
81/83, Veer Nariman Road,
Churchgate, Mumbai-400 020.

Place : Mumbai
Date : 17th August, 2009

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DIRECTORS' REPORT

Your Directors hereby present the 18th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2009.

FINANCIAL RESULTS :

The figures of the current accounting year are summarised below :

Particulars	For the Year ended 31.03.2009 (Rs.in Lacs)	For the Year ended 31.12.2007 (Rs.in Lacs)
	(15 Months)	(15 Months)
Sales and Other Income	52.56	35.63
Profit Before Interest, Tax And Depreciation	(1.62)	(50.47)
Interest	1.31	129.64
Depreciation	1.60	55.27
Profit / (Loss) Before Tax	(4.54)	(235.38)
Less :- Exceptional Item		
(i) Loss on sale of Pref. Share	0.00	320.00
(ii) Loss on transfer on Building	0.00	421.88
(iii) Loss on transfer on P & M	0.00	132.40
(iv) Loss on transfer of Leasehold Right	0.00	120.44
Add :-		
(i) Exceptional Income(M/s - Rupali Commercial Private Limited towards Time Share settlement)	56.49	0.00
(ii) Doubtful Loan & Adv. W/off earlier w/back in current year	0.00	1151.31
(iii) Profit on Sale of Equity Share RFBL	0.00	97.79
(iv) Profit on Sale of Equity Share THL	0.00	18.06
(v) Profit on Sale of Fixed Assets	0.00	1.44
(vi) Profit on Transfer of Furniture & Fixture	0.00	49.68
(vii) Profit on transfer of WIP	0.00	3.73
(viii) Amount of Interest waived by Bank under OTS	0.00	509.39
Less :- Provision for Taxation		
- Fringe Benefit Tax	0.02	0.14
- Current Tax	5.35	0.00
- Deferred Tax	(0.18)	(0.14)
Net Profit / (Loss) After Tax	46.76	601.25
Short Provision for Income Tax earlier year	0.00	(0.78)
Deferred Tax Reversed of earlier year	0.00	123.06
Profit/(Loss) Brought Forward	(3781.93)	(4507.01)
Profit/(loss) Available for Appropriation	(3735.17)	(3781.93)

APPROPRIATIONS :

Transfer to General Reserve	NIL	NIL
Proposed Dividend	NIL	NIL
Balance Carried To Balance Sheet	(3735.17)	(3781.93)

DIVIDEND :

In view of loss (before appropriation) made by the company for the year under review, your Directors are constrained not to recommend any dividend.

OPERATIONS :

With the closure of Sweet & Catering business and sale of Hotel at Matheran in Previous year, 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.

PUBLIC DEPOSITS :

The amount of outstanding deposits accepted by your Company from public, shareholders as at 31st March 2009 was NIL.

OBSERVATIONS IN THE AUDITORS REPORT :

The observations made by the Auditors in their Audit Report are self explanatory or have been fully explained in the notes attached to the accounts and as such do not need any further clarification.

APPOINTMENT OF AUDITORS :

You are requested to appoint the Statutory Auditors for the current year and authorise the Board to fix up their remuneration. The retiring Auditors M/s R.Kabra & Co., Chartered Accountants, Mumbai being eligible, have offered themselves for re-appointment.

SUBSIDIARY COMPANIES :

The Company presents in its Annual Report, the Consolidated Financial Statements of its subsidiary companies viz Polar Finance Limited and Jai Thacker's Land Development Limited. In view of it, the Department of Company Affairs has vide its order no.47/266/2005-CL-III dated 07th October, 2005 has exempted the Company

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from giving particulars which are required to be attached to the Company's accounts pursuant to the provisions of section 212 (1) of the Companies Act, 1956 in respect of its said 2 subsidiary companies for earlier year, however the current period exemption and the previous period ended 31st December, 2007 is applied for & approval is awaited & pending approval, the company has taken stand of the exemption received for the year ended 30th September, 2004 by not giving particulars pursuant to sec. 212(1) of the Companies, Act 1956.

EMPLOYEES :

The Company has settled all employees and workmen fully and will employ further manpower in course of time with new business envisaged shortly.

PARTICULARS OF EMPLOYEES :

During the year under review, none of the employees of the Company was in receipt of remuneration in excess of the limits specified under section 217(2A) of the Companies Act, 1956 whether employed for the whole year or part of the year.

DIRECTORS :

In accordance with 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.

The information to be provided for the above mentioned director under Corporate Governance Codes of the Listing Agreement has been given in the Corporate Governance Section of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Board states

- (a) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed except Accounting Standard 15 for gratuity liability relating to previous years.
- (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 31st March, 2009 and of the Loss of the Company for that year;

- (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.

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 and awareness of the employees through training 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 :

	31.03.2009	31.12.2007
Foreign Exchange Earnings	Rs. NIL	Rs. NIL
Foreign Exchange Outgo	Rs. NIL	Rs. NIL

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APPRECIATION :

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

For and On behalf Of the Board

MR. MAHENDRA THACKER

Managing Director

Date : 17.08.2009

Place : Mumbai

Regd. Office: 6, Stadium House

Veer Nariman Road

Mumbai - 400 020.

MR. ASHOK KADAKIA

Director

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AUDITORS REPORT ON CORPORATE GOVERNANCE

To,
The Members of
HOTEL RUGBY LTD.
6, Stadium House,
V. N. Road, Churchgate,
Mumbai - 400020.

We have examined the compliance of conditions of corporate governance by Hotel Rugby Limited for the year ended 31.03.2009 as stipulated in clause 49 of the listing agreement of the said company with stock exchange(s).

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanation given to us; we certify that the company has complied with the conditions of corporate Governance as stipulated in the above mentioned listing agreement except the effect of disqualification of three Directors u/s 274 (1) (g) of the Companies Act, as reported by us in our statutory audit report.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders / Investors Grievance Committee & information & explanations given to us.

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

For R. KABRA & CO.
Chartered Accountants

R. L. KABRA
Partner
M No. 16216

PLACE: MUMBAI
DATED: 17.08.2009



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) The Company's Board presently consists 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 the Director -	Executive, Non-executive, Independent*	No. of Other Directorships	
		Private	Public
Mr. Mahendra R. Thacker	Managing Director, Executive	0	3
Mrs. Darshana M. Thacker	Executive Director, Executive	0	3
Mr. Ashok M. Kadakia	Non-executive, Independent	4	8
Mr. V. P. Shah	Non-executive, Independent	0	1
Mr. Mihir Thacker	Non-executive	1	2
Mr. Jitendra Shah	Non-executive, Independent	0	1

NOTES :

An independent director is a director who does not have any pecuniary relationship or transactions with Company, its promoters or its management or its subsidiaries, which in the judgment of the Board may affect their independence of judgment

(b) Attendance of Directors at Board Meetings and last Annual General Meeting

The Board of the Company met seven times during the year on the following dates viz. 29.01.2008, 30.04.2008, 20.05.2008, 31.07.2008, 31.10.2008, 09.12.2008 and 31.01.2009.

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.

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(c) The attendance at the Board Meetings and the Last Annual General Meeting (27.06.2008) were as under:

Name of the Director	Relationship with other Directors	Business relationship with the Company	Attendance Board Meeting	AGM
Mr. Mahendra R. Thacker	Husband of Mrs. Darshana Thacker & Father of Mr. Mihir Thacker	Promoter	7	Yes
Mrs. Darshana M. Thacker	Wife of Mr. Mahendra Thacker & Mother of Mr. Mihir Thacker	Promoter's Family	7	No
Mr. Ashok M. Kadakia	None	None	7	Yes
Mr. V. P. Shah	None	None	7	No
Mr. Mihir Thacker	Son of Mr. Mahendra & Mrs. Darshana Thacker	Promoter's Family	0	No
Mr. Jitendra Shah	None	None	7	No

(d) Remuneration of Directors

Details of remuneration paid to Directors for the year ended 31st March, 2009 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. Jitendra Shah	Nil	Nil	Nil	Nil	Nil

None of the Directors charge any fees during the period under review in view of the losses.

(e) Code of Conduct

The Board has formulated a code of conduct for the Board Members and senior management of the Company. All the members and senior managerial personnel have affirmed the compliance with the code on annual basis.



3. Audit Committee

(i) The audit committee is consisting of following Directors:

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

(ii) During the year under review six meetings were held on 29.01.2008, 30.04.2008, 20.05.2008, 31.07.2008, 31.10.2008 & 31.01.2009. Except Mr. Mihir Thacker, other members have attended the meeting.

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.