



RAS RESORTS AND APART HOTELS LIMITED

ANNUAL REPORT 2009-10



EXECUTIVE GUEST ROOM



BISTRO - THE FEAST VILLAGE



THE BANYAN TREE - LOUNGE & BAR



RAS RESORTS AND APART HOTELS LIMITED

BOARD OF DIRECTORS

PRAVIN VEPARI *Chairman*

VIJAY RANJAN

AMEET HARIANI

TEKCHAND SHEWAKRAMANI

NALINI SHEWAKRAMANI

GAUTAM SHEWAKRAMANI

VISHAMBER SHEWAKRAMANI *Managing Director*

AUDITORS

Dayal and Lohia

CORPORATE LAW ADVISOR

Bipin S. Acharya

BANKERS

Allahabad Bank

State Bank of India

Syndicate Bank

REGISTERED OFFICE

Rosewood Chambers, 99/C, Tulsiwadi, Tardeo,
Mumbai - 400 034.

RESORT SITE

Survey No. 128, Hissa No. 1, Silvassa Naroli Road,
Silvassa-396 230,
Union Territory of Dadra & Nagar Haveli.

REGISTRAR & SHARE TRANSFER AGENT

Satellite Corporate Services Private Limited
B-302, Sony Apartment,
Opp. St. Jude's High School,
Off Andheri Kurla Road, Jarimari,
Sakinaka, Mumbai - 400 072

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*Believe in yourself, even when no
one else does.*

Anonymous

RAS RESORTS AND APART HOTELS LIMITED



NOTICE

Notice is hereby given that the Twenty-Sixth Annual General Meeting of the Members of the Company will be held at Lounge A, The National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai 400 018 on Friday, September 24, 2010 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the year ended on that date and Directors' and Auditors' Reports thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Pravin Vepari who retires by rotation, and is eligible for re-appointment.
4. To appoint a Director in place of Smt. Nalini Shewakramani who retires by rotation, and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

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 A PROXY NEED NOT BE A MEMBER.
2. (a) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 21, 2010 to Friday, September 24, 2010 (both days inclusive).
(b) The dividend on Equity Shares as recommended by the Directors for the

year ended March 31, 2010, if approved at the Annual General Meeting, will be paid to those Members whose name appear in the Register of Members as on September 24, 2010. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the depositories for this purpose as at the close of business hours on September 20, 2010.

3. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
4. Members are requested to notify immediately change in their Registered address, if any, or make correspondence to the Registered Office of the Company or to Satellite Corporate Services Private Limited, B-302, Sony Apartment, Opp. St. Jude's High School, Off Andheri-Kurla Road, Jarimari, Sakinaka, Mumbai - 400 072, Share Transfer Agents of the Company quoting their Folio No.

By order of the board,
Vishamber Shewakramani
Managing Director

Registered Office:
Rosewood Chambers,
99/ C, Tulsiwadi, Tardeo,
Mumbai - 400 034.

Dated: August 13, 2010

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty-Sixth Annual Report together with the Statement of Accounts for the year ended 31st March 2010.

Operations

The Company has completed its Twenty first year of operations. Income for the year is Rs.583.21 lakhs as compared to 514.68 lakhs in the previous year.

The working results of the Company show a net profit of Rs.45.19 lakhs after making provision for depreciation of Rs.32.42 lakhs.

Dividend

Your Directors are pleased to recommend the payment of dividend @ 10% per equity share for the financial year ended 31st March, 2010 amounting to Rs.38,00,000/-.

Conservation of Energy

During the year, the Company continued to make efforts to prevent wasteful electrical consumption. Solar Water Heating System has been extended and this has helped in saving of energy cost.

Technology Absorption

The Company does not need any technology for its existing business.

Foreign Exchange

The Company has earned Rs.5.80 lakhs by way of foreign exchange and the outgo of foreign exchange was Nil.

Interest Subsidy

The Supreme Court has dismissed our claim vide its order dated July 7, 2010 in matter civil appeal no. 4986/4987/2010.

Directors

Shri Pravin Vepari and Smt. Nalini Shewakramani, Directors of the Company would retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

Brief resume of the above Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership / chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange are given in the section on Corporate Governance in the Annual Report.

Directors' Responsibility Statement

The Directors confirm:

- (i) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have 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 and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

Particulars of Employees

The Company does not have any employees whose particulars are required to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Compliance Certificate

A Compliance Certificate from the Secretary in whole time practice in respect of the financial year ended 31st March 2010 is attached.

RAS RESORTS AND APART HOTELS LIMITED



Auditors

M/s. Dayal & Lohia, Chartered Accountants, the Auditors of the company would retire at the forthcoming Annual General Meeting and they are eligible for reappointment.

You are requested to appoint the Auditors and fix their Remuneration.

Listing

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd.

The Company has paid the Annual Listing Fees to the Bombay Stock Exchange Ltd. for the year 2010-2011.

Corporate Governance

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, reports on Management Discussion & Analysis and on Corporate Governance alongwith a certificate from the

Practising Company Secretaries form part of the annual report.

Acknowledgement

Your Directors convey their gratitude to the Allahabad Bank and every official of the administration of Dadra and Nagar Haveli and Daman and Diu for their continued assistance and support. The Directors also wish to place on record their appreciation of the hard work put in by the staff, both at Silvassa and Mumbai. The Directors are also grateful to you, the Shareholders for the confidence you continue to repose in the Company.

For and on behalf of the Board

PRAVIN VEPARI
Chairman

Date: August 13, 2010

RAS RESORTS AND APART HOTELS LIMITED



Registration No : L45200MH1985PTC035044

Authorised Capital : 12,00,00,000/-

COMPLIANCE CERTIFICATE

To,

The Members
RAS RESORTS AND APART HOTELS LIMITED.
99/C, Rosewood Chambers,
Tulsiwadi, Tardeo, Mumbai 400 034

We have examined the registers, records, books and papers of Ras Resorts and Apart Hotels Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the said annexure.
3. The Company being a public limited Company, comments that a Private Limited Company has minimum prescribed capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 7 (Seven) times on 10.04.2009, 22.05.2009, 28.07.2009, 18.09.2009, 30.10.2009, 29.01.2010 and on 25.02.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. (No circular resolution was passed).
5. The Company closed its Register of Members from September 11, 2009 to September 18, 2009, both days inclusive and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2009 was held on 18.09.2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or Companies referred to in Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or previous approval of the Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the certificates on lodgement of securities for transfer/ transmission in accordance with the provisions of the Act. There was no allotment of securities during the year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year. There were no unpaid dividends in the Company.
(iv) There are no unpaid dividends, application money due for refund,

RAS RESORTS AND APART HOTELS LIMITED



matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.

- (v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
 15. The Company has not appointed any Managing Director / Whole-time Director/ Manager during the financial year.
 16. The Company has not appointed any sole selling agents during the financial year.
 17. The Company has obtained necessary approval from the Central Government under section 211(4) of the Companies Act, 1956, seeking exemption from disclosure of quantitative details, in the Balance Sheet and Profit & Loss Account in respect of the financial years ending on 31.03.2010, 31.03.2011 and 31.03.2012.
 18. All the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company has not issued any preference shares/debentures.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year. However, the Company has filed Statement in lieu of advertisement during the year.
 24. The amount borrowed by the Company from directors, banks and others during the financial year ending 31st March, 2010 are within the borrowing limits of the Company and that necessary resolution as per section 293(1)(d) of the Act has been passed in Annual General Meeting.
 25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate during the financial year.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the year under scrutiny.
 31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act. However the Company Law Board, Mumbai Branch has compounded the offence committed u/s 211(4) of the Companies Act, 1956 upon the application made by the Managing Director of the Company.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For **Parikh Parekh & Associates**

Shalini Bhat

(Partner)

Place : Mumbai
Date : August 13, 2010

C. P. No. : 6994

Annexure 'A'

I. Statutory Registers as maintained by the Company:

1. Register of Charges u/s 143 of the Act.
2. Register of Members u/s 150 of the Act.
3. Minutes Book of Board Meetings u/s 193 of the Act. (In loose leaf)
4. Minutes Book of General Meetings u/s 193 of the Act. (In loose leaf)
5. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
6. Register of Contracts u/s 301 of the Act.
7. Register of disclosure of interest u/s 301 of the Act.
8. Register of particulars of Directors etc. u/s 303 of the Act.
9. Register of Directors' Shareholding u/s 307 of the Act.
10. Register of Investment u/s 372A of the Act.

II. Other Registers:

1. Register of Directors' Attendance
2. Register of Shareholders' Attendance
3. Register of Transfers

For **Parikh Parekh & Associates**

Shalini Bhat
(Partner)

Place : Mumbai
Date : August 13, 2010

C. P. No. : 6994

RAS RESORTS AND APART HOTELS LIMITED



Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2010:

| Sr. No. | Form No. / Return | Filed under section | For | Date of filing | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid. Yes/No |
|---------|--|------------------------------------|---|----------------|---|--|
| 1. | Form 61 | 621A | Application to ROC, Mumbai for Compounding of Offence under Section 211(4) of Companies Act, 1956 for the financial year 2007-08 by the Managing Director | 30.06.2009 | N.A. | N.A. |
| 2. | Form 66 alongwith Compliance Certificate for the year ended 31.03.2009 | 383A | Financial Year 2008-2009 | 22.09.2009 | Yes | N.A. |
| 3. | Form 32 | 303(2) | Change in Designation of Mr. Vijay Ranjan as Director w.e.f. 18.09.2009 | 22.09.2009 | Yes | N.A. |
| 4. | Form 23AC & 23ACA alongwith Balance Sheet as at 31.3.2009 | 220 | Adopted at the Annual General Meeting held on 18.09.2009 | 23.09.2009 | Yes | N.A. |
| 5. | Form 20B alongwith Annual Return made upto 18.09.2009 | 159 | Annual General Meeting held on 18.09.2009 | 19.10.2009 | Yes | N.A. |
| 6. | Form 62 | Rule 4A of Companies Deposit Rules | Statement in lieu of advertisement | 31.10.2009 | Yes | N.A. |
| 7. | Form 23AAA | 211(4) | Application to Central Government seeking Exemption from giving quantity-wise details of the turnover and consumption in the balance sheet and profit & Loss account for the financial years 2009-10, to 2011-2012. | 02.11.2009 | Yes | N.A. |
| 8. | Form 21 | 621A | CLB order for compounding of offence in respect of the application made by the Managing Director for the default u/s 211(4) of the Companies Act, 1956 for the years 2007-08. | 11.01.2010 | Yes | N.A. |

For **Parikh Parekh & Associates**

Place : Mumbai
Date : August 13, 2010

Shalini Bhat
(Partner)
C. P. No. : 6994

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS OVERVIEW

Increasing disposable incomes, a change in the spending habits, increasing affordability due to numerous holiday packages and cheaper air fares, domestic tourist traffic has been growing at a rapid pace.

With continuing surge in tourist the hotel, this sector is likely to offer tremendous opportunity for investors with such a huge potential available.

Hotels are increasingly cashing in on food and beverages, restaurants, spas, health services, nightclubs and other ancillary services. These services are contributing more than half of the overall revenues of hotel chains. Non-room revenues of hotels have contributed substantially to overall revenues. Food and price inflation has been a major concern.

2. NATURE OF INDUSTRY

2.1 The hotel industry has always in a challenging stage over year to year. Every event affects the business.

2.1.1 The key characteristics of the hotel industry are :

The industry is primarily capital intensive coupled with depreciation costs on the buildings, furniture, fixtures and equipment and other assets. While your Company has an “Asset light” strategy, there are key strategic assets that need to be locked in through investment. During periods of growth the depreciation and interest costs rise rapidly as capacity additions take place. The relevant parameter for evaluation of management performance in the growth mode is thus EBITDA (Earnings Before Interest Tax Depreciation and Amortization), rather than Profit After Tax (PAT), since the depreciation and interest costs are expensed relatively quickly (over a 8-10 year frame)

against an asset that has a life of 80 to 100 years.

2.1.2 The hotel industry is also cyclical due to the nature of capacity additions being lumpy while the demand growth is smooth. However, the exact position of the industry on the business cycle varies from city to city, depending on the forces of demand and supply in that city. Silvassa has added more Hotels in the last 6 years.

2.1.3 Seasonality Trend : The Indian hotel industry reflects a clear seasonality trend. For example in India, the tourism and hospitality industry shows signs of an uptrend in the months of November to February due to higher tourist flows. The months of June to September on the other hand are months of low occupancies and revenue, with fewer business or leisure visitors. Although there is considerable improvement in the months of June to September that we have experienced.

2.1.4 Strong dependence on the services economy: The hotel industry tourist segment is highly dependent on services economy in terms of performance. Thus in the years of the services economy boom, the hotels business has grown well and has been relatively unaffected by the under performance of the manufacturing sectors of the economy

2.1.5 Brand Impact: The hotel industry is characterized by strong brand focus resulting in choices being made by the customer based on factors beyond price – especially in the high-end segment where the brand is a hallmark of product and service quality. Your Company and its “Complete Vacation & Conference Centre” have strong brand recognition and customer loyalty.

2.1.6 Instant perishability of the product: The industry belongs to the service sector and thus the product (service) is instantly consumed and cannot be replenished. Thus, one needs to maximize utilization of available capacity and reduce marginal costs over marginal revenues.

2.1.7 The major cost drivers in the industry are :

- Food and beverage costs
- Employee costs
- Power and fuel expenses
- Administrative and other overhead costs
- Advertising and publicity expenses

3. BUSINESS PERFORMANCE

The significant trends that drive the hotel industry are the opportunities for growth into new markets. Hospitality industry is under going a period of unprecedented change and becoming more a real estate play and will continue to transform. This is also a period of unparalleled opportunity and the need of the hour is to remain at the forefront of understanding the travellers need and demand, both now and into the future. Understanding these key business drivers and delivering the technology will support the hoteliers to stay competitive in a rapidly changing world.

3.1 The Company has continued the Real Estate business and is acquiring a plot at Goa and a plot at Silvassa.

4. RISK FACTORS

4.1 Risks related to presence in India

4.1.1 Political and economic environment risks: With the political and economic environment being stable in India, the hospitality industry will be benefited. With the services sector increasing its contribution share of the Indian GDP, over the medium term the fortunes of our industry are expected to improve

further. With India joining the global mainstream of business and attracting more foreign investments and its presently high levels of domestic tourist traffic, the future has good potential for the hotel industry.

4.1.2 Socio-Political risks: The Hotels industry faces risk from the volatile socio-political environment in the local area.

4.2 Industry / sector specific risks

4.2.1 Infrastructure related risks:

Presence of good infrastructure in terms of airports/ roads is critical to attract customers. With the Government of India planning to privatise the airport, to increase efficiency to international standards and the commissioning of the Golden Quadrilateral Highway, business activity is expected to improve, and the hotel industry will benefit from these improvements in infrastructure.

4.2.2 Government concessions / restrictions to the hospitality industry:

Tourism as a major economic activity has been identified as such by the Government of India. The importance of this sector is expected to grow in the coming years.

4.3 Risks associated with the Company

4.3.1 Risk of wage inflation: the hotel industry needs quality employees and with demand for the same improving across the industry, the Company feels that wage inflation is a critical factor in determining costs for the Company. Thus, your Company will continue to focus on improving manpower efficiencies and creating a lean organization, while maximizing effectiveness in terms of customer service and satisfaction, as an area of great importance for the management of your Company.

4.3.2 Client Concentration: Your Company provides its services to 7 broad market segments, namely – Corporate/ Business, Leisure, Longstayers, Groups, Conferences, Events and Packages. The Company does not face any significant risk since there is no excessive concentration of business with any single client.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

5.1 The systematic evaluation and improvement of internal control and internal Audit continued during the year 2009 – 2010. In addition, asset audits were commissioned in view of last year loss of assets in the flood and reinstatement thereof. The coverage has been comprehensive and exhaustive with a great degree of involvement of the Unit personnel and satisfactory compliance with previous year's agreed audit recommendations.

6. LIMITATIONS OF FINANCIAL STATEMENTS

6.1 Contingent Liabilities

6.1.1 The accounting standard definition of a contingent liability is as follows:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- a present obligation that arises from past events but is not recognized because it is not probable that a transfer of economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

7. FUTURE OUTLOOK

7.1 INTERNATIONAL

7.1.1 Most economies of the world are in a brief recession. The world's largest economy, the United States has been

stable in consumer spending and corporate confidence levels. This confidence is expected to help the other economies in Europe and Asia.

7.1.2 Increase in technological spending across the world is expected to improve the prospects for the services industry and further improve infrastructure facilities across the world to promote business deals and improve standard of living for the people

7.2 FUTURE OUTLOOK FOR INDIA

7.2.1 India has emerged as a strong performer in the world scenario in the last financial year. In the current political scenario after the trust vote focus on the reforms, the process of liberalization is expected to gain further momentum in the coming years.

7.2.2 The Indian economy has been performing consistently and has shown a lot of stability over the last year. This is an important stimulus expected to benefit further revival of economy. The economy is expected to bounce back to the growth levels of Internet boom times in current financial year.

7.2.3 Development in the telecommunications sector & road infrastructure is expected to improve conditions in the country and thus emerge as a growth driving factor for the economy on the whole.

7.3 FUTURE OUTLOOK FOR THE INDUSTRY

In the future, the demand for the rooms and F & B is expected to grow because of the following factors:

- Improvements in the infrastructure sector viz. roads
- Higher Disposable income
- High GDP growth
- Investment Reforms will further boost up long-term capital inflow into the sector

In the long term, for the growth of the industry to be sustained, issues like poor infrastructure, high levels of taxation need to be solved. Land development, less of paper and legal work, faster execution is needed to meet the growing demand. Adding rooms at a faster pace would stabilise the room rates and not have a negative effect on the potential demand in the future.

7.4 REAL ESTATE ACTIVITY

The efforts are on for starting the real estate business activities in Silvassa for high end residential space for leisure purchasers and corporates.

7.5 CONCERNS FOR THE FUTURE

The Governments dependence on coalition partners could dampen business mood.

8. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

- 8.1 The Company's mission is to achieve and sustain leadership in the Hospitality industry and to deliver value to its customers by rewarding and recognizing quality customer care based upon individual and team performance. The Company provides opportunities for continuous learning and development and abides by fair policies to ensure the well being of its employees, their family, the community and the environment.

- 8.2 Improvements in all the areas of the hotels have been affected through :

8.2.1 A clear understanding of the group's vision, philosophy and flexibility in the Customer Relationship Management;

8.2.2 To build a culture of trust and transparency, Staff Meetings have been initiated where employees are briefed on the new activities and the business scenario.

9. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. As 'forward looking statements' are based on certain assumptions and expectations of future events over which the Company exercises no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realized by the Company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions affecting demand, supply and price conditions in the hospitality industry, changes in government regulations, tax regimes and other statutes.

REPORT ON CORPORATE GOVERNANCE (Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to the shareholders.

The Company is committed to learn and adopt the best practices of corporate governance by adopting fair and transparent processes, reporting systems and ensuring regulatory compliance.

2. BOARD OF DIRECTORS

A. Composition of Board

The present strength of the Board of Directors of your Company is seven.

Composition and category of Directors, attendance at Board Meetings and at last AGM, directorships in other companies and in committees as on 31st March 2010 is as follows:

| Name of Director | Category of Director-ship* | No. of Board Meetings | | Attendance at the last AGM | Director-ship in other public limited companies in India | No. of Committees in which Chairman/Member (other than Ras Resorts & Apart Hotels Ltd.) | |
|-----------------------------|----------------------------|-----------------------|----------|----------------------------|--|---|----------|
| | | Held | Attended | | | Member | Chairman |
| Shri Vishamber Shewakramani | Managing Director | 7 | 7 | YES | Nil | - | - |
| Shri Pravin Vepari | Chairman & I & N.E.D. | 7 | 7 | YES | Nil | - | - |
| Shri Ameet Hariani | I & N.E.D. | 7 | 5 | YES | 3 | - | - |
| Shri Vijay Ranjan | I & N.E.D. | 7 | 7 | YES | Nil | - | - |
| Shri Tekchand Shewakramani | N.E.D. | 7 | - | - | Nil | - | - |
| Shri. Gautam Shewakramani | N.E.D. | 7 | 2 | - | Nil | - | - |
| Smt. Nalini Shewakramani | N.E.D. | 7 | 5 | YES | Nil | - | - |

* I & N.E.D. – Independent & Non-Executive Director

** N.E.D. – Non-Executive Director

Shri Vishamber Shewakramani, Shri Tekchand Shewakramani, Smt. Nalini Shewakramani and Shri Gautam Shewakramani are related to each other. None of the other directors are related interse.

B. Non- executive Directors' Compensation

None of the non-executive directors is paid any remuneration other than sitting fees of Rs.8000/- for each director for attending each Board Meeting and Rs.2000/- for each Audit Committee Meetings

The holdings of non-executive directors in the shares of the Company are as follows:

| | |
|-------------------------------|-------------------------|
| 1. Shri Tekchand Shewakramani | 697138 Equity Shares |
| 2. Smt. Nalini Shewakramani | 359150 Equity Shares |
| 3. Shri Gautam Shewakramani | 106000 Equity Shares |

C. Independent Directors

The independent directors are not related to promoters or management at the Board level. All independent directors have confirmed that they meet the independence criteria as mentioned under clause 49 of Listing Agreement. They review, at every board meeting, legal compliance reports prepared by the Company.

D. Board Procedure

Seven Board Meetings were held during the year 2009 - 2010. The dates on which the said meetings were held are as follows:

10.04.2009, 22.05.2009, 28.07.2009, 18.09.2009, 30.10.2009, 29.01.2010 and 25.02.2010.

The Company has a process to provide inter-alia the information to the Board as required under Annexure IA to Clause 49 of the Listing Agreement. The Board periodically reviews the compliance of all laws applicable to the Company.

All directors have made necessary disclosures about the committee positions, if any, held in other companies.

The Company has not entered into any materially significant transactions, during the year under report, with promoters, directors, senior management personnel etc. other than transactions if any, entered into in the normal course of company's business.

E. Details of Directors to be appointed

The particulars of Directors who are proposed to be appointed / re-appointed at this Annual General Meeting, as required pursuant to clause 49 of the Listing Agreement, are given below:

1. Shri Pravin Vepari, Chairman of the Board of Directors of the Company, is a leading Chartered Accountant. Other Directorship ; Nil
2. Smt. Nalini Shewakramani is Food Scientist. The Directorships she holds in other companies are Gautam Premises Pvt. Ltd., Burger King Restaurant Pvt. Ltd., Ras Stock & Financial Services Pvt. Ltd., Hungry Jacks Fast Food Pvt. Ltd., Ras Business Premises Pvt. Ltd., Ras Erectors Pvt., Ltd.

F. Code of Conduct

The Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The said code of conduct is posted on the company's website www.rrahl.com. All the Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration signed by the Managing Director and CEO is given at the end of this report.

The Company has also adopted a code of conduct for prevention of Insider Trading. All the Directors, Senior Management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under report, there has been due compliance with the said code of conduct for prevention of Insider Trading.

3. AUDIT COMMITTEE

The Audit Committee comprises of four directors:

1. Shri Pravin Vepari – Independent and Non-Executive Director, Chairman of the Committee
2. Shri Ameet Hariani – Independent and Non-Executive Director
3. Shri Vijay Ranjan – Independent and Non-Executive Director
4. Smt. Nalini Shewakramani – Non-Executive Director

The members of the Committee have the relevant experience in the field of finance, taxation and accounting, with Shri Pravin Vepari, Chairman of the committee, being a Chartered Accountant and Independent Director.

The Managing Director attends the Audit Committee Meetings. Besides the Internal Auditors and finance personnel are invitees to the Audit Committee.

The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement such as oversight of the Company's financial reporting process; recommending the appointment/reappointment of statutory auditors; reviewing with the management, annual financial statements, quarterly financial statements and other matters, as covered under the role of the Audit Committee in Clause 49. The Audit Committee has powers, inter alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company/ Company's subsidiary as well as seek outside legal and professional advice. The Audit Committee reviews all the issues that are required to be mandatorily reviewed by it under Corporate Governance.

Four meetings of the Committee were held during the financial year. The dates on which the said meetings were held are as follows:

RAS RESORTS AND APART HOTELS LIMITED



10.04.2009, 28.07.2009, 30.10.2009 and 29.01.2010

The attendance of each member of the Audit Committee in the meetings is given below:

| Name of the Director | No. of meetings held | No. of meetings attended |
|--------------------------|----------------------|--------------------------|
| Shri Pravin Vepari | 4 | 4 |
| Shri Ameet Hariani | 4 | 2 |
| Shri Vijay Ranjan | 4 | 4 |
| Smt. Nalini Shewakramani | 4 | 3 |

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 18, 2009.

4. SUBSIDIARY COMPANY

The Company does not have a subsidiary.

5. REMUNERATION COMMITTEE

The Remuneration Committee comprises of the following directors:

1. Shri Pravin Vepari – Independent and Non-Executive Director, Chairman of the Committee
2. Shri Ameet Hariani – Independent and Non-Executive Director
3. Shri Vijay Ranjan – Independent and Non-Executive Director
4. Smt. Nalini Shewakramani – Non-Executive Director

The Remuneration Committee deals with the matters specified in clause 49 of the listing agreement and also reviews the overall compensation structure and policies of the Company.

No meeting of the committee was held during the year.

Details of remuneration paid to the Directors of the Company during the year ended 31st March, 2010 are given below:

| Name of Director | Salary | Perquisites | Commission | Others | Sitting fees | Total |
|--|-------------|-------------|------------|----------|--------------|-------------|
| Shri Vishamber Shewakramani Managing Director | 18,00,000/- | - | - | - | - | 18,00,000/- |
| Shri Pravin Vepari | - | - | - | - | 64,000/- | 64,000/- |
| Shri Ameet Hariani | - | - | - | - | 44,000/- | 44,000/- |
| Shri Tekchand Shewakramani | - | - | - | - | - | - |
| Shri Gautam Shewakramani | - | - | - | - | 16,000/- | 16,000/- |
| Smt. Nalini Shewakramani | - | - | - | - | 46,000/- | 46,000/- |
| Shri Vijay Ranjan | - | - | - | 39,554/- | 64,000/- | 1,03,554 |

Non-Executive Directors are not entitled to any remuneration other than the sitting fees.

The Company does not have a scheme for grant of stock options.

6. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Shareholders'/Investors' Grievance Committee comprises of Shri Pravin Vepari,

Shri Vishamber Shewakramani and Smt. Nalini Shewakramani. The Chairperson of the Committee is Smt. Nalini Shewakramani, a non-executive director.

The Committee looks into redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. Shri B. H. Joshi is the Compliance Officer of the Company.

No investor complaint was received during the year under review. Outstanding complaints as on 31st March, 2010 were Nil. No requests for transfers were pending for approval as on 31st March, 2010.

Four meetings of the Committee were held during the financial year. The dates on which the said meetings were held are as follows:

10.04.2009, 28.07.2009, 30.10.2009 and 29.01.2010

The Shareholders' / Investors' Grievance Committee has delegated the powers of approving transfer / transmission of shares to a Share Transfer Committee, which met on

RAS RESORTS AND APART HOTELS LIMITED



a fortnightly basis during the year 2009-2010 (also see para 12.9)

7. GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings:

| Year | Location | Date | Time | Special Resolution, if any |
|---------|--|------------|------------|--|
| 2006-07 | Green Room, Bombay Cricket Association, Garware Club, Ground Floor, 'D' Road, Churchgate, Mumbai 400 020 | 17.09.2007 | 10.00 a.m. | – |
| 2007-08 | Green Room, Bombay Cricket Association, Garware Club, Ground Floor, 'D' Road, Churchgate, Mumbai 400 020 | 18.09.2008 | 10.00 a.m. | Appointment of Managing Director and payment of remuneration to him. |
| 2008-09 | Prince Hall, The national Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai 400018 | 18.09.2009 | 10.00 a.m. | – |

All the resolutions, including special resolution, set out in the respective notices convening the Annual General Meeting were passed by the shareholders.

No postal ballots were used for voting at these meetings. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

8. DISCLOSURES

A. Related Party Transactions

The particulars of transactions between the Company and its related parties as per Accounting Standard 18, are set out in the Notes to Accounts in the Annual Report and were placed before the Audit Committee periodically. There were no transactions of material nature entered into with Directors, or the Management, or their Relatives etc. during the year, that may have potential conflict with the interests of the Company at large.

B. Risk Management

The Board of Directors have been informed from time to time the business risks faced by the Company and the steps taken by the management to face them.

C. Proceeds from Initial Public Offerings (IPOs)

The Company has not made any IPO during the year.

D. Management

A separate report on Management Discussion & Analysis, which forms part of the report, is annexed.

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/strictures have been imposed against the Company during the last three years.

Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practising Company Secretaries regarding the compliance of conditions of Corporate Governance stipulated in the clause and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate from the Practising Company Secretaries to this effect and the same is given as an annexure to the Directors' Report.

9. WHISTLE BLOWER POLICY

The Company has not framed any whistle blower policy. However, no person has been denied any access to the Audit Committee.

The Company has not adopted non-mandatory requirements of Clause 49. However the particulars relating to the remuneration committee are given in this report.

10. POSTAL BALLOT

The Company does not have any proposal for postal ballot this year.

11. MEANS OF COMMUNICATION

The quarterly and half-yearly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and are published in newspapers like, Pratyashka, Mumbai Lakshadweep, Apala Mahanagar and Business Standard. These are not sent individually to the shareholders.

Pursuant to the erstwhile Clause 51 of the listing agreement, the Company was regularly filing quarterly results, annual

report, corporate governance report and the shareholding pattern statement on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC).

As per the new clause 52 of Listing Agreement with Stock Exchange, Company would ensure the filing of all compliances through Corporate Filing and Dissemination System within time limit specified in respective clause of the Listing Agreement.

There were no presentations made to the institutional investors or analysts.

12. GENERAL SHAREHOLDERS INFORMATION

12.1 Annual General Meeting :

Date and Time : Friday, September 24, 2010 at 10.00 a.m.

Venue : Lounge A, The National Sports Club of India, Lala Lajpatrai Marg, Worli, Mumbai 400 018.

12.2 Financial Calendar : April to March

First quarter results – last week of July

Second quarter results – last week of October

Third quarter results – last week of January

Fourth quarter results – last week of April

12.3 Date of Book Closure : Tuesday, September 21, 2010 to Friday, September 24, 2010 (both days inclusive)

12.4 Dividend Payment Date : The dividend if declared shall be paid on or after September 24, 2010.

12.5 Listing on Stock Exchange : The Bombay Stock Exchange Ltd.

12.6 (a) Stock Code – Physical : 507966 at BSE

(b) ISIN Number in NSDL and CDSL : INE651D01016

12.7 Stock Price Data

Table below gives the monthly highs and lows of the Company's shares on the Mumbai Stock Exchange (BSE).

| High and Low prices of the Company's shares on BSE with corresponding BSE sensex April 2009 to March 2010 | | | | |
|---|------------------|------------|------------------|------------|
| Months | High (Rs.) | | Low (Rs) | |
| | Ras Resort Price | BSE Sensex | Ras Resort Price | BSE Sensex |
| April 2009 | 37.45 | 11,492.10 | 34.00 | 9,546.29 |
| May 2009 | 42.95 | 14,930.54 | 35.15 | 11,621.30 |
| June 2009 | 43.00 | 15,600.30 | 41.00 | 14,016.95 |
| July 2009 | 43.05 | 15,732.81 | 37.10 | 13,219.99 |
| August 2009 | 37.05 | 16,002.46 | 22.40 | 14,684.45 |
| September 2009 | 31.60 | 17,142.52 | 24.65 | 15,356.72 |
| October 2009 | 37.55 | 17,493.17 | 24.85 | 15,805.20 |
| November 2009 | 31.25 | 17,290.48 | 20.75 | 15,330.56 |
| December 2009 | 29.20 | 17,530.94 | 24.25 | 16,577.78 |
| January 2010 | 30.85 | 17,790.33 | 22.25 | 15,982.08 |
| February 2010 | 28.00 | 16,669.25 | 21.40 | 15,651.99 |
| March 2010 | 30.00 | 17,793.01 | 23.10 | 16,438.45 |

12.8 Registrar & Transfer Agents :

Satellite Corporate Services Private Limited Registrar and Share Transfer Agents having their office at:

B- 302, Sony Apartment,
Opp. St. Jude's High School,
Off Andheri – Kurla Road,
Jarimari, Sakinaka,
Mumbai 400 072

12.9 Share Transfer System :

Share transfers are registered and duly transferred share certificates are returned to the lodger within a period of thirty days from the date of receipt, if the documents are otherwise in order.

The share transfer committee meets as often as possible to approve transfers and related matters as may be required.

RAS RESORTS AND APART HOTELS LIMITED



12.10 Distribution of shareholding as on 31st March, 2010 :

| Particulars | No. of shares held | Percentage to total share capital |
|---|--------------------|-----------------------------------|
| Promoters | 2959553 | 77.88 |
| Financial Institutions/ Banks / Mutual Funds | 200 | 0.01 |
| Corporate Bodies | 20072 | 0.53 |
| NRI/OCB/FII | 940 | 0.02 |
| Hindu Undivided Families | 60569 | 1.59 |
| Individuals | 758666 | 19.97 |
| Total | 3800000 | 100.00 |

12.11 Dematerialization of shares and Liquidity:

As on March 31, 2010, 48.24% of the paid up share capital has been dematerialized. The shares of the Company are infrequently traded.

12.12 Outstanding GDRs / ADRs : NA

12.13 Hotel Location:

Survey No. 128, Hissa No. 1, Silvassa Naroli Road, Silvassa 396 230, Union Territory of Dadra & Nagar Haveli.

12.14 Addresses for Correspondence:

Registrar and Share Transfer Agents

Satellite Corporate Services Private Limited
Unit: RAS RESORTS & APART HOTELS LTD.
B-302, Sony Apartment,
Opp. St. Jude's High School,
Off Andheri Kurla Road,
Jarimari, Sakinaka,
Mumbai - 400 072
Tel. : +91 22 28520461
+91 22 28520462
Telefax : +91 22 28511809

: Compliance Officer

Shri B. H. Joshi
Rosewood Chambers,
99/C, Tulsiwadi,
Tardeo,
Mumbai 400 034.
Tel.: +91 22 4321 6600,
2352 6325
Email: rasresorts@vsnl.com

13. CEO/CFO Certification

A Certificate from the Managing Director of the Company in terms of Clause 49(V) of the Listing Agreement was placed before the Board Meeting held on August 13, 2010 to approve the Audited Annual Accounts for the year ended 31st March 2010.

14. DECLARATION

As provided under Clause 49 of the listing agreement with the Stock Exchange, the Board members and the senior management personnel have affirmed compliance with the Code of Conduct for the Board of Directors and senior management for the year ended 31st March 2010.

RAS RESORTS AND APART HOTELS LIMITED



PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
Ras Resorts & Apart Hotels Limited

We have examined the compliance of the conditions of Corporate Governance by **RAS RESORTS & APART HOTELS LIMITED** for the year ended on March 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the 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, and 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 the above mentioned Listing Agreement.

We 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.

For Parikh & Associates

P. N. Parikh
FCS: 327
CP: 1228

Place : Mumbai
Date : August 13, 2010

AUDITORS' REPORT

To The Members of

RAS RESORTS AND APART HOTELS LIMITED,

We have audited the attached Balance Sheet of **RAS RESORTS AND APART HOTELS LIMITED** as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check basis, evidence supporting the amounts and disclosures in the financial statements. 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.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to 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 purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by the law have been kept by the Company so far as it appears from our examination of the books.
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) In our opinion and based on the information and explanations given to us, none of the directors are disqualified as on 31st March, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **DAYAL & LOHIA**
Chartered Accountants
Firm Regn. No. 102200W

S. L. Khandelwal
Partner
M. No: 101388

Place : Mumbai
Date : 13th August, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 2 of our Report of even date on the accounts of Ras Resorts and Apart Hotels Limited for the year ended 31st March 2010.)

1. In respect of its Fixed assets:
 - (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
 - (c) The Company has not disposed off any substantial part of fixed assets so as to affect its going concern.
2. According to information and explanations given to us, the Company's inventory of stores, food & beverages and operating supplies have been physically verified by the Management at reasonable intervals during the year. The Company has a perpetual inventory system. In our opinion, the frequency of such verification is reasonable.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (a) According to the information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956;
 - (b) According to the information and explanation given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956;
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956, according to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted the deposit u/s 58A, 58AA or any other relevant provisions of the Companies Act, 1956 during the year.
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of the business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 to the Company.
9. (a) According to the records of the Company, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues outstanding as on 31st March, 2010, for a period of more than six months from the date they became payable.
(b) According to the records of the Company and information and explanations given to us there are no dues of sales tax,

RAS RESORTS AND APART HOTELS LIMITED



income tax, wealth tax, service tax, custom duty, excise duty on account of any disputes.

10. In our opinion, the Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the year and in the immediately preceding financial year.
11. On the basis of our examination of the books and according to the information and explanations given to us, the Company has not borrowed any sum from financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. In our opinion, the Company is not a Chit Fund, Nidhi or Mutual Fund/Society.
14. According to the information and explanations given to us, the Company does not deal in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
16. In our opinion and on the basis of information and explanations given to us, the term loans availed by the company were prima facie applied for the purpose 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, during the year no funds raised on short-term basis have been used for long-term investment by the Company.
18. The Company has not made preferential allotment of shares to Company covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, and to the best of our knowledge and belief no fraud on or by the Company, has been noticed or reported during the year.

For **DAYAL & LOHIA**
Chartered Accountants
Firm Regn. No. 102200W

S. L. Khandelwal
Partner
M. No: 101388

Place : Mumbai
Date : 13th August, 2010

RAS RESORTS AND APART HOTELS LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2010

| | 'Schedules' | Rupees | As at 31.03.2010 Rupees | Rupees | As at 31.03.2009 Rupees |
|--|-------------|-------------|-------------------------------|-------------|-------------------------------|
| SOURCES OF FUNDS | | | | | |
| 1. Shareholders' Funds | | | | | |
| Share Capital | 'A' | | 38,000,000 | | 38,000,000 |
| 2. Reserves & Surplus | 'B' | | 62,907,295 | | 63,542,651 |
| 3. Loan Funds: | | | | | |
| (a) Secured Loans | 'C' | | 28,399,916 | | 27,550,803 |
| (b) Unsecured Loans | 'D' | | 60,000 | | 185,400 |
| 4. Time Share | 'E' | | 2,926,850 | | 3,066,178 |
| 5. Deferred Tax Liabilities (Net) (Refer Note 9 of Schedule 'P') | | | 6,421,433 | | 7,177,240 |
| TOTAL | | | 138,715,494 | | 139,522,272 |
| APPLICATION OF FUNDS | | | | | |
| 6. (a) Fixed Assets | 'F' | | | | |
| Gross Block | | 144,170,020 | | 140,358,702 | |
| Less: Depreciation | | 44,013,380 | | 40,268,926 | |
| Net Block | | 100,156,640 | | 100,089,776 | |
| (b) Capital Work-in-Progress (including Advances on Capital Account) | | 35,220,406 | 135,377,046 | 30,266,915 | 130,356,691 |
| 7. Investments | 'G' | | 8,276,375 | | 8,276,375 |
| 8. Current Assets, Loans & Advances: | 'H' | | | | |
| (a) Inventories | | 967,945 | | 1,914,224 | |
| (b) Sundry Debtors | | 1,549,174 | | 1,222,039 | |
| (c) Cash & Bank Balances | | 1,980,078 | | 2,815,236 | |
| (d) Loans & Advances | | 9,896,641 | | 8,436,022 | |
| (e) Interest Accrued but not due | | 18,354 | | 1,947 | |
| | | 14,412,192 | | 14,389,468 | |
| 9. Less: Current Liabilities and Provisions | 'I' | | | | |
| (a) Current Liabilities | | 7,882,694 | | 9,417,085 | |
| (b) Provisions | | 11,467,425 | | 4,083,177 | |
| | | 19,350,119 | | 13,500,262 | |
| Net Current Assets (8-9) | | | (4,937,927) | | 889,206 |
| TOTAL | | | 138,715,494 | | 139,522,272 |
| Notes to Accounts | 'P' | | | | |

As per our attached report of even date

For **DAYAL AND LOHIA**
Chartered Accountants

S.L. KHANDELWAL
Partner
Membership No. 101388
Mumbai, 13th August, 2010

For and on behalf of the Board

PRAVIN VEPARI

Chairman

**VIJAY RANJAN
AMEET HARIANI
NALINI SHEWAKRAMANI
GAUTAM SHEWAKRAMANI**

Directors

VISHAMBER SHEWAKRAMANI

Managing Director

Mumbai, 13th August, 2010

RAS RESORTS AND APART HOTELS LIMITED



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| | 'Schedules' | Rupees | Year Ended 31.03.2010 Rupees | Rupees | Year Ended 31.03.2009 Rupees |
|---|-------------|-----------|------------------------------------|-----------|------------------------------------|
| INCOME | | | | | |
| Income from Operations | 'J' | | 56,723,917 | | 49,242,331 |
| Other Income | 'K' | | 1,597,469 | | 2,226,274 |
| TOTAL INCOME | | | 58,321,386 | | 51,468,605 |
| EXPENDITURE | | | | | |
| Food, Beverages, Tobacco & Liquor Consumed | 'L' | | 10,820,498 | | 8,987,702 |
| Payment to and Provisions for Employees | 'M' | | 10,199,644 | | 10,166,261 |
| Operating and Other Expenses | 'N' | | 25,451,967 | | 26,302,228 |
| Depreciation | | 3,836,689 | | 3,584,860 | |
| Less : Transfer to Revaluation Reserve | | 594,526 | | 594,526 | |
| Interest | 'O' | | 3,242,163 | | 2,990,334 |
| | | | 2,643,751 | | 293,038 |
| TOTAL EXPENDITURE | | | 52,358,023 | | 48,739,563 |
| PROFIT BEFORE TAX | | | 5,963,363 | | 2,729,042 |
| Provision For Tax | | | | | |
| – Current | | | 2,200,000 | | 950,000 |
| – Deferred | | | (755,807) | | 269,124 |
| – Fringe Benefit Tax | | | – | | 156,000 |
| PROFIT AFTER TAX | | | 4,519,170 | | 1,353,918 |
| Balance of Profit brought forward | | | 8,178,177 | | 6,824,259 |
| | | | 12,697,347 | | 8,178,177 |
| APPROPRIATION | | | | | |
| General Reserve | | | 500,000 | | – |
| Dividend Paid / Proposed | | | 3,800,000 | | – |
| Tax on Dividend Proposed | | | 760,000 | | – |
| Surplus to Balance Sheet | | | 7,637,347 | | 8,178,177 |
| | | | 12,697,347 | | 8,178,177 |
| Earnings per Share – Basic & Diluted | | | | | |
| Face Value of Share Rs.10/- each. (Refer Note 8 of Schedule 'P') | | | 1.19 | | 0.36 |
| Notes to Accounts | 'P' | | | | |

As per our attached report of even date

For **DAYAL AND LOHIA**
Chartered Accountants

S.L. KHANDELWAL
Partner
Membership No. 101388
Mumbai, 13th August, 2010

For and on behalf of the Board

PRAVIN VEPARI

VIJAY RANJAN
AMEET HARIANI
NALINI SHEWAKRAMANI
GAUTAM SHEWAKRAMANI

VISHAMBER SHEWAKRAMANI
Mumbai, 13th August, 2010

Chairman

Directors

Managing Director

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

| | Rupees | As at 31.03.2010 Rupees | Rupees | As at 31.03.2009 Rupees |
|--------------------------------|--|-------------------------------|----------------|-------------------------------|
| SCHEDULE 'A' | | | | |
| SHARE CAPITAL | | | | |
| Authorised | | | | |
| 100,00,000 | Equity Shares of Rs.10/- each | 100,00,000 | | 100,00,000 |
| 2,00,000 | Cumulative Redeemable Preference Shares of Rs.100/- each | 20,00,000 | | 20,00,000 |
| | TOTAL | 120,00,000 | | 120,00,000 |
| Issued, Subscribed and Paid-up | | | | |
| 38,00,000 | Equity Shares of Rs.10/- each fully paid-up | 38,00,000 | | 38,00,000 |
| | TOTAL | 38,00,000 | | 38,00,000 |
| SCHEDULE 'B' | | | | |
| RESERVES & SURPLUS | | | | |
| CAPITAL RESERVE | | | | |
| | As per last Balance Sheet | 2,585,500 | | 2,585,500 |
| SHARE PREMIUM | | | | |
| | As per last Balance Sheet | 752,400 | | 752,400 |
| REVALUATION RESERVE | | | | |
| | As per last Balance Sheet | 52,026,574 | 52,621,100 | |
| | Less: Depreciation on Revaluation | <u>594,526</u> | <u>594,526</u> | 52,026,574 |
| GENERAL RESERVE | | | | |
| | Transferred from Profit & Loss A/c | 500,000 | | - |
| | Balance in Profit & Loss Account | 7,637,347 | | 8,178,177 |
| | TOTAL | 62,907,295 | | 63,542,651 |

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

| | Note No. | As at 31.03.2010 Rupees | As at 31.03.2009 Rupees |
|---|--------------------------|-------------------------------|-------------------------------|
| SCHEDULE 'C' | | | |
| SECURED LOANS | | | |
| A. TERM LOANS | | | |
| 1. From HDFC Bank Ltd (Car Loan) (Repayable within one year Rs.7.58 lacs (P.Y. Rs.2.58 lacs)) | 1 | 2,091,800 | 532,378 |
| 2. From ICICI Bank Ltd (Car Loan) (Repayable within one year Rs.4.03 lacs (P.Y. Rs.4.08 lacs)) | 1 | 571,577 | 996,270 |
| | (A) | 2,663,377 | 1,528,648 |
| B. WORKING CAPITAL LOAN | | | |
| 1. From Allahabad Bank overdraft facility | 2 | 25,736,539 | 26,022,155 |
| | (B) | 25,736,539 | 26,022,155 |
| | GRAND TOTAL (A+B) | 28,399,916 | 27,550,803 |

Notes :

- Secured by Hypothecation of Motor Cars.
- Secured by a primary charge on the entire fixed assets of the Company, both present & future.

SCHEDULE 'D' **UNSECURED LOANS**

| | | | |
|---------------|--------------|---------------|----------------|
| From Director | | 60,000 | 185,400 |
| | TOTAL | 60,000 | 185,400 |

SCHEDULE 'E' **TIME SHARE**

| | | | |
|---|--------------|------------------|------------------|
| Time Share Dream Vista | | 2,332,850 | 2,472,178 |
| Time Share – Refundable (Refer Note 4 of Schedule 'P') | | 594,000 | 594,000 |
| | TOTAL | 2,926,850 | 3,066,178 |

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE 'F' FIXED ASSETS

| Sr. No. | PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---------|--|-----------------------|---------------------------|----------------------------|------------------------|-------------------|------------------|------------------|------------------------|--------------------|--------------------|
| | | Cost as at 01.04.2009 | Additions during the year | Deductions during the year | Total as at 31.03.2010 | As at 01.04.2009 | For the year | Deductions | Total as at 31.03.2010 | As at 31.03.2010 | As at 31.03.2009 |
| 1. | FREEHOLD LAND AND LAND DEVELOPMENT (Notes 'A' & 'B' Below) | 25,729,200 | 160,543 | — | 25,889,743 | — | — | — | — | 25,889,743 | 25,729,200 |
| 2. | BUILDINGS (Note 'B' below) | 71,976,899 | — | — | 71,976,899 | 15,395,898 | 1,173,223 | — | 16,569,121 | 55,407,778 | 56,581,001 |
| 3. | PLANT AND MACHINERY | 22,793,826 | 1,099,733 | — | 23,893,559 | 15,164,865 | 1,141,492 | — | 16,306,357 | 7,587,202 | 7,628,961 |
| 4. | WATER SUPPLY SYSTEM | 489,592 | — | — | 489,592 | 466,148 | 5,222 | — | 471,370 | 18,222 | 23,444 |
| 5. | FURNITURE & FIXTURES | 10,974,504 | 246,084 | — | 11,220,588 | 5,554,217 | 731,092 | — | 6,285,309 | 4,935,279 | 5,420,287 |
| 6. | OFFICE AND OTHER EQUIPMENT | 1,901,438 | 122,763 | — | 2,024,201 | 1,416,921 | 103,680 | — | 1,520,601 | 503,600 | 484,517 |
| 7. | VEHICLES | 6,493,243 | 2,415,235 | 233,040 | 8,675,438 | 2,270,877 | 681,980 | 92,235 | 2,860,622 | 5,814,816 | 4,222,366 |
| | TOTAL | 140,358,702 | 4,044,358 | 233,040 | 144,170,020 | 40,268,926 | 3,836,689 | 92,235 | 44,013,380 | 100,156,640 | 100,089,776 |
| | PREVIOUS YEAR | 143,088,111 | 5,840,420 | 8,569,829 | 140,358,702 | 45,076,435 | 3,584,860 | 8,392,369 | 40,268,926 | 100,089,776 | |

NOTE : 'A' Includes cost of land development on leasehold land in respect of which lease rent is paid by the Company.

'B' Includes addition on revaluation of land Rs.24,458,118/-and Building Rs.3.64,73,977/-.

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

| | Rupees | As at 31.03.2010 Rupees | Rupees | As at 31.03.2009 Rupees |
|---|---|-------------------------------|--------|-------------------------------|
| SCHEDULE 'G' | | | | |
| INVESTMENTS (Unquoted - at cost) | | | | |
| Long Term | | | | |
| 193 | Equity Shares of New India Co-operative Bank Ltd. of Rs.10/- each, fully paid-up | 1,930 | | 1,930 |
| 4,36,100 | Equity Shares of Ras Stock & Financial Services Limited of Rs.10/- each, fully paid-up. | 4,174,445 | | 4,174,445 |
| 4,10,000 | Equity Shares of Hungry Jacks Fast Food Pvt Ltd of Rs.10/- each fully paid-up. | 4,100,000 | | 4,100,000 |
| | TOTAL | 8,276,375 | | 8,276,375 |

SCHEDULE 'H'

CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS

Inventories:

| | | | | |
|------------------------------|---------|---------|---------|-----------|
| Food, Beverages & Tobacco | 200,144 | | 216,524 | |
| Liquor & Wine | 89,027 | | 329,369 | |
| Operating Supplies (At Cost) | 440,133 | | 667,856 | |
| Stores (At Cost) | 238,641 | 967,945 | 700,475 | 1,914,224 |

Sundry Debtors:

Outstanding over six months:

| | | | | |
|--------------------------|-----------|-----------|-----------|-----------|
| Considered Good | 13,051 | | 44,581 | |
| Others – Considered Good | 1,536,123 | 1,549,174 | 1,177,458 | 1,222,039 |

Cash and Bank Balances :

| | | | | |
|---------------------------------------|-----------|-----------|-----------|-----------|
| Cash on Hand & Remittances in Transit | 310,889 | | 373,310 | |
| Balances with Scheduled Banks: | | | | |
| On Current Account | 1,481,689 | | 2,254,426 | |
| On Deposit Account | 187,500 | 1,980,078 | 187,500 | 2,815,236 |

B. LOANS AND ADVANCES

(Unsecured, Considered Good)

| | | | | |
|--|--|-----------|--|-----------|
| Advances recoverable in cash or in kind or for value to be received | | 5,080,541 | | 3,832,422 |
|--|--|-----------|--|-----------|

Deposits

| | | | | |
|--|--------------|-------------------|--|-------------------|
| | | 4,816,100 | | 4,603,600 |
| | | 9,896,641 | | 8,436,022 |
| | TOTAL | 14,393,838 | | 14,387,521 |

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

| | Rupees | As at 31.03.2010 Rupees | Rupees | As at 31.03.2009 Rupees |
|---|-----------|-------------------------------|-----------|-------------------------------|
| SCHEDULE 'I' | | | | |
| CURRENT LIABILITIES AND PROVISIONS | | | | |
| CURRENT LIABILITIES | | | | |
| Sundry Creditors | | | | |
| For Micro and Small enterprises | - | | - | |
| For Others | 6,017,784 | 6,017,784 | 7,429,305 | 7,429,305 |
| (Refer Note 15 of Schedule 'P') | | | | |
| Other Liabilities | | 1,864,910 | | 1,987,780 |
| TOTAL CURRENT LIABILITIES | | <u>7,882,694</u> | | <u>9,417,085</u> |
| PROVISIONS | | | | |
| Provision for Taxation | | 4,780,000 | | 2,580,000 |
| Provision for Fringe Benefit Tax | | 126,000 | | 186,000 |
| Provision for Gratuity | | 2,001,425 | | 1,317,177 |
| Provision for Dividend Proposed | | 3,800,000 | | - |
| Provision for Tax on Dividend | | 760,000 | | - |
| TOTAL PROVISIONS | | <u>11,467,425</u> | | <u>4,083,177</u> |
| TOTAL | | <u><u>1,93,50,119</u></u> | | <u><u>1,35,00,262</u></u> |

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| | Rupees | Year Ended 31.03.2010 Rupees | Rupees | Year Ended 31.03.2009 Rupees |
|---------------------------------|--------|------------------------------------|--------|------------------------------------|
| SCHEDULE 'J' | | | | |
| INCOME FROM OPERATIONS | | | | |
| Room Sales | | 37,432,600 | | 34,378,105 |
| Food, Beverages & Tobacco Sales | | 10,276,411 | | 7,796,267 |
| Liquor & Wine Sales | | 6,559,916 | | 5,115,299 |
| Income from Telephone Services | | 50,761 | | 20,994 |
| Income from Other Services | | 1,648,626 | | 1,618,158 |
| Miscellaneous Income | | 755,603 | | 313,508 |
| SUB TOTAL | | <u><u>56,723,917</u></u> | | <u><u>49,242,331</u></u> |

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| | Year Ended 31.03.2010 | Year Ended 31.03.2009 |
|---|--------------------------|--------------------------|
| <u>Rupees</u> | <u>Rupees</u> | <u>Rupees</u> |
| SCHEDULE 'K' | | |
| OTHER INCOME | | |
| Income from Services | 1,022,352 | 1,022,352 |
| Interest on Deposit with Banks | 18,555 | 24,769 |
| (Tax Deducted at Source Rs. Nil (P.Y Rs.2,404)) | | |
| Sundry Balances Written Back | 390,997 | 436,691 |
| Miscellaneous Income | 153,565 | 691,914 |
| Rent Received | 12,000 | 50,548 |
| SUB TOTAL | 1,597,469 | 2,226,274 |
| TOTAL | 58,321,386 | 51,468,605 |
| SCHEDULE 'L' | | |
| FOOD, BEVERAGES AND TOBACCO CONSUMED | | |
| Opening Stock | 216,524 | 150,144 |
| <i>Add:</i> Purchases | 7,046,998 | 6,078,667 |
| | 7,263,522 | 6,228,811 |
| <i>Less:</i> Closing Stock | 200,144 | 216,524 |
| SUB TOTAL | 7,063,378 | 6,012,287 |
| LIQUOR AND WINE CONSUMED | | |
| Opening Stock | 329,369 | 83,650 |
| <i>Add:</i> Purchases | 3,516,778 | 3,221,134 |
| | 3,846,147 | 3,304,784 |
| <i>Less:</i> Closing Stock | 89,027 | 329,369 |
| SUB TOTAL | 3,757,120 | 2,975,415 |
| TOTAL | 10,820,498 | 8,987,702 |
| SCHEDULE 'M' | | |
| PAYMENTS TO AND PROVISIONS FOR EMPLOYEES | | |
| Salaries, Wages & Bonus | 9,786,528 | 9,682,498 |
| Contribution to Provident & Other Funds | 388,861 | 388,332 |
| Staff Welfare Expenses | 24,255 | 95,431 |
| TOTAL | 10,199,644 | 10,166,261 |

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| | Year Ended 31.03.2010 | | Year Ended 31.03.2009 |
|--|--------------------------|------------------|--------------------------|
| | <u>Rupees</u> | | <u>Rupees</u> |
| SCHEDULE 'N' | | | |
| OPERATING AND OTHER EXPENSES | | | |
| Linen and Room Supplies | 1,621,108 | | 1,932,863 |
| Other Operating Supplies | 416,707 | | 531,400 |
| Fuel, Power and Light | 4,733,613 | | 4,645,551 |
| Repairs & Maintenance: | | | |
| Building | 1,759,969 | 2,593,444 | |
| Machinery | 764,037 | 600,367 | |
| Others | <u>2,509,522</u> | <u>1,863,741</u> | 5,057,552 |
| Telephone, Postage & Telegram | 735,999 | | 710,126 |
| Rent | 322,838 | | 317,509 |
| Rates & Taxes | 36,320 | | 100 |
| Insurance | 873,624 | | 804,483 |
| Printing & Stationery | 895,038 | | 670,786 |
| Traveling, Conveyance & Guest Transportation | 2,473,828 | | 2,550,312 |
| Watch & Ward | 587,213 | | 750,775 |
| Gardening Expenses | 871,837 | | 1,107,832 |
| Advertisement & Publicity | 975,565 | | 955,919 |
| Business Promotion Expenses | 568,133 | | 955,198 |
| Commission on Credit Card | 270,031 | | 150,457 |
| Legal & Professional Charges | 1,205,480 | | 1,291,856 |
| Payment to Auditors: | | | |
| Audit Fees | 137,875 | 110,300 | |
| Other Matters | <u>82,725</u> | <u>110,300</u> | 220,600 |
| Directors' Sitting Fees | 234,000 | | 131,000 |
| Entertainment Expenses | 135,005 | | 139,725 |
| Bad Debts / Debit Balances Written off | 119,243 | | 49,140 |
| Musical Expenses | 366,030 | | 332,857 |
| Miscellaneous Expenses | 2,409,844 | | 2,726,869 |
| Membership & Subscription | 346,383 | | 269,318 |
| TOTAL | <u>25,451,967</u> | | <u>26,302,228</u> |
| SCHEDULE 'O' | | | |
| INTEREST | | | |
| On Term Loan | 188,642 | | 149,123 |
| On Cash Credit | 2,455,109 | | 143,915 |
| TOTAL | <u>2,643,751</u> | | <u>293,038</u> |

SCHEDULE 'P'

Significant Accounting Policies and Notes annexed to and forming part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended 31st March, 2010.

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:

(i) General

The financial statements are prepared as a Going-concern and Historical cost convention, on an accrual basis and in accordance with the Companies Act 1956. Accounting policies not stated explicitly otherwise are consistent with the accounting principles generally accepted in India.

(ii) Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

(iii) Income Recognition

Revenues are accounted on accrual, except to the extent stated otherwise.

Non-refundable deposits received under a time-share scheme are recognised as revenue over the tenure of the scheme.

(iv) Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which they are incurred.

(v) Fixed Assets

Fixed Assets, other than Land and Building, are carried at cost less depreciation. Buildings and Land, which have been revalued, are carried at replacement cost value, net of depreciation, and fair market value respectively.

Direct costs are capitalised until fixed assets are ready for use. Capital-work-in progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not ready for their intended use at the balance sheet date.

(vi) Depreciation

Fixed Assets, other than Room Airconditioning, Machinery and Electrical Installations acquired upto December 16, 1993 are depreciated on a Straight Line Basis at the rates then prescribed under Schedule XIV to the Companies Act, 1956, whereas those acquired thereafter are depreciated at the revised rates prescribed in the said Schedule XIV. Room Airconditioning, Machinery and Electrical Installations are depreciated on the Straight Line method over the shorter commercial life of 9 years, estimated by the management, in view of continued use of these assets.

Depreciation on additions to building on revaluation is being provided over the remaining useful life as indicated by the valuer. Such depreciation is adjusted against Revaluation Reserve.

(vii) Subsidies

Central Investment Subsidy granted by the Government is credited to "Capital Reserve."

(viii) Inventories

Food & Beverages, Operating supplies and Stores are valued at lower of cost (weighted average basis) or net realizable value.

SCHEDULE 'P' (Contd.)

(ix) Retirement Benefits

The Company contributes towards Provident Fund and Super annuation Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required under the statutes/rules. Gratuity liability is accrued and provided for on the basis of actuarial valuations made at the year end. Provision for leave encashment which is an actual liability, is provided for.

(x) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long-term investments.

(xi) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Gains/losses arising on banking of foreign currency are recognized in the Profit and Loss Account on realization / incurrence.

(xii) Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred tax provision is made considering 'timing differences' between book and taxable profit using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable/virtual certainty that asset will be realised in future.

(xiii) Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(xiv) Accounting for Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed in the financial statements.

2. CONTINGENT LIABILITY

Liability in respect of Sales Tax on sale of food and beverages at Silvassa is presently unascertainable pending completion of assessment by the authorities.

3. Unexpired Capital Commitment (net of advances) – Rs.72,836,220/- (Previous year:Rs. 75,240,720/-)

4. TIME SHARE

Time Share Refundable Rs.594,000/- (Previous Year : Rs.594,000/-)

The amount is refundable to the members at the end of thirty years from the date of subscription, and does not carry any interest.

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE 'P' (Contd.)

5. SEGMENT REPORTING

The segment reporting of the Company has been prepared in accordance with Accounting Standard (AS-17), "Accounting for Segment Reporting" issued by the institute of Chartered Accountants of India.

Segment Reporting Policies

(a) Identification of Segments:

Primary – Business Segment

The Company has identified two reportable segments viz. Hoteliering & Real Estate on the basis of the nature of services, the risk return profile of individual business and the internal business reporting systems.

Secondary – Geographical Segment

The Company operates entirely in India and hence has no geographical segment.

(b) Revenue and expenses have been identified to the segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "allocable expenses". Since the Real Estate segment is still in 'preoperative stage' all the other unallocable expenses are allocated to Hoteliering segment.

(c) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investment, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "unallocated assets" and "unallocated liabilities".

(Rs. in Lacs)

| Sr. No. | Particulars | 31st March, 2010 | 31st March, 2009 |
|---------|-----------------------------------|------------------|------------------|
| 1. | Segment Revenue | | |
| | Hoteliering | 583.21 | 514.69 |
| | Real Estate | – | – |
| | Total | 583.21 | 514.69 |
| | Less : Inter-segment revenue | – | – |
| | Net Income from operations | 583.21 | 514.69 |
| 2. | Segment Results | | |
| | Hoteliering | 86.07 | 30.22 |
| | Real Estate | – | – |
| | Total | 86.07 | 30.22 |
| 3. | Segment Assets | | |
| | Hoteliering | 630.37 | 618.72 |
| | Real Estate | 313.70 | 286.35 |
| 4. | Segment Liabilities | | |
| | Hoteliering | 459.47 | 441.06 |
| | Real Estate | – | – |
| 5. | Segment Capital Expenses | | |
| | Hoteliering | 62.25 | -12.59 |
| | Real Estate | 25.39 | 30.32 |
| 6. | Segment Non Cash Expenses | | |
| | Hoteliering | 32.42 | 29.90 |
| | Real Estate | – | – |

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE 'P' (Contd.)

6. Consequent to the adoption of the Revised Accounting Standard 15 'Employees Benefits' (Revised) issued by the ICAI following disclosures have been made as required by the standard :-

(a) The Company operates post retirement defined benefit plans as follows :

Funded : Provident Fund

Unfunded : Post Retirement Gratuity

(b) Details of gratuity plan are as follows :-

(i) **Amount to be recognized in Balance Sheet and movement in net liability** (Rs. in Lacs)

| Particulars | 31st March, 2010 | 31st March, 2009 |
|--|------------------|------------------|
| Present Value of Unfunded Obligations | 20.01 | 13.17 |
| Unrecognised Past Service Cost | - | - |
| Amount not recognized as an Asset because of the limit in para 59(b) | - | - |
| Net Liability recognized in the Balance Sheet | 20.01 | 13.17 |

(ii) **Expenses recognized in the Profit & Loss Account**

| Particulars | 31st March, 2010 | 31st March, 2009 |
|--|------------------|------------------|
| Current Service Cost | 2.52 | 2.80 |
| Interest Cost | 0.99 | 0.68 |
| Expected return on Plan Assets | - | - |
| Actuarial Losses / Gains | 3.33 | 0.84 |
| Net gratuity expenses included in payments to and provision for employees | 6.84 | 4.32 |
| Actual Return on Plan Assets | - | - |

(iii) **Reconciliation of Defined Benefit Obligation**

| Particulars | 31st March, 2010 | 31st March, 2009 |
|---|------------------|------------------|
| Opening Defined Benefit Obligation | 13.17 | 9.72 |
| Current Service Cost | 2.52 | 2.50 |
| Interest Cost | 0.99 | 0.68 |
| Actuarial Losses / Gains | 3.33 | (0.84) |
| Liabilities assumed on Amalgamation | - | - |
| Benefits Paid | - | 0.87 |
| Closing Defined Benefit Obligation | 20.01 | 13.17 |

(iv) **Summary of Actuarial Assumptions**

| Particulars | Current Year Rs. Lacs |
|-----------------------------------|--|
| Discount Rate | 7.5% |
| Expected Rate of return on Assets | N.A. |
| Salary Escalation Rate | 5.00% |
| Mortality | Published notes under the LIC (1994-96) mortality tables |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary and relied upon by the Auditors.

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE 'P' (Contd.)

7. RELATED PARTY DISCLOSURE

The names of related parties are as under:

A. Key Management Personnel

Vishamber Shewakramani

B. Relatives of Key management Personnel

Nalini Shewakramani

Tekchand Shewakramani

Kamla Shewakramani

C. Associate Enterprises

Ras Stock & Financial Services Pvt. Ltd.

Rahul Agrotech (I) Pvt. Ltd.

Ras Erectors Pvt. Ltd.

Gras Health Resorts Pvt. Ltd.

Gautam Premises Pvt. Ltd.

Ras Maestros Technology Pvt. Ltd.

Primary Cuisine Pvt. Ltd.

Burger King Restaurant Pvt. Ltd.

Hungry Jacks Fast Food Pvt. Ltd.

Gautam Enterprises

D. TRANSACTIONS WITH RELATED PARTIES:

Amount Rs.

| | Key Management Personnel | Relatives of Key Management Personnel | Associate Enterprises |
|------------------------------|--------------------------|---------------------------------------|-----------------------|
| Purchase of Services | 400 | 800 | – |
| Deposit for Flat | – | – | 25,000 |
| Rent paid | – | 60,000 | 81,000 |
| Remuneration to Directors | 1,800,000 | – | – |
| Balance as on March 31, 2010 | | | |
| Receivable | – | 4,500,000 | 25,000 |
| Payable | 60,400 | 60,800 | – |

8. EARNINGS PER SHARE (Basic and Diluted):

| | 31st March, 2010 | 31st March, 2009 |
|--|------------------|------------------|
| 1) Profit computation for Earnings per Share of Rs.10/- each: Net Profit (loss) as per Profit & Loss Account, available for Equity Share Holders (Rs. Lacs) | 45.19 | 13.54 |
| 2) Weighted Average Number of Equity Shares for Earnings Per Share computation: | 3,800,000 | 3,800,000 |
| 3) Earnings Per Share (Basic and Diluted): | 1.19 | 0.36 |

9. The Composition of Net Deferred Tax Liability as at March 31, 2010 is as under:

| | As at March 31, 2010 | As at March 31, 2009 |
|--|----------------------|----------------------|
| A) Deferred Tax Liabilities Depreciation | 7,039,873 | 7,624,948 |
| B) Deferred Tax Assets | | |
| Disallowance u/s 43B of I.T. Act | 618,440 | 447,708 |
| Net Deferred Tax Liability | 6,421,433 | 7,177,240 |

RAS RESORTS AND APART HOTELS LIMITED



SCHEDULE 'P' (Contd.)

10. Food & Beverages consumption is inclusive of cost of complimentary meals provided to houseguests and staff.
11. Creditors, debtors and advance balances are subject to confirmation and subsequent reconciliation, if any.
12. Salaries and Wages include the following payments/provisions in respect of the Managing Director (excluding provision for gratuity) :

| | Current Year Rs. | Previous Year Rs. |
|--------|---------------------|----------------------|
| Salary | 1,800,000 | 1,470,000 |

13. Pursuant to the Company's application, the Government of India has vide its order no. 46/7/2010-CL-III dtd 20th January, 2010, exempted the Company from giving particulars in respect of quantity-wise details of the turnover, consumption and stock for the year ended 31st March, 2010.

14.

| | Current Year Rs. | Previous Year Rs. |
|----------------------------------|---------------------|----------------------|
| (a) Earnings in Foreign Exchange | 579,933 | 550,506 |

15. According to the information available with the Company, there are no amounts as at March 31, 2010 due to suppliers who constitute a "small scale industrial undertaking".
16. Current assets, loans and advances have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated.
17. Previous year's figures disclosed have been recast, wherever necessary, to make them comparable with those for the current year.

SIGNATURES TO SCHEDULE "A" TO "P"

As per our attached report of even date

For **DAYAL AND LOHIA**
Chartered Accountants

S.L. KHANDELWAL
Partner
Membership No. 101388
Mumbai, 13th August, 2010

For and on behalf of the Board

PRAVIN VEPARI

Chairman

**VIJAY RANJAN
AMEET HARIANI
NALINI SHEWAKRAMANI
GAUTAM SHEWAKRAMANI**

Directors

VISHAMBER SHEWAKRAMANI

Managing Director

Mumbai, 13th August, 2010

RAS RESORTS AND APART HOTELS LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

| | Rs. in lacs | Year ended 31.3.2010 Rs. in lacs | Rs. in lacs | Year ended 31.3.2009 Rs. in lacs |
|--|-------------|--|-------------|--|
| (A) CASH FLOW FROM OPERATING ACTIVITIES: | | | | |
| Profit / (Loss) before tax | | 59.63 | | 27.29 |
| Adjustments for : | | | | |
| Depreciation | 32.42 | | 29.90 | |
| Interest Expense | 27.70 | | 4.79 | |
| Loss on sale of assets | 0.64 | | 1.72 | |
| Profit on sale of assets | - | | (0.18) | |
| Time Share Dream vista Income | (1.39) | | (1.39) | |
| Sundry Balance W/back | (3.91) | | (4.37) | |
| Bad-debts Debit balance w/off | 1.19 | | 0.49 | |
| Interest Income | (0.19) | 56.46 | (0.25) | 30.71 |
| Operating profit before working capital changes | | 116.09 | | 58.00 |
| Adjustments for : | | | | |
| Trade & Other receivables | (78.29) | | 1.15 | |
| Inventories | 9.47 | | (12.66) | |
| Trade Payables & Other Liabilities | (4.59) | (73.41) | 14.79 | 3.28 |
| Cash Generated from Operations | | 42.68 | | 61.28 |
| Income Tax Paid | | 59.62 | | (6.46) |
| Net cash from Operating Activities (A) | | 102.30 | | 54.82 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES: | | | | |
| Purchases of fixed assets | (90.98) | | (104.46) | |
| Sale of fixed assets | 0.77 | | 0.05 | |
| Sale of Investment | - | | 67.00 | |
| Interest received | 0.02 | (90.19) | 1.54 | (35.87) |
| Net cash used in Investing activities (B) | | (90.19) | | (35.87) |
| (C) CASH FLOW FROM FINANCING ACTIVITIES: | | | | |
| Borrowings (net) | | 8.49 | | 53.79 |
| Borrowing Unsecured Loan | | (1.25) | | (182.04) |
| Interest Paid on Long Term Loan | | (27.70) | | (4.79) |
| Net cash from Financing Activities (C) | | (20.46) | | (133.04) |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | | (8.35) | | (114.11) |
| CASH & CASH EQUIVALENTS AS AT 1ST APRIL, 2009 (Opening Balance) | | 28.15 | | 142.26 |
| CASH & CASH EQUIVALENTS AS AT 31.03.2010 (CLOSING) | | 19.80 | | 28.15 |

As per our attached report of even date

For **DAYAL AND LOHIA**
Chartered Accountants

S.L. KHANDELWAL
Partner
Membership No. 101388
Mumbai, 13th August, 2010

For and on behalf of the Board

VISHAMBER SHEWAKRAMANI

Managing Director

NALINI SHEWAKRAMANI

Director

Mumbai, 13th August, 2010

RAS RESORTS AND APART HOTELS LIMITED



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956

| | | | | |
|----|---|-------------------------|---------------------------|----------|
| 1. | Registration Details | | | |
| | Registration No. | : 35044 | State Code | : 11 |
| | Date of Balance Sheet | : 31.03.2010 | | |
| 2. | Capital raised during the year (Amount in Rs. thousands) | | | |
| | Public Issue | : NIL | Right Issue | : NIL |
| | Bonus Issue | : NIL | Private Placement | : NIL |
| 3. | Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands) | | | |
| | Total Liabilities | : 138715 | Total Assets | : 138715 |
| | Source of Funds | | | |
| | Paid-up Capital & Share | : 38000 | Reserves & Surplus | : 62907 |
| | Application Money | : NIL | Deferred Tax Liabilities | : 6421 |
| | Secured Loans | : 28400 | Unsecured Loans | : 60 |
| | Time Share | : 2927 | | |
| | Application of Funds | | | |
| | Net Fixed Assets | : 135377 | Investments | : 8276 |
| | Net Current Assets | : (4937) | Misc. Expenditure | : NIL |
| | Debit Balance in P & L A/c | : NIL | | |
| | Earnings per Share (Basic & Diluted) | : 1.19 | Dividend Rate | : 10% |
| 4. | Performance of Company (Amount in Rs. thousands) | | | |
| | Turnover | : 58321 | Total Expenditure | : 52358 |
| | Profit / (Loss) before Tax | : 5,963 | Profit / (Loss) after Tax | : 4,519 |
| 5. | Generic Names of Three Principal Products / Services of Company (As per Monetary Terms) | | | |
| | Item Code No. (ITC Code) | : NOT APPLICABLE | | |
| | Product Description | : HOTEL & RESTAURANT | | |
| | Item Code No. (ITC Code) | : NOT APPLICABLE | | |
| | Product Description | : TIME SHARE | | |
| | Item Code No. (ITC Code) | : NOT APPLICABLE | | |
| | Product Description | : RECREATIONAL SERVICES | | |

As per our attached report of even date

For **DAYAL AND LOHIA**
Chartered Accountants

S.L. KHANDELWAL

Partner
Membership No. 101388
Mumbai, 13th August, 2010

For and on behalf of the Board

PRAVIN VEPARI

Chairman

**VIJAY RANJAN
AMEET HARIANI
NALINI SHEWAKRAMANI
GAUTAM SHEWAKRAMANI**

Directors

VISHAMBER SHEWAKRAMANI

Managing Director

Mumbai, 13th August, 2010

PRIVATE DINING ROOM



SABHA - CONFERENCE HALL

SAMVAAD - CONFERENCE HALL



BOOK-POST

If undelivered please return to :
RAS RESORTS AND APART HOTELS LIMITED
Rosewood Chambers, 99/C, Tulsiwadi,
Tardeo, MUMBAI - 400 034.

RAS RESORTS AND APART HOTELS LIMITED

Registered Office :

Rosewood Chambers, 99/C, Tulsiwadi, Tardeo, Mumbai - 400 034.

ATTENDANCE SLIP

| NAME OF THE SHAREHOLDER | | | |
|-------------------------|-----------------------------|-----------|---------------|
| FOR PHYSICAL HOLDING | FOR ELECTRONIC FORM (DEMAT) | | |
| LF NO. | DP ID | CLIENT ID | NO. OF SHARES |
| | | | |

I hereby record my presence at the 26TH ANNUAL GENERAL MEETING of the Company at Lounge A, The National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai 400 018 on Friday, September 24, 2010 at 10.00 a.m. and at any adjournment thereof.

NAME OF PROXY IN BLOCK CAPITALS

SIGNATURE OF THE SHAREHOLDER

Notes:

- 1) Shareholders / Proxy-holders wishing to attend the meeting must bring the Attendance slip to the meeting and handover the same at the entrance duly signed.
- 2) Shareholders / Proxy-holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting



RAS RESORTS AND APART HOTELS LIMITED

Registered Office :

Rosewood Chambers, 99/C, Tulsiwadi, Tardeo, Mumbai - 400 034.

PROXY FORM

| NAME OF THE SHAREHOLDER | | | |
|-------------------------|-----------------------------|-----------|---------------|
| FOR PHYSICAL HOLDING | FOR ELECTRONIC FORM (DEMAT) | | |
| LF NO. | DP ID | CLIENT ID | NO. OF SHARES |
| | | | |

I/We of being a member / members of **Ras Resorts and Apart Hotels Limited**, hereby appoint of or failing him / her of as my / our proxy to vote for me / us and on my / our behalf at the 26th ANNUAL GENERAL MEETING of the Company, to be held on Friday, September 24, 2010 at 10.00 a.m. at any adjournment thereof.

Signed this day of 2010

Date of Receipt 2010

Signature

(for office use only)

N.B.: Proxies to be valid must be deposited at the Registered office of the Company not later than 48 hours before the time of holding the meeting.

15 Paise
Revenue
Stamp to be
affixed