

# **RIVER FRONT HOTELS LIMITED**

**22ND ANNUAL REPORT**

**2012-2013**

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### BOARD OF DIRECTORS :

Mr. Farukh Valibhai Poonawala      -      Chairman  
Mrs. Fatima Farukh Poonawala      -      Director  
Ms. Sana Farukh Poonawala      -      Director

### AUDITORS:

M/s. N. C. Rupawala & Co., Surat.

### BANKERS :

Punjab National Bank

### REGISTERED OFFICE :

Landmark, Opp. Dutch Garden, Nanpura, Surat – 395001. Gujarat.

## NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of the Company shall be held at the Registered Office of the Company at Landmark, Opp. Dutch Gardens, Nanpura, Surat, Gujarat, 24th August 2013, at 11.00 a.m. to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet for the year ended on 31<sup>st</sup> March, 2013 and reports of the board of directors and Auditors thereon.
2. To appoint a Director in place of Ms. Sana Farukh Poonawala, who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sec. 224 and other applicable provisions if any, of the Companies Act, 1956, M/s N.C. Rupawala & Co., Chartered Accountants, Surat (Firm Registration No. 125757W), the Auditor’s appointed by the Board, to fill the casual vacancy caused due to resignation of erstwhile Statutory Auditors, M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad, and who holds office till the conclusion of this AGM be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company for the financial year 2012-13, as may be agreed upon between the Board of Directors and said Firm of Auditor’s.”

PLACE: SURAT

FOR AND ON BEHALF OF BOARD OF  
DIRECTORS OF RIVER FRONT HOTELS LIMITED

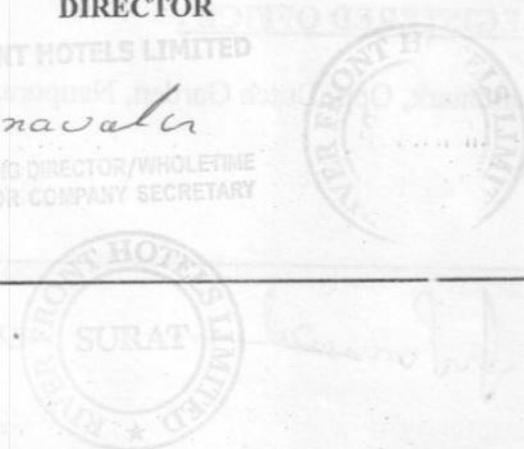
DATE: 24/05/2013

DIRECTOR

*S. Poonawala*

MANAGING DIRECTOR/WHOLETIME  
DIRECTOR/DIRECTOR COMPANY SECRETARY

FOR RIVER FRONT HOTELS LIMITED  
*S. Poonawala*  
CHAIRMAN/MANAGING DIRECTOR/WHOLETIME  
DIRECTOR/DIRECTOR COMPANY SECRETARY



NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.
2. The instrument appointing proxy must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
3. The members or proxies are requested to bring with them the Annual Report as extra copy of the same will not be supplied at the Meeting as per usual practice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 05th August, 2013 to Saturday, 24th August, 2013 (both days inclusive) for the purpose of Annual General Meeting.
5. Appointment / Re-appointment of Directors:

Ms. Sana Farukh Poonawala retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting. The details pertaining to these directors as required under Clause 49 (IV) (G) (i) of the Listing Agreement signed by the Company with the Stock Exchanges are furnished in Annexure I to the Notice.

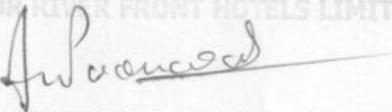
6. The members of the Company holding their shares in physical form or in dematerialized form, who have not registered their e-mail IDs and Mobile number with the Company as per "GO GREEN" initiative taken by the Company to send documents like Notice, Annual Reports and alike correspondence to the members of the Company through electronic mode, are requested to send their e-mail IDs and Mobile number to the Company's Id.: farooqpoonawala@hotmail.com
7. The members are requested to handover the enclosed attendance slip duly signed as per their specimen signature(s) registered with the Company for admission to the meeting hall.

PLACE: SURAT

FOR AND ON BEHALF OF BOARD OF  
DIRECTORS OF RIVER FRONT HOTELS LIMITED

DATE: 24/05/2013

DIRECTOR

FOR RIVER FRONT HOTELS LIMITED  
  
Sana Farukh Poonawala  
CHAIRMAN/MANAGING DIRECTOR/WHOLETIME  
DIRECTOR/DIRECTOR COMPANY SECRETARY

FOR RIVER FRONT HOTELS LIMITED  
Sana Farukh Poonawala  
CHAIRMAN/MANAGING DIRECTOR/WHOLETIME  
DIRECTOR/DIRECTOR COMPANY SECRETARY



## ANNEXURE I TO THE NOTICE

As required under Clause 49 (IV) (G) (i) of the Listing Agreement, a brief profile of the Directors seeking re-appointment is as follows:

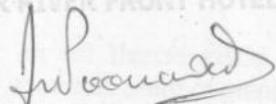
1. Name: Ms. Sana Farukh Poonawala

Ms. Sana Farukh Poonawala is B.D.S.

Directorships held in other companies:

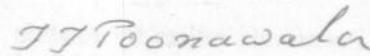
Audit Committee Membership in other Public Limited Companies	NIL
Shareholders Grievance Committee Membership in other Public Limited Companies	NIL
Shareholding in River Front Hotels Limited	20.97%

FOR RIVER FRONT HOTELS LIMITED



TRUSTEES/MANAGING DIRECTOR/WHOLETIME  
DIRECTOR/DIRECTOR COMPANY SECRETARY

FOR RIVER FRONT HOTELS LIMITED



CHAIRMAN/EXECUTIVE DIRECTOR/WHOLETIME  
DIRECTOR/DIRECTOR COMPANY SECRETARY



## DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

### OPERATING RESULTS

As the Company has not started commercial operation no P & L has been prepared.

### DIVIDEND

The Board of Directors do not recommend any dividend for the financial year ended 31st March, 2012.

### DEPOSIT

The Company has neither invited nor accepted any deposits during the year under review.

### DIRECTORS

Ms. Sana Farukh Poonawala retires by rotation and being eligible, offers herself for re-appointment. The Board recommends their re-appointment.

The notice of the ensuing Annual General Meeting contains necessary agenda / resolution in this regard.

Brief Profile of Ms. Sana Farukh Poonawala, Director retiring by rotation is given in Annexure I to the Notice convening the ensuing Annual General Meeting.

### EMPLOYEES

There was no employee, who if employed throughout the financial year, was in receipt of remuneration which in aggregate was not less than Twenty Four lacs rupees per annum, or if employed for a part of the financial year was in receipt of remuneration at a rate not less than Two Lacs rupees per month.

### AUDITORS

M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad, Statutory Auditor of the company resigned and to fill the casual vacancy so caused in the office of Statutory Auditor, the Company appointed M/s N.C. Rupawala & Co., Chartered Accountants, Surat (Firm Registration No. 125757W), as Statutory Auditor to Audit the Accounts of the company for the Financial Year ended on 31<sup>st</sup> March 2013. Their terms of office of Statutory Auditor expires at ensuing AGM and being eligible, have offered themselves for reappointment. They have furnished the certificate to the company to the effect that their reappointment, if made, will be in accordance with limits specified in sub-section (1-B) of Sec. 224 of the Companies Act, 1956. The Board recommends for their reappointment.



None of the Directors are interested in their reappointment as Statutory Auditor.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to sub-section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm:

- I. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- II. That Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- III. That proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities to the best of the Directors knowledge and ability.
- IV. That the annual accounts have been prepared on a going concern basis.

**ADDITIONAL INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:**

- a) Conservation of Energy: The Company continued energy conservation efforts during the year. It has closely monitored power consumption and running hours on day to day basis, thus resulting in optimum utilization of energy.
- b) Technology Absorption: The activities of the Company at present do not involve technology absorption and research and development.
- c) Foreign Exchange Earnings and Outgo: The company has no foreign exchange earnings and outgo during the year under review.

**DISCLOSURES RELATING TO UNCLAIMED SUSPENSE ACCOUNT AS PER AMENDED CLAUSE 5A OF THE LISTING AGREEMENT:**

Aggregate number of share-holders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.
NIL	NIL	NIL	NIL

## CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Management Discussion and Analysis and Corporate Governance Report together with a certificate from the Company's Auditors confirming compliance is given in the Annexure "B" and "C" forming part of this report.

## CORPORATE SOCIAL RESPONSIBILITY

As a caring corporate citizen, your Company has committed to recruit physically challenged persons, thereby providing employment opportunities to this under privileged segment of the society.

Besides your company has undertaken several other initiatives towards its Corporate Social Responsibility.

## 'GO GREEN' INITIATIVE:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21/04/2011 and issued Circular No. 18/2011 dated 29/04/2011) permitting companies to send various notices / documents to their shareholders through electronic mode. Keeping in view the underlying theme of the circulars issued by MCA, your company has decided to send all communications / documents including the Notice calling Annual General Meeting, audited financial statements, director's report, auditor's report, etc., in electronic form unless otherwise requested in writing by shareholders.

## EMPLOYEE RELATIONS

The relations of the management with staff and workers remained cordial during the entire year.

## ACKNOWLEDGMENTS

Your Directors would like to place on records their appreciation for the co-operations and assistance extended to the company by the Shareholder, Customers, Suppliers, Bankers, Financial Institution & Employees and look forward for their continued support.

PLACE: SURAT

FOR AND ON BEHALF OF BOARD OF  
DIRECTORS OF RIVER FRONT HOTELS LIMITED

DATE: 24/05/2013

DIRECTOR

## ANNEXURE TO THE DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS

#### BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK

The Gross Domestic Product (GDP) growth of the country during 2012-13 languished to decade low of 5% on account of poor performance of manufacturing, agriculture and service sector, besides global slowdown leading to uncertain investment climate and fall in exports. The current account deficit which reached to a historic high of 6.7% of GDP in quarter ended December, 2012, is estimated to be around 5% of GDP for 2012-13. Logistic issues and poor performance by agriculture sector have led to increase in food prices, a crucial determinant of inflation. The weakening domestic fundamentals, rise in current account deficit, fiscal deficit, lower saving and investments and inflation remain major areas of concern for the economy. The recent softening of global commodity prices including crude oil has spurred hope of bringing down the current account deficit to manageable level of 2.5% of GDP in next two to three years. With expectations of good monsoon, inflation is also expected to decline. The World Bank has forecasted India's GDP growth of 6.1% in 2013-14 and 6.7% in 2014-15 and believes that despite the current downturn, long-term prospects remain bright for India because India possesses the fundamentals to grow at sustained high rates over the next several decades.

Due to overall negative conditions, year 2012-13 started on weak note for hotel industry. Sluggish trends prevailed throughout the year. The supply in hospitality segment across the country has seen increase with many more projects in pipeline, though the demand has remained low. The incremental supply of rooms over next two to three years is expected to be much more than the incremental demand and this mismatch will lead to fall in the Industry RevPar. With subdued demand coupled with increased supply, the ARRs have seen a downward trend. One of the other factors for discounted ARR is battle to capture footfalls and to get bulk business. With ever increasing expenditure and decreasing ARR, hotels across all segments are witnessing erosion in operating margins. To overcome impact of low ARR and occupancy hotels are shifting their focus towards Food and Beverage (F&B) and Meetings, Incentives, Conferences and Events (MICE) segment.

As per the United Nations World Tourism Organization, tourism accounts for around 6-7% of global employment (direct and indirect) and 5% of global income. The share of employment of skilled and unskilled labour in hotels and restaurant sector is increasing over a period of time. To improvise it further, special programme called "Hunar Se Rozgar" offering training courses for employment in the hospitality industry was launched by the Ministry of Tourism, which has had a good response.

Government of India, Ministry of Tourism constantly undertakes various initiatives to promote tourism and to position India in the global tourism generating markets and to make it as a preferred tourism destination. The scheme of granting tourist 'Visa on Arrival' has had a positive response. To attract foreign tourists coming to India for medical treatment, 'medical visa' category had been introduced. Efforts are being made by the Government to overcome seasonality of tourism, to create a niche to attract tourist with specific interest and ensure repetitive visits. Various consultations, negotiations, meetings with the international organizations are undertaken by the Government for execution of Agreements/Memorandum of Understanding for bilateral and multi lateral cooperation for promotion of tourism. The Government has taken various initiatives like Incredible India, Atithi Devo Bhava, off beat activities like golf, polo, wellness, adventure, eco, cruise, film, rural, caravan,

responsible tourism, activities relating to advertising in the print and electronic media, participation in fairs and exhibitions, organizing seminars, workshops, road shows, brochure support/joint advertising with travel agents / tour operators, inviting the media and travel trade to visit the country under the hospitality programme etc. for boosting tourism.

The Government has approved setting up of Hospitality Development and Promotion Board by the Ministry of Tourism to facilitate implementation of hotel project, expeditious clearance of multiple approvals and transparent system for the effective monitoring of hotel projects. Other tax relief's like the five-year tax holiday for 2, 3, and 4 star category hotels located around all United Nations Educational, Scientific, and Cultural Organization (UNESCO) World Heritage sites and investment-linked deduction under Section 35 AD of the Income Tax Act extended to new hotels of 2 star category and above anywhere in India are expected to attract interest in hotels and hospitality sector. Continuous efforts of Government have brought growth in this industry but still there is a lot of scope remaining to be exploited.

## OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Tourism: has tremendous growth potential due to readymade tourist destination and resources, rich heritage and diverse culture in the Country, availability of cheap manpower etc. which attract tourist all round the year. Wide variety of hotels including heritage hotels provides tourist with unique experience and fulfill their demands. This sector doesn't have any geographical limits and it also helps in upgrading even the most remote and backward area. High end technology, internet and online mode of booking have simplified things for tourists. Further, continuous initiatives by the government has advanced tourism sector.

Alongwith the opportunities, there are various menace and difficulties present. The high capital and long period for implementation of projects, instability in political conditions, multiple layers of tax structure like expenditure tax, luxury tax and sales tax which inflate the expenses, heavy road taxes, unorganized system of transport, lack of skills and standards of service of manpower, high maintenance, increase in cost etc. act as hurdles and concerns.

Threats like terrorist attacks, natural calamity, safety for women, standards of hygiene, epidemics, disturbance of ecosystem has negative impact over the potential tourists.

## REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE

The Company has not commenced its commercial operation for the year under review, it has taken all effective steps and accordingly there are fair chances of commencement of operation in the next financial year.

## SEGMENT WISE PERFORMANCE

The Company is presently operating in only one segment i.e. hospitality.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Adequate internal controls have been laid down by the Company to safeguard and protect its assets as well as to improve the overall productivity of its operations.

## CAUTIONARY STATEMENT

Statements contained in the Management Discussion and Analysis describing the Company's estimates, projections and expectations are forward looking statements and based upon certain assumptions and expectations of future events over which the Company has no control and which could cause actual results to differ materially from those reflected in such statements. Readers should carefully review other information in this Annual Report and in the Company's periodic reports. The Company undertakes no obligation to update or revise any of these futuristic statements, whether as a result of new information, future events, or otherwise.

PLACE: SURAT

FOR AND ON BEHALF OF BOARD OF  
DIRECTORS OF RIVER FRONT HOTELS LIMITED

DATE: 24/05/2013

DIRECTOR

## ANNEXURE TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

#### COMPANY'S PHILOSOPHY

The Company believes in adopting and adhering to good corporate governance practices. It upholds the values of transparency, professionalism and accountability and endeavours to maintain these values on ongoing basis.

#### MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis forms part of the Directors' Report.

#### BOARD OF DIRECTORS

##### Composition and their attendance at Board Meetings:

The Board of Directors has non-executive directors. The chairman of the Board is a non-executive director. The directors are eminent personalities in their respective fields like, hoteliering, banking, finance, management, accounting and general administration. This combination has helped the company to take benefit of the rich experience and expertise of the directors in their core areas of competence.

The following table gives information about the composition of the Board, category of directors, membership of the directors in the Boards and Board committees of other public limited companies and attendance of each director at the Board meetings and last AGM of the Company:

Name	Designation & Category	Board membership in other companies	Chairman of committees in other companies	Membership (including chairmanship) of committees in other companies	No. Of Board Meetings attended	Last AGM Attendance (Yes / No)
Farooq Poonawala	Non-Executive Director	-	-	-	All	Yes
Fatema Farooq Poonawala	Non-Executive Director	-	-	-	All	Yes
Sana Farooq Poonawala	Non-Executive Director	-	-	-	All	Yes

During the financial year 2010-2011, twelve Board meetings were held on 14th April 2012, 05th May 2012, 09th June 2012, 07th July 2012, 27th July 2012, 04th August 2012, 08th September, 2012, 13th October 2012, 10th November 2012, 12th January 2013, 09th February 2013 and 16th March 2013. Leave of absence was granted to directors who could not attend the Board meetings.

None of the directors on the Board of the Company is a member of more than ten committees or acts as chairman of more than five committee across all companies in which he is a director. For the purpose of reckoning this limit, only membership and chairmanship of the Audit Committee and the Shareholders' Grievance Committee of directors have been considered. Necessary disclosures have been made by the directors in this regard.

All the necessary information as required by Clause 49 of the Listing Agreements signed by the Company with the Stock Exchanges is placed before the Board.

## BOARD PROCEDURE

The Board of Directors, in its meetings, focuses mainly on issues concerning policy and business strategies and deals with important issues relating to business development, internal controls, regulatory compliance and other matters which need to be considered by the Board for ensuring good corporate governance and enhancing the Company's networth and value to the shareholders.

## FUNDAMENTAL CODE OF CONDUCT

We, as members of RIVER FRONT HOTELS LIMITED are committed to display through our behaviour and actions the following conduct which applies to all aspects of our Business :

- Conduct which is of the highest ethical standards—intellectual, financial and moral and reflects the highest levels of courtesy and consideration to others.
- Conduct which builds and maintains Team work, with mutual trust as the basis of all working relationship.
- Conduct which puts the customer first, the Company second and the self last.
- Conduct which exemplifies care for the customer through anticipation of need, attention to detail, excellence, aesthetics and style and respect for privacy along with warmth and concern.
- Conduct which demonstrates two-way communication accepting constructive debate and dissent whilst acting fearlessly with conviction.
- Conduct which demonstrates that people are our key asset, through respect for every employee, and leading from the front regarding performance achievements as well as individual development.
- Conduct which at all times safeguards the safety, security, health and environment of customers, employees and the assets of the Company.
- Conduct which eschews the short-term quick-fix for the long-term establishment of healthy precedent.

## COMMITTEES OF THE BOARD

The Board has constituted the following committees in conformity with the applicable statutory requirements and the Listing Agreements entered into between the Company and the Stock Exchanges.

### AUDIT COMMITTEE

The Company has set up an Audit Committee. The chairman of the Committee is a director having knowledge in accounting and financial management field. All the other members of the Committee are also non-executive Directors possessing vast experience, knowledge and management expertise.

Accordingly, the Audit Committee, inter-alia, oversees the Company's financial reporting process, ensures correct and adequate disclosure of financial information and reviews financial statements, adequacy of internal control systems and compliance of generally accepted accounting principles. The Committee also recommends the appointment of Statutory Auditors and fixation of their audit fee.

During the year under review four meetings of Audit Committee were held on 05th May 2012, 07th July 2012, 13th October 2012 and 12th January 2013.

### REMUNERATION COMMITTEE:

Remuneration committee is not formed because no remuneration and/or sitting fees is/are paid to directors.

### SHAREHOLDERS' GRIEVANCE COMMITTEE:

The composition of the Shareholders' Grievance Committee consists of the following directors/members:

Sr. No.	Name of the Directors / Members	Category	Meeting Attended
1	Mr. Farukh Valibhai Poonawala	Chairman	1
2	Mrs. Fatima Farooq Poonawala	Member	1
3	Ms. Sana Farooq Poonawala	Member	1

A meeting of the Shareholders' Grievances Committee was held on 05th May, 2012.

All share related issues are handled and resolved by the Share Transfer Committee. However, exceptional cases, if any, are referred to the Shareholders' Grievance Committee.

The scope and broad terms of reference of the Shareholders' Grievances Committee are:

- To look into shareholders' complaints, if any, and to redress the same.
- To approve requests for issue of duplicate share certificates due to loss, misplacement, mutilation etc. Of original share certificates and also to deal with requests for transmission of shares referred by the Share Transfer Committee.

As on 31st March, 2013 there were no pending share transfers with the Company.

**ANNUAL GENERAL MEETINGS AND OTHER GENERAL MEETINGS HELD FOR THE  
LAST 3 FINANCIAL YEARS:**

Particulars	FY-2009-2010 AGM	FY-2010-2011 AGM	FY-2011-2012 AGM
Date	30th September, 2010	30th September, 2011	29th September, 2012
Location	Landmark, Opp. Dutch Garden, Nanpura, Surat – 395 001. Gujarat.	Landmark, Opp. Dutch Garden, Nanpura, Surat – 395 001. Gujarat.	Landmark, Opp. Dutch Garden, Nanpura, Surat – 395 001. Gujarat.
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.

No Special Resolution was passed at each of the Annual General Meeting held on 30th September, 2010 and 30th September, 2011 and 29th September, 2012.

**DISCLOSURES:****Managing Director Certification:**

The Managing Director and Director have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

**Related Party Transactions:**

Transactions with the Related Parties are disclosed in Note No. (i) {Note no. 4} to the Notes to Accounts in the Annual Report.

The Company has not entered into any transactions of material nature with any of its related parties that may have potential conflict with the interest of the Company.

There is no formal Whistle Blower Policy but no employee is denied access to the Audit Committee or the Board.

**Code of Conduct:**

The Board of Directors has laid down a "Code of Conduct" (Code) for all the Board members and the senior management personnel of the Company.

**Risk Management**

The Audit Committee and the Board periodically discuss the significant business risks identified by the Management and review the measures taken for their mitigation.

A note on identification and mitigation of risks is included in Management Discussion and Analysis annexed to the Directors' Report.

**MEANS OF COMMUNICATION**

The statements of quarterly financial results are furnished to the stock exchanges after the conclusion of the Board Meeting.

## GENERAL SHAREHOLDERS INFORMATION

### 1. 22nd Annual General Meeting

Date: 24th August, 2013

Time: 11.00 A.M.

Venue: Landmark, Opp. Dutch Garden, Nanpura, Surat – 395 001, Gujarat.

### 2. Tentative Financial Calendar

Audited Annual Accounts for the year 2012 –2013 24th May, 2013 (B M)\*

Audited 1st quarter Results (June 30, 2013) 06th July, 2013

Sending/Mailing of Annual Report On or before 13th July, 2013

Annual General Meeting 24th August, 2013

Audited 2nd quarter Results (September 30, 2013) By 12th October, 2013 (B M)\*

Audited 3rd quarter Results (December, 31, 2013) By 11th January, 2013 (B M)\*

Audited 4th quarter Results (March 31, 2013) By 30th April, 2014 (B M)\*

In case of audited results for financial year 2013-14 By 30th May, 2014 (B M)\*

\* (B M) – Board Meeting Date

3. Dates of book closure: from Monday 05th August, 2013 to Saturday, 24th August, 2013 (both days inclusive).

4. Dividend payment date for Dividend 2012-2013 -N.A.-

5. Listing of Equity Shares on Stock Exchanges

Name of the Stock Exchange(s)

Ahmedabad Stock Exchange Limited

Vadodara Stock Exchange Limited

Delhi Stock Exchange Limited

6. For any queries, investors are requested to get in touch with the Registered Office of the Company.

## 7. Share Transfer System

The Share Transfer Committee constituted by the Board considers and approves all physical form share related issues, transfers, transmission of shares, issue of duplicate shares etc. The members of the Share Transfer Committee are:

Mr. Farooq Valibhai Poonawala  
Mrs. Fatema Farooq Poonawala  
Ms. Sana Farooq Poonawala

The shares are transferred and returned within the minimum stipulated period provided all the necessary documents are found in order.

## 8. Distribution of Shareholdings as on 31st March, 2013.

Shareholding Range	Number of Shareholders	% of Shareholders	Number of Shares	% of Shareholding
1 to 100	1500	3.45	1,50,000	3.45
101 to 500	-	-	-	-
501 to 1000	-	-	-	-
1001 to 10000	-	-	-	-
10001 and above	12	96.55	42,00,080	96.55
<b>TOTAL</b>	<b>1512</b>	<b>100.00</b>	<b>43,50,080</b>	<b>100.00</b>

Category of Shareholdings as on 31st March, 2013.

Category	Shares	% of Total
Promoter & Promoter Group	3,192,080	73.38
Directors & their relatives (other than promoter)		
Public		
- Corporate Bodies	1,158,000	26.62
- Individual and others		
<b>TOTAL</b>	<b>43,50,080</b>	<b>100.00</b>

## 9. Address for Correspondence

Registered Office:  
Landmark, Opp. Dutch Garden, Nanpura, Surat – 395 001, Gujarat.  
Telephone: 9898000486  
Email: farooqpoonawala@hotmail.com

## 10. Declaration on Code of Conduct

It is confirmed that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2013, as envisaged in clause 49 of the listing agreement with stock exchanges.

## 11. Disclosure of Relationship between Directors

Name of the Director	Relationship
Mr. Farooq Valibhai Poonawala Chairman and Managing Director	Husband of Mrs. Fatema Farooq Poonawala, Director and Father of Ms. Sana Farooq Poonawala, Director

PLACE: SURAT

FOR AND ON BEHALF OF BOARD OF  
DIRECTORS OF RIVER FRONT HOTELS LIMITED

DATE: 24/05/2013

DIRECTOR

**AUDITORS' CERTIFICATE  
ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE  
UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

To the shareholders of RIVER FRONT HOTELS LIMITED

We have examined the compliance of conditions of Corporate Governance by RIVER FRONT HOTELS LIMITED, for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in most of the material respects with the conditions of corporate governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and presented to the Shareholders Grievance Committee.

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

FOR N.C.RUPAWALA & CO.  
CHARTERED ACCOUNTANTS  
FRN 125757W

PLACE: SURAT

DATE: 24/05/2013

NEHAL C. RUPAWALA  
PARTNER  
M. NO. 118029

## INDEPENDENT AUDITORS' REPORT

To,  
**THE MEMBERS OF M/S. RIVER FRONT HOTELS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/S. RIVER FRONT HOTELS LIMITED, ("the Company") which comprise of Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2013;

- (ii) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, 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 purpose 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 those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, comply with the applicable Accounting Standards referred to in sub-section (3-C) of Section 211 of the Companies Act, 1956; and
  - e) On the basis of written representations received from the Directors of the Company, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2013 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Act.

PLACE: SURAT

DATE: 24/05/2013

FOR N.C.RUPAWALA & CO.  
CHARTERED ACCOUNTANTS  
FRN 125757W

NEHAL C. RUPAWALA  
PARTNER  
M. NO. 118029

## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of River Front Hotels Limited for the year ended 31st March, 2013. We report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets installed at its various units.  
(b) According to the information and explanations given to us, some of the fixed assets have been physically verified during the year by the management in accordance with a phased programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification.  
(c) There has not been any significant disposal of fixed assets during the year affecting the going concern status.
2. (a) As explained to us, physical verification of inventories has been conducted by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the inventory records of the Company, we are of the opinion that the company is maintaining proper records of inventory. Discrepancies, which were noticed on physical verification of inventory as compared to book records, were not material and have been properly dealt with in the books of account.
3. In respect of the loans, secured or unsecured granted to or taken from companies, firms or other parties covered in the Register maintained under Register 301 of the Companies Act, 1956:
  - (a) Unsecured interest free loans aggregating to Rs. 112.89 lakhs (maximum balance Rs. 362.87 lakhs) from four such parties were transferred to the Company in the previous year.
  - (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the above loan are *prima facie* not prejudicial to the interest of the Company.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

5. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, (a) the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and (b) such transactions exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A 58AA and other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. Hence the clause (vi) of the Order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9. (a) According to the records of the Company and the information and explanations given to us, the Company has *generally* been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other applicable statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, there are no amounts payable in respect of undisputed statutory dues as at 31st March, 2013 which were outstanding for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us and on the basis of our examination of the documents and records, there are no cases of non-deposit with appropriate authorities of disputed dues of sales-tax, wealth tax, service tax, customs duty, excise duty, cess.
10. The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses either during the financial year under report or immediately preceding financial year.
11. Based on our audit procedures and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution and banks. The Company has not borrowed any money by way of debentures.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. The Company is not a dealer or trader in shares, securities, debentures, and other investments.

15. According to the information and explanations given to us, the Company has not given corporate guarantees for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not *prima facie* prejudicial to the interest of the Company.
16. According to the information and explanations given to us, the term loans raised by the Company were, *prima facie* applied by the Company during the year for the purposes for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures and hence the clause (xix) of Paragraph 4 of the Order is not applicable.
20. The Company has not raised money by public issue during the year,
21. To the best of our knowledge and belief, and according to the information given to us, no fraud on or by the Company was noticed or reported during the year.

FOR N.C.RUPAWALA & CO.  
CHARTERED ACCOUNTANTS  
FRN 125757W

PLACE: SURAT

DATE: 24/05/2013

NEHAL C. RUPAWALA  
PARTNER  
M. NO. 118029

## BALANCE SHEET AS AT 31ST MARCH, 2013

	PARTICULARS	NOTE No.	As at 31-03-2013 Rupees	As at 31-03-2012 Rupees
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' Funds	01	30746300	30746300
(a)	Share Capital	02	26832	-
(b)	Reserve & Surplus		<b>30773132</b>	<b>30746300</b>
2	Sub-total - Shareholders' Funds			
3	Share Application Money pending allotment	-	-	-
4	Non-current liabilities	03	49776273	50672257
(a)	Long-term borrowings	-	-	-
(b)	Deferred tax liabilities (Net)	04	36382464	25096105
(c)	Other long-term liabilities	-	-	-
(d)	Long-term provisions	-	<b>86158737</b>	<b>75768362</b>
5	Sub-total - Non-Current Liabilities			
6	Current liabilities	-	-	-
(a)	Short-term borrowings	05	1751400	6815502
(b)	Trade payables	-	-	-
(c)	Other current liabilities	06	13111	5515
(d)	Short-term provisions	-	<b>1764511</b>	<b>6821017</b>
7	Sub-total - Current Liabilities			
<b>8</b>	<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>118696380</b>	<b>113335679</b>
<b>B</b>	<b>ASSETS</b>			
1	Non-Current Assets			
(a)	Fixed assets	07	115693391	86521723
(b)	Non-Current Investments	08	1000	1000
(c)	Deferred Tax Assets (Net)	09	1110	-
(d)	Long-term loans & advances	10	1422996	25493180
(e)	Other non-current assets	11	67440	141369
9	Sub-total - Non-Current Assets		<b>117185936</b>	<b>112157272</b>
2	Current assets			
(a)	Current investments	-	-	-
(b)	Inventories	-	-	-
(c)	Trade receivables	-	-	-
(d)	Cash and cash equivalents	12	1510443	1178407
(e)	Short-term loans & advances	-	-	-
(f)	Other current assets	-	<b>1510443</b>	<b>1178407</b>
10	Sub-total - current assets			
<b>11</b>	<b>TOTAL - ASSETS</b>		<b>118696380</b>	<b>113335679</b>

Significant Accounting Policies

1

The accompanying notes are an integral part of the

1 to 17

Financial Statements

As per our report attached of even date and audit observations given separately.

For N.C.RUPAWALA & CO  
Chartered Accountants  
Reg.No.125757W

(Nehal C.Rupawala)  
Partner  
M.No.118029  
Date : 24/05/2013

FOR RIVER FRONT HOTELS LTD.

(Director) (Director)

Place : SURAT

# RIVER FRONT HOTELS LIMITED

22<sup>nd</sup> Annual Report  
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## STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2013

	PARTICULARS	NO TE No.	For the year 31-03-2013 Rupees	For the year 31-03-2012 Rupees
I.	Revenue from operations			
II.	Other income : <i>Interest Income</i>		108423	
III.	Total Revenue(I+II)		108423	
IV.	Expenses:			
	Cost of material consumed			
	Purchases of Stock-in-Trade			
	Changing in inventories of finished goods, work-in-progress and stock-in-Trade			
	Employee benefits expense	14	18119	
	Finance costs	15	8077	
	Depreciation and amortization expense	16	43394	
	Other expenses		69590	
	<b>Total expenses</b>		38833	
V.	<b>Profit before exceptional &amp; extraordinary items &amp; tax (III-IV)</b>			
VI.	Exceptional items		38833	
VII.	<b>Profit before extraordinary items and tax (V-VI)</b>			
VIII.	Extraordinary Items		38833	
IX.	<b>Profit before tax (VII-VIII)</b>			
X.	Tax expense:			
	(1) Current tax		13111	
	(2) Deferred tax		(1110)	
	<b>Total</b>		12001	
XI.	<b>Profit/(Loss) for the period from continuing operations (IX-X)</b>		26832	
XII.	Profit/(Loss) from discontinuing operations			
XIII.	Tax expense of discontinuing operations			
XIV.	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		26832	
XV.	<b>Profit/(Loss) for the period (XI+XIV)</b>			
XVI.	Earning per equity share:			
	(1) Basic	17	0.006	
	(2) Diluted		0.006	

### Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements 1 to 17

As per our report attached of even date and audit observations given separately.

For N.C.RUPAWALA & CO

FOR RIVER FRONT HOTELS LTD.

Chartered Accountants

Reg.No.125757W

(Nehal C.Rupawala)

(Director)

(Director)

Partner

M.No.118029

Date : 24/05/2013

Place : SURAT

## CASH FLOW STATEMENT

PARTICULARS	(Rupees)		
	Year Ended	31/03/2013	31/03/2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net profit before tax and extraordnary items		38833	-
Adjustment for:		8077	-
Depreciation		-	-
Amortisation of Expenses		-	-
Loss on Sale/Discard of Fixed Assets		-	-
Surplus on disposal of Capital Assets		-	-
Excess Tax Provision Written Back		-	-
Un-realized Loss/(Gain) on Borrowings		-	-
Extra Ordinary Item and Prior Period Adjustments		-	4983
Provision For Depreciation		-	-
Bad Debts and Provision for Doubtful Debts and Advances		-	-
Investments income		-108423	-
Interest income		18119	-
Interest paid		-43394	-
<b>Operating profit before working capital changes</b>		24144113	-14951559
Trade and other receivables		-	-
Inventories		6222257	4927255
Trade Payables		30360855	-
Cash generated from operations		-5515	-
Direct taxes paid (Net of refunds)		30360855	-10019321
<b>Net cash from operating activities</b>			
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets (including Capital Work in Progress and capital advances)		-29179745	-21916088
Sale Proceeds of Fixed Assets		-	-
Deposits Refund/Paid (including for properties)		-	-
Investments made during the year		-	-
Sale of Other Investments		108423	-
Interest Received		-	-
Dividend Received		-29071322	-21916088
<b>Net cash used in investing activities</b>			
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Proceeds from long term borrowings		-	33056684
Repayments of long term borrowings		-895984	-
Proceeds from short term borrowings		-	-24694
Repayments of short term borrowings		-	-
Interest paid		-18119	-
Dividend paid (including Tax on Dividend)		-914103	33031990
<b>Net cash used in financing activities</b>			
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		33203/-	1096581
<b>CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (Opening Balance)</b>		1178407	81826
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (Closing Balance)</b>		1510443	1178407

# RIVER FRONT HOTELS LIMITED

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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013

## SCHEDULE - 1 SHARE CAPITAL

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
<b>Authorized Share Capital</b> 5000000 (2012 : 5000000) Equity Shares of Rs. 10/- each	50000000 50000000	50000000 50000000
<b>Issued, Subscribed and Paid-up</b> 4350080 (2012 : 4350080) Equity Shares of Rs. 10/- each	43500800	43500800
Refer Note No.2(a)	12754500	12754500
Less: Calls in arrears	30746300	30746300
<b>Total</b>		

## SCHEDULE - 2 RESERVES & SURPLUS

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
<b>Profit &amp; Loss Account :</b>		
Profit & Loss Account B/F	-	-
Less: Proposed Dividend	-	-
Less: Provision for tax (Dividend Dist. Tax )	-	-
Less: Earlier year tax paid on assessment	26832	-
Less: Profit & Loss for the Year	26832	-
<b>Total</b>		

## SCHEDULE - 3 LONG TERM BORROWINGS

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
<b>Secured Loans :</b> Punjab National Bank Ltd (Against hypothecation of all movable assets of the company and Equitable Mort- gage of Land, and Building of hotel premises belong to company situated at F-01, New Survey No 304, Word No 1a, Nonda No 40a, Besides Sales Tax Bhavan, Surat & also personal gaurantee of Directors of the Company)	49776273	50672257
<b>Total</b>	49776273	50672257

## SCHEDULE - 4 OTHER LONG TERM LIABILITIES

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
<b>Loans &amp; Advances from related parties:</b> Faiz Ahmed F. Poonawala Farooq V. Punawala Fatima F. Punawala Sania F. Poonawala Refer Note No.2(c)	638000 26901457 8247507 500000	- 19643340 5357265 -
<b>Other Liabilities</b>	37500	37500
Bombay Stock Exchange	8000	8000
Delhi Stock Exchange	50000	50000
Vadodara Stock Exchange		
<b>Total</b>	36382464	25096105

## SCHEDULE - 5 TRADE PAYABLES

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
<b>Trade Payable (Less than Six Months) :</b> Thermax Limited Glass Tech Industries K V Waghela Khodiyar Carting Kohler Asia Pacific	- 662838 - - -	600000 3306667 273795 78797 121434

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Lords Plylam	-	191646
M Lokhandwala	-	30041
Nitin Trading	-	53122
Façade Engg Pvt Ltd.	684635	45000
Saurabh	50000	45000
Shree Ram Electrics	-	65831
Ashree Shamla Sales	-	875000
Unick Plastic Industries	-	41790
Unick Plastic Pvt. Ltd	403927	16574
Xylos Arthiors	-	27840
Faiz Enterprise	-	760213
Parikh & Majmudar	-	327752
<b>Total</b>	<b>1751400</b>	<b>6815502</b>

## SCHEDULE - 06

### SHORT TERM PROVISION

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
Provision :	-	5515
Statutory Liabilities	13111	-
Provision For tax	13111	5515
<b>Total</b>	<b>13111</b>	<b>5515</b>

## SCHEDULE 07

### FIXED ASSETS

Item	Opening W/V 01/04/2012	Addition during the year		Depreciation up to 31/03/2012	Total	Depreciation on spc. bal. Amm ount	Depreciation on addit ion Amm ount	Depreciation on deci ree Amm ount	Total for the year	Rate of Dep. 31/03/2013	Depreciation up to 31/03/2013	Ch. Bal. 31/03/2013
		up to 30/09/12	After 30/09/12									
		Amount	Amount									
<b>TANGIBLE FIXED ASSETS :</b>												
Air Condition Plant	4361501	-	-	4361501	-	-	-	-	-	0.00%	-	4361501
Land	8239270	-	-	8239270	-	-	-	-	-	0.00%	-	8239270
Building	61802054	8155583	9649330	79909969	-	-	-	-	-	0.00%	-	79609969
Electrical Fittings	1025876	39316	-	1065264	-	-	-	-	-	0.00%	-	1065264
Furniture & Fixtures	5346578	95000	45100	5488678	-	-	-	-	-	0.00%	-	5488678
Office Equipments	97790	-	-	97790	52945	8077	-	-	9777	18.01%	61022	36768
Lif.	4587000	-	-	4587000	-	-	-	-	-	0.00%	-	4587000
Capital Work in Progress	10058097	1,153635	-	11211732	-	-	-	-	-	0.00%	-	11211732
Swimming Pool	143573	-	-	143573	-	-	-	-	-	0.00%	-	143573
Revolving Equipment	949635	-	-	949635	-	-	-	-	-	0.00%	-	949635
<b>TOTAL</b>	<b>56574667</b>	<b>18332480</b>	<b>10840065</b>	<b>115754412</b>	<b>52945</b>	<b>8077</b>	<b>-</b>	<b>-</b>	<b>8077</b>	<b>-</b>	<b>61022</b>	<b>115633391</b>
Previous year	50496308	16020262	-	76516570	47962	4983	-	-	4983	-	52945	764634625

## SCHEDULE - 08

### NON - CURRENT INVESTMENTS

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
Investments In Shares : Unquoted Gujarat Industrial Co.Op Bank Ltd. Refer Note No.2(b)	1000	1000
<b>Total</b>	<b>1000</b>	<b>1000</b>

## SCHEDULE - 09

### DEFERRED TAX LIABILITIES

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
Investments In Shares : Unquoted		
WDV as per Companies Act	36,768	1000
WDV as per Income Tax Act	40,360	-
Deferred Tax Liabilities / (Assets)	(3,591)	-
Deferred Tax Liabilities / (Assets) to be Created @ 30.90%	(1,110)	-
Less: Already Credit	-	-
Deferred Tax Liabilities / (Assets)	(1,110)	-

## SCHEDULE - 10

### LONG TERM LOANS AND ADVANCES

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
Unsecured, Considered good :		

# RIVER FRONT HOTELS LIMITED

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A M Suppliers	-	250000
A. M Sales	-	190000
Alkesh I Gandhi	-	100000
Ambience	-	500000
Aniruddh	-	98000
Arjun	-	1000000
Arshad	-	300000
Baose And Associates	-	50000
Baria	-	70000
Bharathbai	-	300000
Bhupatbhai	-	49000
Comeds Infra	-	2500000
Evershine	-	25490
Façade Engg P. Ltd.	551000	165000
Firozgar	-	551000
Ghanshyam	-	463000
Hamid Rustom	-	340000
Harikrushna	-	105000
Heidz India Pvt Ltd	-	100000
Hemantdas	-	30000
Hitesh	-	50000
Jalaram	-	309000
Javed Khan	-	300000
Kaluram Jangir	-	30000
Mahesh Hiralal	155238	100000
Manibhadra Textiles	-	5152
Mehta Steel	-	575000
Mohammad Faruk	-	3200000
P G Building Products Pvt Ltd	-	40000
Pinkal	-	137550
Pramukh Engineering & Fabricate	-	120000
Rahimbhai	-	450000
Rhthym Design	-	11000
S M Consultant	-	600000
Schindlers India Pvt.. Ltd.	-	143573
Soham Energy	-	487000
Spurgeon Transport	100000	99999
Swastic Glass	5915	5915
Tds Receivable 2011-12	10843	-
Tds Receivable 2012-13	600000	-
Thermax Limited	-	2961501
Toshiba	-	3987000
Trio Elevators Co (I) Ltd	-	1400000
Tropocal Refregeration	-	600000
Utility Eng	-	500000
Vaisali Corporation	-	127000
Vasupujya	-	1542000
Vijay Corporation	-	225000
Vijay Harikishan	-	300000
Z. Y. Patel	-	25493180
<b>Total</b>	<b>1422996</b>	

## SCHEDULE -11

## OTHER NON CURRENT ASSETS

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
<b>Deposit :</b>		
Sales Tax Deposit	25000	1000
Surat Electricity Deposit	1440	1440
Bank Gaurantee	-	73929
Telephone Deposit	41000	41000
<b>Total</b>	<b>67440</b>	<b>141369</b>

FOR RIVER FRONT HOTELS LIMITED  
*[Signature]*

FOR RIVER FRONT HOTELS LIMITED  
*[Signature]*  
T T Poonawala  
FIRMA / FIRM / DIRECTOR / CHIEF EXECUTIVE  
FOR DIRECTOR / CHIEF EXECUTIVE  
FIRMA / FIRM / SECRETARY / CHIEF EXECUTIVE  
FOR SECRETARY / CHIEF EXECUTIVE



# RIVER FRONT HOTELS LIMITED

22<sup>nd</sup> Annual Report  
2012-2013

## SCHEDULE -12 CASH & CASH EQUIVALENTS

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
<b>Cash on hand :</b>		
Cash Balance	158166	8410
(As certified by the Management)	40360	
<b>Balances with Scheduled banks in current accounts :</b>		
Punjab National Bank Ltd. - Current A/c	86466	1766
<b>Other Balance with Bank :</b>		
Punjab National Bank Ltd. - Fixed Deposit	1265811	1168231
<b>Total</b>	<b>1510443</b>	<b>1178407</b>

## NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

## SCHEDULE -13 OTHER INCOMES

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
Interest income - Fixed Deposits	108423	-
<b>Total</b>	<b>108423</b>	<b>-</b>

## SCHEDULE -14 FINANCE COSTS

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
Interest expense	18119	-
<b>Total</b>	<b>18119</b>	<b>-</b>

## SCHEDULE -15 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
Depreciation	8077	-
<b>Total</b>	<b>8077</b>	<b>-</b>

## SCHEDULE -16 OTHER EXPENSES

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
Other Operating Expenses		
Bank Charges	968	-
Electricity Expense	9532	-
Loan Charges	29068	-
Miscellaneous Expense	3826	-
<b>Total</b>	<b>43394</b>	<b>1178407</b>

## SCHEDULE -17 EARNING PER SHARE (BASIC AND DILUTED)

Particulars	31-03-2013 (Rupees)	31-03-2012 (Rupees)
Net Profit / (Loss) for the year attributable to the equity shareholders	26832	-
The Weighted average number of equity shares for Basic Earnings per Share (Nos.)	4350080	
Face Value Per Share	10	10
<b>Basic Earnings Per Share</b>	<b>0.006</b>	<b>0.00</b>



## NOTES FORMING PART OF THE ACCOUNTS

### 1. Significant Accounting Policies:

#### a) Basis for preparation of accounts:

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

#### c) Cash and Cash Equivalents :

Cash comprise cash on hand and demand deposits with banks. Cash equivalents are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### d) Tangible Fixed Assets:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. Cost of acquisition includes taxes / duties (net of credits availed) and other attributable costs for bringing assets to the condition required for their intended use.

#### e) Intangible Assets:

Intangible assets are carried at cost less accumulated depreciation impairment losses, if any. The cost of an intangible assets comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the assets reliably, in which case such expenditure is added to the cost of the asset.

#### f) Depreciation and Amortization:

- Depreciation on fixed assets is provided on WDV method as per Companies Act, 1956 at the Rate and in the manner prescribed in schedule XIV of the said Act.
- Depreciation on additions / disposal during the period is provided on prorate basis according to the period during which assets are put to use / being used.
- No Depreciation has been provided in respect of Capital Work in Progress.

FOR RIVER FRONT HOTELS LIMITED

Chairman/Managing Director/Whole-time  
Director/Director Company Secretary

FOR RIVER FRONT HOTELS LIMITED

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Chairman/Managing Director/Whole-time  
Director/Director Company Secretary



**g) Investments:**

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments determined on an individual basis. Current investments are carried individually, at the cost. Cost of Investments includes acquisition charges such as brokerage, fees and duties.

**h) Valuation of Inventories:**

- i. Raw materials are valued at cost or net realizable value whichever is lower.
- ii. Work in progress has been valued at cost of materials and labor charges together with relevant factory overheads.
- iii. Finished Goods are valued at cost or net realizable value whichever is lower.
- iv. Stores & Fuel are valued at cost or net realizable value whichever is lower.

**i) Taxes on Income:**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provision of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exist that sufficient future taxable income will be available against which these can be realized. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

Current and Deferred Tax relating to items directly recognized in equity and not in the Statement of Profit and Loss.

**j) Provisions & Contingencies:**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. A contingent asset is neither recognized nor disclosed.

**k) Earnings per share:**

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) after tax as adjusted for diluted earnings by the weighted average number of equity shares outstanding during the year.

*Subodh*

*TT Poonawala*



2. Notes to Accounts :

a) Note.1:- Share Capital

- Details of Equity Shares as on March 31, 2013, is as follows:

Authorize share (Quantum)	Issued, Subscribed & Paid up Share (Quantum)	Description
50,00,000	43,50,080	Outstanding as on 31-3-12
50,00,000	43,50,080	Outstanding as on 31-3-13
0	0	Addition/Deduction

- Shareholding Pattern (Shareholding more than 5%)

Particulars	As on 31.3.2013		As on 31.3.2012	
	No. of shares	%	No. of shares	%
Issued, Subscribed and Paid up capital				
Equity Shares of Rs. 10 each	43,50,080.00		43,50,080.00	
Farukh Valibhai Poonawala	11,40,000.00	26.21	11,40,000.00	26.21
Sana Farukh Poonawala	912,080.00	20.97	912,080.00	20.97
Fatima Farukh Poonawala	11,40,000.00	26.21	11,40,000.00	26.21

b) Note.8:- Market Value of Investments.

Particulars	No. of Units	31/03/2013 Cost (Rupees)	31/03/2012 Market Value (Rupees)
<b>Investment In Equity Instruments : Unquoted</b>			
Gujarat Industrial Co-op. Bank	10	1,000	1,000
<b>T O T A L</b>		<b>1,000</b>	<b>1,000</b>

- c) No Auditor's remuneration includes for Statutory Audit Fees.
- d) As per Accounting Standard (AS-17) on "Segment Reporting", notified by the Companies (Accounting Standards) Rules 2006, the company has not any other geographical segments, business activity and also does not have any subsidiary company or joint ventures, so that company has not disclosed requirement under AS-17.
- e) Borrowing costs amounting to ` 77,67,249 has been capitalized during the year and all other borrowing costs charged to revenue in compliance with AS-16 on "Borrowing costs".

f) Note.4 :- Related party disclosures.

Name of Related Party	Relation with Company
1. Farooq V. Poonawala	Director & Having Share holdings of 26.21%
2. Sana F. Poonawala	Daughter of Farooq V. Poonawala & Having Share holdings of 20.97%
3. Fatima F. Poonawala	Wife of Farooq V. Poonawala & Having share holdings of 34.48%

- g) The revised schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year figures have been regrouped /reclassified wherever necessary.
- h) As confirmed by the Management, there are no Contingent Liabilities.

For N.C.RUPAWALA & CO  
CHARTERED ACCOUNTANTS  
FRN 125757W

FOR RIVER FRONT HOTELS LIMITED

NEHAL C. RUPAWALA  
PARTNER  
M. NO. 118029  
PLACE: SURAT

DIRECTORS

DATE: 24/05/2013



## RIVER FRONT HOTELS LIMITED ATTENDANCE SLIP

Registered Office: Land mark, Opp. Dutch Gardens, Nanpura, Surat.

Dp Id**	
---------	--

Master folio No.	
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Client Id**	
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No. of share(s) held	
----------------------	--

I hereby record my presence at the Twenty Second Annual General Meeting of the Company to be held at registered office of the Company at Landmark, Opp. Dutch Gardens, Nanpura, Surat, on Saturday, 24<sup>th</sup> August 2013, at 11.00 a.m.

NAME OF THE SHAREHOLDER/PROXY\* .....  
SIGNATURE OF THE SHAREHOLDER/PROXY\* .....

\* Strike out whichever is not applicable

\*\* Applicable for investors holding shares in electronic form

Note: Shareholder / Proxy holder wishing to attend meeting must bring the Attendance Slip to the Meeting and hand it over at the entrance of the Meeting venue duly signed.

## RIVER FRONT HOTELS LIMITED

## PROXY FORM

Registered Office: Land mark, Opp. Dutch Gardens, Nanpura, Surat.

Dp Id**	
---------	--

Master folio No.	
------------------	--

Client Id**	
-------------	--

No. of share(s) held	
----------------------	--

I/We.....of .....  
being a Member/Members of the above named company hereby appoint .....  
.....or failing him/her .....  
.....or failing him/her .....  
.....as my / our Proxy to attend and vote for me/us on my/our behalf, at  
the Twenty Second Annual General Meeting of the Company to be held at registered office of the  
Company at Landmark, Opp. Dutch Gardens, Nanpura, Surat, on Saturday, 24<sup>th</sup> August 2013, at  
11.00 a.m. and at any adjournment thereof.

Signed this ..... Day of ..... 2013.

Please affix  
Re.1 Revenue  
Stamp here

Signature

\*\* Applicable for investors holding shares in electronic form.

Notes: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the Commencement of the Meeting.

REGISTERED OFFICE

Landmark, Opp. Dutch Garden, Nanpura, Surat – 395001. Gujarat.