



**RAS RESORTS AND APART HOTELS LIMITED**

**ANNUAL REPORT 2011-12**



**EXECUTIVE ROOM**



**PAVILION CAFE**



**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 *Executive Director*

GAUTAM SHEWAKRAMANI

VISHAMBER SHEWAKRAMANI *Managing Director*

### AUDITORS

Dayal and Lohia

### BANKERS

Allahabad Bank

State Bank of India

Syndicate Bank

HDFC 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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*“Do what you can, with what you  
have, wherever you are”*

*Theodore Roosevelt*

## NOTICE

Notice is hereby given that the Twenty-Eighth Annual General Meeting of the Members of the company will be held at Garware Club House, Banquet Hall, Wankhede Stadium, 'D' Road, Churchgate, Mumbai 400 020 on Friday, September 21, 2012 at 10.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012 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. Ameet Hariyani who retires by rotation, and is eligible for re-appointment.
4. To appoint a Director in place of Shri. Gautam Shewakramani who retires by rotation, and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

6. To consider, and if, thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act 1956, the consent of the Company be and is hereby accorded to Shri Rahul Shewakramani, relative of directors of the Company to hold with effect from April 01, 2011 and continue to hold an office or place of profit in the Company on a monthly remuneration of Rs. 15,000/- (Rupees Fifteen Thousand only) including all perquisites and amenities with power to Board of Directors to increase upto Rs. 2,00,000/- p.m. from time to time."

"FURTHER RESOLVED THAT Board be and is hereby authorized to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution."

### 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. The relative Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business under Item No. 6 is annexed hereto.
3. a) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 14, 2012 to Friday, September 21, 2012 (both days inclusive).  
b) The dividend on Equity Shares as recommended by the Directors for the year ended March 31, 2012, if approved at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members as on September 21, 2012. 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 13, 2012.
4. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
5. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed or unpaid for a period of seven

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years from the date they became due for payment shall be credited to the Investor Education and protection Fund set up by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the fund or the Company in respect of the individual amounts once credited to the said funds.

6. 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.

Date: May 04, 2012

# RAS RESORTS AND APART HOTELS LIMITED



## ANNEXURE TO NOTICE

### Explanatory Statement Under Section 173 of the Companies Act, 1956.

#### Item No. 6

Shri Rahul Shewakramani, has been devoting his valuable time towards the affairs of the Company and he has been paid a monthly remuneration of Rs. 15,000/- with effect from April 01, 2011 with a power to Board of Directors to increase upto Rs. 2,00,000/- p.m. from time to time .

AS per the provisions of Section 314 of the Companies Act, 1956 consent of the members of the Company is required for the payment of aforesaid remuneration to relative of directors of the Company by way of Special resolution.

Accordingly, special resolution at item no. 6 of the accompanying notice is proposed for the approval of the members of the Company.

Shri Vishamber Shewakramani, Managing Director,  
Smt. Nalini Shewakramani, Executive Director,

shri Tekchand Shewakramani and Shri. Gautam Shewakramani, Directors are interested or concerned in the said resolution being relatives of Shri Rahul Shewakramani.

The Board commends the approval by the members for the payment of remuneration to relative of directors.

By order of the board,

**Vishamber Shewakramani**  
*Managing Director*

#### Registered Office:

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

Date: May 04, 2012

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty-Eighth Annual Report together with the Statement of Accounts for the year ended March 31, 2012.

### Operations

The Company has completed its Twenty-third year of operations. Income for the year was Rs.817.06 lakhs as compared to Rs. 741.42 lakhs in the previous year.

The working results of the Company show a net profit of Rs. 68.72 lakhs after making provision for depreciation of Rs. 32.47 lakhs.

### Dividend

Your Directors are pleased to recommend the payment of dividend of Rs. 1/- per equity share (10%) for the financial year ended March 31, 2012 amounting to Rs. 38.00 lakhs.

### 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. 4.16 lakhs by way of foreign exchange and the outgo of foreign exchange was Nil.

### Directors

Shri Ameet Hariani and Shri. Gautam 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 March 31, 2012 is attached.



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## **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 2012-2013.

## **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

Practicing Company Secretary form part of this 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: May 04, 2012

# 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 March 31, 2012. 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 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 5 (Five) times on 06.05.2011, 14.07.2011, 30.09.2011, 04.11.2011 and on 03.02.2012 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 Friday, September 23, 2011 to Friday, September 30, 2011, 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 March 31, 2011 was held on 30.09.2011 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. The Company has obtained necessary approval from the Board of Directors pursuant to section 314 of the Act wherever applicable.
12. The duly constituted committee of the directors has approved the issue of duplicate share certificates.
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 deposited the amount of dividend declared in a separate Bank

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- Account on October 01, 2011 which is within five days from the date of declaration of such Dividend.
- (iii) The Company posted Demand Drafts for dividend to all the members within a period of 30 (Thirty) days from the date of declaration of dividend. The Company has not transferred Unclaimed/ Unpaid dividend to Unpaid Dividend Account of the Company in view of the dividend sent through demand Draft. However, as per the Bank Reconciliation Statement Rs. 1,13,628/- (Rupees One Lacs Thirteen Thousand Six Hundred Twenty Eight only) have been shown as Unclaimed/Unpaid.
  - (iv) There are no unpaid dividends, application money due for refund, 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 was not required to obtain any approvals of the Central Government, Company law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
  18. 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 March 31, 2012 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.

## RAS RESORTS AND APART HOTELS LIMITED



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.
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**

**J. U. Poojari**  
*Partner*

Place : Mumbai  
Date : May 04, 2012

C. P. No. : 8187

## 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

**J. U. Poojari**

*Partner*

C. P. No. : 8187

Place : Mumbai  
Date : May 04, 2012

# 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, 2012:

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 62	Rule 4A of Companies Deposit Rules	Statement in lieu of advertisement	04.10.2011	Yes	N.A.
2.	Form 66 alongwith Compliance Certificate for the year ended 31.03.2011	383A	Financial Year 2010-2011	08.10.2011	Yes	N.A.
3.	Form 23	192	Special resolution passed for payment of remuneration to Mr. Vishamber Shewakramani, Managing Director at AGM held on 30.09.2011	10.10.2011	Yes	N.A.
4.	Form 23AC & 23ACA alongwith Balance Sheet as at 31.03.2011	220	Adopted at the Annual General Meeting held on 30.09.2011	19.10.2011	Yes	N.A.
5.	Form 20B alongwith Annual Return made upto 30.09.2011	159	Annual General Meeting held on 30.09.2011	01.11.2011	Yes	N.A.

For Parikh Parekh & Associates

Place : Mumbai  
Date : May 04, 2012

**J. U. Poojari**  
Partner  
C. P. No. : 8187

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. BUSINESS OVERVIEW & TRENDS

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.

Hotels are increasingly cashing in on food and beverages, restaurants, wellness services and other ancillary services. These services are contributing more than 40% of the overall revenues of our hotel. Non-room revenues of hotels have contributed substantially of overall revenues. Food and price inflation has been a major concern. The Corporates that form our market are likely to cut costs on company travel and conferences. Discretionary spending is likely to stagnate impacting holiday travel.

### 2. NATURE OF INDUSTRY

2.1 The hotel industry has always in a challenging stage from 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. 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 linear. 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 1 year.

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 has invested in plots at Silvassa.

### 4. RISK FACTORS

4.1 Risks related to presence in Silvassa, 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 the sector is expected to grow in the coming years.

4.3 Risk 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 To strengthen the operations and develop attention to detail your company has added training as a requirement for all new hires.

4.3.3 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 2011-2012. 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 experiencing lower growth.

### 7.2 FUTURE OUTLOOK FOR INDIA

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

7.2.2 The Indian economy has been performing consistently but at lower rates.

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 corporate purchasers.

## 7.5 CONCERNS FOR THE FUTURE

The Governments dependence on coalition partners could dampen business mood.

## 8. HUMAN RESOURCES 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 and regular training imparted.

## 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 March 31, 2012 are as follows:

Name of Director	Category of Directorship*	No. of Board Meetings		Attendance at the last AGM	Directorship 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	5	5	YES	Nil	—	—
Shri Pravin Vepari	Chairman & I & N.E.D.	5	5	YES	Nil	—	—
Shri Ameet Hariani	*I & N.E.D.	5	4	YES	3	—	—
Shri Vijay Ranjan	*I & N.E.D.	5	5	YES	Nil	—	—
Shri Tekchand Shewakramani	**N.E.D.	5	—	—	Nil	—	—
Shri. Gautam Shewakramani	N.E.D.	5	3	YES	Nil	—	—
Smt. Nalini Shewakramani	***E.D.	5	3	YES	Nil	—	—

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

\*\* N.E.D. - Non-Executive Director

\*\*\* E.D. - 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 Meeting.

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

1. Shri Tekchand Shewakramani	697138 Equity Shares
2. Shri Gautam Shewakramani	206000 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

Five Board Meetings were held during the year 2011 - 2012. The dates on which the said meetings were held are as follows:

06.05.2011, 14.07.2011, 30.09.2011,  
04.11.2011 and 03.02.2012.

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 Ameet Hariani, is a practicing Advocate & Solicitor and company will be benefited with his knowledge and advise. The directorships he holds in various Companies are – Capricon Realty Ltd., Batliboi Ltd., Vascon Engineers Ltd., Hariani Advisory Services Pvt. Ltd., Radicle Informatics Pvt. Ltd. and Envision Computer Consultancy Pvt. Ltd.
2. Shri Gautam Shewakramani is a Computer Engineer. He has done his B.S from university of Notre Dames, where he majored in Computer Science and Film and completed his MBA from the MIT Sloan School of Management. He founded Audio Compass, a leading culture interpretation provider that serves over 7 million visitors in India. He is also an investor, advisor, mentor and a board member to several high growth VC funded Companies, and is also on the screening committee of Mumbai Angels, an angel investment group. His work experience includes Deloitte Consulting and Deutsche Asset Management in New York, and iMed, a healthcare start up in Thailand. The directorships he holds in various Companies are – Ras Business Premises Pvt. Ltd., Primary Cuisine Pvt. Ltd., Audio Compass (India) Pvt. Ltd., Gopesh's Sound Central Pvt. Ltd. and H M S Infotech 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](http://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
4. Shri Vijay Ranjan – Independent and Non-Executive Director
3. Smt. Nalini Shewakramani – 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

# RAS RESORTS AND APART HOTELS LIMITED



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:

06.05.2011, 14.07.2011, 04.11.2011 and 03.02.2011.

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	3
Shri Vijay Ranjan	4	4
Smt. Nalini Shewakramani	4	2

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 30, 2011.

#### 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 – 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.

One meeting of the Committee was held on 14.07.2011 during the financial year.

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

Name of the Director	No. of meetings held	No. of meetings attended
Shri. Pravin Vepari	1	1
Shri. Ameet Hariani	1	1
Shri Vijay Ranjan	1	1
Smt. Nalini Shewakramani	1	1

Details of remuneration paid to the Directors of the Company during the year ended March 31, 2012 are given below:

Name of Director	Salary (Rs.)	Perqui-sites	Com-mission	Others	Sitting fees	Total (Rs.)
Shri Vishamber Shewakramani Managing Director	24,00,000/-	1,50,000/-	-	-	-	25,50,000/-
Smt. Nalini Shewakramani Executive Director	12,00,000/-	-	-	-	-	12,00,000/-
Shri Pravin Vepari	-	-	-	-	48,000/-	48,000/-
Shri Ameet Hariani	-	-	-	-	38,000/-	38,000/-
Shri Tekchand Shewakramani	-	-	-	-	-	-
Shri Gautam Shewakramani	-	-	-	-	24,000/-	24,000/-
Shri Vijay Ranjan	-	-	-	25,078/-	48,000/-	73,078/-

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.

The agreement with Executive Director and Managing Director may be terminated by either party by giving to other party not less

than 90 days prior notice, in writing, without the necessity of showing any reason thereof. The agreement with Managing Director may also be terminated by the company, at any time by giving three months salary and other emoluments in lieu of notice as aforesaid to the Managing Director.

## 6. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/ Investors' Grievance Committee was reconstituted w.e.f. May 06, 2011 consisting of Shri Pravin Vepari, Shri Gautam Shewakramani and Smt. Nalini Shewakramani. The Chairman of the Committee was Shri. Pravin Vepari, Independent & non-executive director w.e.f. May 06, 2011.

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 March 31, 2012 were Nil. No requests for transfers were pending for approval as on March 31, 2012.

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

06.05.2011, 14.07.2011, 04.11.2011 and 03.02.2012.

The attendance of each member of the Shareholders' Greivance 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 Vishamber Shewakramani	4	1
Smt. Nalini Shewakramani	4	3
##Shri Gautam shewakramani	4	2

# ceased to be a member on 06.05.2011

## Appointed as a member on 06.05.2011

The Shareholders' / Investors' Grievance Committee has delegated the powers of approving transfer / transmission of shares to a Share Transfer Committee, which met on frequent basis during the year 2011-2012 (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
2010-11	Garware Club House, Banquet Hall, Wankhede Stadium, D. Road, Churchgate, Mumbai – 400 020	30.09.2011	10.00 a.m.	(i) Payment of Remuneration to Managing Director (ii) Appointment of Mrs. Nalini Shewakramani as Whole time Director designated as an Executive Director and remuneration to her.
2009-10	Lounge A, The National Sports Club of India, Lala Lajpatrai Marg, Worli, Mumbai 400 018	24.09.2010	10.00 a.m.	—
2008-09	Prince Hall, The National Sports Club of India, Lala Lajpatrai Marg, Worli, Mumbai 400 018	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. Besides these, there were no other materially significant related party transactions that may have potential conflict with the interest 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 Practicing 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 Practicing Company Secretary 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/half-yearly/yearly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and are published in newspapers like, Mahanayak and Business Standard. These are not sent individually to the shareholders.

As per the new clause 52 of Listing Agreement with Stock Exchange, the Company is regularly filing quarterly results, annual report, corporate governance report and the shareholding pattern statement on the corp filing website maintained by Iris India.

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 21, 2012 at 10.00 a.m.  
Venue : Garware Club House, Wankhede Stadium, 'D' Road, Churchgate, Mumbai 400 020

**12.2 CIN NO.** : L45200MH1985PTC035044

**12.2 Financial Calendar** : April to March  
First quarter results – Second week of July  
Second quarter results – First week of November  
Third quarter results – First week of February  
Fourth quarter results – Second week of May

**12.3 Date of Book Closure** : Friday, September 14, 2012 to Friday, September 21, 2012

**12.4 Dividend Payment Date** : The dividend if declared shall be paid on or after September 21, 2012.

# RAS RESORTS AND APART HOTELS LIMITED



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

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

**(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 2011 to March 2012				
Months	High (Rs.)		Low (Rs)	
	Ras Resort Price	BSE Sensex	Ras Resort Price	BSE Sensex
April 2011	34.70	19811.14	28.60	18976.19
May 2011	43.65	19253.87	34.70	17786.13
June 2011	46.30	18873.39	42.00	17314.38
July 2011	44.10	19131.70	38.05	18131.86
August 2011	39.95	18440.07	29.85	15765.53
September 2011	46.20	17211.80	27.25	15801.01
October 2011	46.00	17908.13	34.40	15745.43
November 2011	37.20	17702.26	30.75	15478.69
December 2011	43.00	17003.71	35.05	15135.86
January 2012	44.90	17258.97	35.30	15358.02
February 2012	40.85	18523.78	31.85	17061.55
March 2012	46.20	18040.69	38.85	16920.61

## 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.

## 12.10 Distribution of shareholding as on March 31, 2012

Particulars	No. of shares held	Percentage to total share capital
Promoters	2954450	77.75
Financial Institutions/ Banks/Mutual Funds	200	0.01
Corporate Bodies	15085	0.40
NRI/OCB/FII	672	0.02
Hindu Undivided Families	109809	2.89
Individuals	719783	18.93
Clearing Members	1	0.00
<b>Total</b>	<b>3800000</b>	<b>100.00</b>

## 12.11 Dematerialization of shares and Liquidity:

As on March 31, 2012, 95.20% 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:

<b>Registrar and Share Transfer Agents</b>	<b>: Compliance Officer</b>
Satellite Corporate Services Private Limited	Shri B. H. Joshi
Unit: RAS RESORTS & APART HOTELS LTD.	Rosewood Chambers,
B – 302, Sony Apartment,	99/C, Tulsiwadi, Tardeo,
Opp. St. Jude's High School,	Mumbai 400 034.
Off Andheri Kurla Road,	Tel.: +91 22 4321 6600,
Jarimari, Sakinaka,	2352 6325
Mumbai – 400 072	Email: mumbaioffice@
Tel. : +91 22 28520461	rasresorts.com
+91 22 28520462	(email ID for Investors
Telefax : +91 22 28511809	Grievances)

## 13. CEO/CFO Certification

A Certificate from the Managing Director of the Company in terms of Clause 49(V) of



# RAS RESORTS AND APART HOTELS LIMITED



the Listing Agreement was placed before the Board Meeting held on May 04, 2012 to approve the Audited Annual Accounts for the year ended March 31, 2012.

Code of Conduct for the Board of Directors and senior management for the year ended March 31, 2012.

## 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

**For RAS RESORTS AND  
APART HOTELS LIMITED**

**Vishamber Shewakramani**  
*Managing Director*

# 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, 2012, 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 : May 04, 2012

## 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, 2012 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, 2012 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 2012;
    - (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 : 4<sup>th</sup> May, 2012

## ANNEXURE TO THE AUDITOR'S 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, 2012)

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, 2012, 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. The Company has not defaulted in repayment of dues to 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 trade 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 : 4<sup>th</sup> May, 2012

# RAS RESORTS AND APART HOTELS LIMITED



## BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds:</b>			
(a) Share Capital	1	38,000,000	38,000,000
(b) Reserves & Surplus	2	68,892,861	67,046,413
<b>2. Non Current Liabilities:</b>			
(a) Long Term Borrowings	3	571,434	945,905
(b) Deferred Tax Liabilities (Net)	4	6,962,011	6,427,668
(c) Other Long Term Liabilities	5	2,648,194	2,787,522
(d) Long Term Provisions	6	2,208,760	2,001,425
<b>3. Current Liabilities:</b>			
(a) Short Term Borrowings	7	23,366,767	34,835,948
(b) Trade Payable	8	6,626,858	8,953,538
(c) Other Current Liabilities	9	11,131,275	11,716,258
(d) Short Term Provisions	10	1,245,891	1,354,557
<b>TOTAL</b>		<b>161,654,051</b>	<b>174,069,234</b>
<b>ASSETS</b>			
<b>1. Non Current assts:</b>			
(a) Fixed Assets			
(i) Tangible assets	11	122,833,399	101,727,600
(ii) Capital Work-in-Progress	12	16,067,136	46,148,703
(b) Non Current Investments	13	1,930	1,930
(c) Long Term Loan & Advances	14	6,843,632	20,010,325
<b>2. Current assts:</b>			
(a) Inventories	15	1,513,817	1,448,344
(b) Trade Receivables	16	2,210,183	2,938,918
(c) Cash and Cash equivalents	17	12,127,474	1,760,600
(d) Other Current assets	18	56,480	32,814
<b>TOTAL</b>		<b>161,654,051</b>	<b>174,069,234</b>
Notes to Accounts	26		

As per our attached report of even date

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

**S.L. KHANDELWAL**  
Partner  
Membership No. 101388  
Mumbai, 4th May, 2012

For and on behalf of the Board

**PRAVIN VEPARI** *Chairman*  
**VIJAY RANJAN**  
**AMEET HARIANI** } *Directors*  
**NALINI SHEWAKRAMANI**  
**GAUTAM SHEWAKRAMANI**

**VISHAMBER SHEWAKRAMANI** *Managing Director*

Mumbai, 4th May, 2012

# RAS RESORTS AND APART HOTELS LIMITED



## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Notes	Year Ended 31.03.2012 Rupees	Year Ended 31.03.2011 Rupees
<b>I INCOME</b>			
1. Revenue from Operations	19	77,782,729	68,952,903
2. Other Income	20	3,923,191	5,189,006
<b>Total Revenue</b>		<b>81,705,920</b>	<b>74,141,909</b>
<b>II EXPENSES</b>			
1. Cost of Material consumed	21	14,876,672	12,617,815
2. Employee benefits Expenses	22	15,852,091	12,044,566
3. Finance Cost	23	1,992,759	3,872,790
4. Depreciation Expenses	24	3,247,383	3,254,018
5. Other Expenses	25	34,515,518	28,384,709
<b>Total expenses</b>		<b>70,484,423</b>	<b>60,173,898</b>
<b>III PROFIT BEFORE TAX (I-II)</b>		<b>11,221,497</b>	<b>13,968,011</b>
<b>IV TAX EXPENSE</b>			
1. Current Tax		3,815,000	2,710,000
2. Deferred Tax		534,343	6,235
3. Earlier Years Tax		-	(128,867)
<b>Total Taxes</b>		<b>4,349,343</b>	<b>2,587,368</b>
<b>V PROFIT AFTER TAX FOR THE PERIOD (III-IV)</b>		<b>6,872,154</b>	<b>11,380,643</b>
<b>VI EARNINGS PER SHARE - BASIC &amp; DILUTED</b>		<b>1.81</b>	<b>2.99</b>
Face Value of Share Rs. 10/- each			
Notes to Accounts	26		

As per our attached report of even date

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

**S.L. KHANDELWAL**  
Partner  
Membership No. 101388  
Mumbai, 4th May, 2012

For and on behalf of the Board

**PRAVIN VEPARI** Chairman  
**VIJAY RANJAN**  
**AMEET HARIANI** } Directors  
**NALINI SHEWAKRAMANI**  
**GAUTAM SHEWAKRAMANI**

**VISHAMBER SHEWAKRAMANI** Managing Director

Mumbai, 4th May, 2012

# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>NOTE 1: SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
10,000,000 (P.Y. 10,000,000) Equity Shares of Rs 10/- each	100,000,000	100,000,000
200,000 (P.Y. 200,000) Cumulative Redeemable Preference Shares of Rs 100 each	20,000,000	20,000,000
	<b>120,000,000</b>	<b>120,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>		
3,800,000 (P.Y. 3,800,000) Equity Shares of Rs 10/- each fully paid-up	38,000,000	38,000,000
<b>TOTAL</b>	<b>38,000,000</b>	<b>38,000,000</b>

### Reconciliation of Equity Share Capital :

Particulars	Equity Shares			
	As at 31 March 2012		As at 31 March 2011	
	Number	Value	Number	Value
Shares outstanding at the beginning of the year	3,800,000	38,000,000	3,800,000	38,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,800,000	38,000,000	3,800,000	38,000,000

### Shareholding above 5%

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rahul Shewakramani	206,000	5.42	206,000	5.42
Gautam Shewakramani	206,000	5.42	206,000	5.42
Tekchand Shewakramani - HUF	310,000	8.16	310,000	8.16
Vishamber Shewakramani	1,130,612	29.75	1,130,612	29.75
Nalini Shewakramani	359,150	9.48	359,150	9.48
Tekchand Shewakramani	697,138	18.35	697,138	18.35



# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>NOTE 2: RESERVES &amp; SURPLUS</b>		
a. <b>Capital Reserves:</b>	2,585,500	2,585,500
b. <b>Securities Premium Account:</b>	752,400	752,400
c. <b>Revaluation Reserve:</b>		
Opening Balance	50,837,522	51,432,048
(-) Written Back in Current Year	594,526	594,526
Closing Balance	<u>50,242,996</u>	<u>50,837,522</u>
d. <b>General Reserve:</b>		
Opening Balance	1,100,000	600,000
(+) Current Year Transfer	500,000	500,000
Closing Balance	<u>1,600,000</u>	<u>1,100,000</u>
e. <b>Surplus:</b>		
Opening balance	11,770,991	7,637,347
Add: Net Profit for the current year	6,872,154	11,380,644
Less: Proposed Dividends	3,800,000	5,700,000
Less: Tax on Proposed Dividends	631,180	947,000
Less: Transfer to Reserves	500,000	600,000
Closing Balance	<u>13,711,965</u>	<u>11,770,991</u>
<b>TOTAL</b>	<u><b>68,892,861</b></u>	<u><b>67,046,413</b></u>

### NOTE 3: LONG TERM BORROWINGS

#### Secured

#### Term loans

from HDFC Bank Ltd (Car Loan)	571,434	945,905
(Secured By Hypothication of Motor car)		
(Terms of Repayment - Equal montly installments till 05.08.2014)		

<b>TOTAL</b>	<u><b>571,434</b></u>	<u><b>945,905</b></u>
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# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
	<u>                    </u>	<u>                    </u>
<b>NOTE 4: DEFERRED TAX LIABILITY</b>		
Deferred Tax Liabilities - Depreciation	7,777,228	7,114,841
<b>Deferred Tax Assets :</b>		
Dissallowed u/s 43B of I.T. Act	815,217	687,173
Net Deferred Tax Liabilities	<u><b>6,962,011</b></u>	<u><b>6,427,668</b></u>
<b>NOTE 5: OTHER LONG TERM LIABILITIES</b>		
<b>Time Share</b>		
Time Share Dream Vista	2,054,194	2,193,522
Time Share - refundable {Refer Note 26 (D)}	594,000	594,000
<b>TOTAL</b>	<u><b>2,648,194</b></u>	<u><b>2,787,522</b></u>
<b>NOTE 6: LONG TERM PROVISIONS</b>		
Provision for employee benefits		
Gratuity (unfunded) {Refer note 26(f)}	2,208,760	2,001,425
<b>TOTAL</b>	<u><b>2,208,760</b></u>	<u><b>2,001,425</b></u>
<b>NOTE 7: SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Bank Overdraft - Allahabad Bank	22,820,143	33,904,415
(Secured by a primary charge on the entire fixed assets of the company, both Present & Future)		
<b>Unsecured</b>		
<b>Other loans and advances</b>		
From a Director	546,624	931,533
<b>TOTAL</b>	<u><b>23,366,767</b></u>	<u><b>34,835,948</b></u>
<b>NOTE 8: TRADE PAYABLES</b>		
Trade payables	6,626,858	8,953,538
<b>TOTAL</b>	<u><b>6,626,858</b></u>	<u><b>8,953,538</b></u>

# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>NOTE 9: OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Long Term Debt		
From HDFC Bank Ltd (Car Loan) (Secured By Hypothication of Motor car)	499,020	562,822
From ICICI Bank Ltd (Car Loan) (Secured By Hypothication of Motor car)	–	218,046
(b) Other payables	4,363,762	1,486,918
(c) Provision for Tax (Net of Advance Tax)	1,650,734	2,801,472
(d) Dividend & Tax on Dividend Payable	4,617,759	6,647,000
<b>TOTAL</b>	<b>11,131,275</b>	<b>11,716,258</b>
<b>NOTE 10: SHORT TERM PROVISIONS</b>		
<b>Provision for employee benefits:</b>		
Salary & Reimbursements	607,132	789,592
Contribution to Provident fund	37,043	32,050
Leave Encashment	39,083	39,800
Bonus	317,215	270,680
Gratuity	245,418	222,435
<b>TOTAL</b>	<b>1,245,891</b>	<b>1,354,557</b>

# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

### NOTE 11: TANGIBLE ASSETS

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as at 01.04.2011	Additions during the year	Deductions during the year	Total as at 31.03.2012	As at 01.04.2011	For the year	Deductions	Total as at 31.03.2012	As at 31.03.2012	As at 31.03.2011
1	FREEHOLD LAND AND LAND DEVELOPMENT (Notes 'A' & 'B' Below)	25,889,743	22,131,356	-	48,021,099	-	-	-	-	48,021,099	25,889,743
2	BUILDINGS (Note 'B' below)	74,761,956	1,048,113	-	75,810,069	17,757,020	1,230,649	-	18,987,669	56,822,400	57,004,936
3	PLANT AND MACHINERY	25,954,264	1,534,463	-	27,488,727	17,537,338	1,374,965	-	18,912,303	8,576,424	8,416,926
4	WATER SUPPLY SYSTEM	489,592	-	-	489,592	476,592	5,222	-	481,814	7,778	13,000
5	FURNITURE & FIXTURES	11,594,356	366,031	-	11,960,387	6,825,124	565,514	-	7,390,638	4,569,749	4,769,232
6	OFFICE AND OTHER EQUIPMENT	2,224,175	175,719	-	2,399,894	1,664,187	161,023	-	1,825,210	574,684	559,988
7	VEHICLES	8,675,438	-	724,759	7,950,679	3,601,663	504,536	416,785	3,689,414	4,261,265	5,073,775
	<b>TOTAL</b>	<b>149,589,524</b>	<b>25,255,682</b>	<b>724,759</b>	<b>174,120,447</b>	<b>47,861,924</b>	<b>3,841,909</b>	<b>416,785</b>	<b>51,287,048</b>	<b>122,833,399</b>	<b>101,727,600</b>
	<b>PREVIOUS YEAR</b>	<b>144,170,020</b>	<b>5,419,504</b>	<b>-</b>	<b>149,589,524</b>	<b>40,268,926</b>	<b>3,848,544</b>	<b>-</b>	<b>44,117,470</b>	<b>105,472,054</b>	<b>100,156,640</b>

**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.36,473,977/-.

# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

### NOTE 12: CAPITAL WORK IN PROGRESS

	<b>As at 31.03.2012 Rupees</b>	<b>As at 31.03.2011 Rupees</b>
Advace for Land Purchases	16,067,136	46,148,703
<b>TOTAL</b>	<b>16,067,136</b>	<b>46,148,703</b>

### NOTE 13: NON-CURRENT INVESTMENTS

Particulars of Investments	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount (Rs)		Whether stated at Cost Yes / No
		2012	2011			2012	2011	
Equity Shares of New India Co-operative Bank Ltd	Nil	193	193	Unquoted	Fully Paid	1,930	1,930	Yes

	<b>31.03.2012 Rs</b>	<b>31.03.2011 Rs</b>
Aggregate Market Value of unquoted investments	1,930	1,930

	<b>As at 31.03.2012 Rupees</b>	<b>As at 31.03.2011 Rupees</b>
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### NOTE 14: LONG TERM LOANS AND ADVANCES

a. Security Deposits (Unsecured, considered good)	4,951,100	4,951,100
b. Other loans and advances Unsecured, considered good	1,892,532	15,059,225
Includes Rs.345,000 (P.Y. 345,000) due from an officer of the company		
<b>TOTAL</b>	<b>6,843,632</b>	<b>20,010,325</b>

# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
<b>NOTE 15: INVENTORIES</b>		
1. Food Beverage & Tobacco (Valued at Cost)	265,536	223,059
2. Liquor & Wine (Valued at Cost)	291,163	285,961
3. Operating Supplies (Valued at Cost)	748,776	491,890
4. Stores & Spares (Valued at Cost)	208,342	447,434
<b>TOTAL</b>	<b>1,513,817</b>	<b>1,448,344</b>
<b>NOTE 16: TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period exceeding six months (Unsecured, considered good)	158,687	-
Trade receivables outstanding for a period less than six months (Unsecured, considered good)	2,051,496	2,938,918
<b>TOTAL</b>	<b>2,210,183</b>	<b>2,938,918</b>
<b>NOTE 17: CASH AND CASH EQUIVALENTS</b>		
Balances with Scheduled banks :		
In Current Accounts	11,083,037	1,421,066
In Fixed Deposits (Maturity above 12 months)	187,500	187,500
Cash on hand	856,937	152,034
<b>TOTAL</b>	<b>12,127,474</b>	<b>1,760,600</b>
<b>NOTE 18: OTHER CURRENT ASSETS</b>		
Interest Accrued but not due	56,480	32,814
<b>TOTAL</b>	<b>56,480</b>	<b>32,814</b>

# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31.03.2012 Rupees	Year ended 31.03.2011 Rupees
<b>NOTE 19: REVENUE FROM OPERATIONS</b>		
Room Sales	53,978,872	48,582,968
Food & Beverages Sales	11,651,966	11,157,424
Liquor & Wine Sales	10,049,203	7,840,451
Income from Other Services	1,977,882	1,249,666
Miscellaneous Income	124,806	122,394
<b>TOTAL</b>	<b>77,782,729</b>	<b>68,952,903</b>
<b>NOTE 20: OTHER INCOME</b>		
Interest on deposit with Bank	31,993	14,460
Dividend Income	251	251
Sundry Credit balance W/Back	234,440	201,569
Misc. Income	334,700	387,821
Rent Received	-	2,000
Profit on Sale of Investment	-	4,582,905
Profit on Sale of Asset	3,321,807	-
<b>TOTAL</b>	<b>3,923,191</b>	<b>5,189,006</b>
<b>NOTE 21: COST OF MATERIAL</b>		
<b>FOOD, BEVERAGES AND TOBACCO CONSUMED</b>		
Opening Stock	223,059	200,144
Add: Purchases	9,728,904	8,573,905
	9,951,963	8,774,049
Less: Closing Stock	265,536	223,059
<b>SUB-TOTAL</b>	<b>9,686,427</b>	<b>8,550,990</b>
<b>LIQUOR AND WINE CONSUMED</b>		
Opening Stock	285,961	89,027
Add: Purchases	5,195,447	4,263,759
	5,481,408	4,352,786
Less: Closing Stock	291,163	285,961
<b>SUB-TOTAL</b>	<b>5,190,245</b>	<b>4,066,825</b>
<b>TOTAL</b>	<b>14,876,672</b>	<b>12,617,815</b>

# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31.03.2012 Rupees	Year ended 31.03.2011 Rupees
<b>NOTE 22: EMPLOYEE BENEFITS EXPENSES</b>		
1. Salaries Wages Training & Bonus	15,272,279	11,556,407
2. Contributions to Provident & Other fund	510,380	437,694
3. Staff welfare expenses {Refer note no 26 (K)}	69,432	50,465
<b>TOTAL</b>	<b>15,852,091</b>	<b>12,044,566</b>
<b>NOTE 23: FINANCE COST</b>		
Interest expenses:		
On Borrowings	1,904,032	3,621,006
Other Borrowing Cost	88,727	251,784
<b>TOTAL</b>	<b>1,992,759</b>	<b>3,872,790</b>
<b>NOTE 24: DEPRECIATION</b>		
Depreciation on Tangible Fixed Assets	3,841,909	3,848,544
Less: Transfer to Revaluation Reserve	594,526	594,526
<b>TOTAL</b>	<b>3,247,383</b>	<b>3,254,018</b>
<b>NOTE 25: OTHER EXPENSES</b>		
Linen and Room Supplies	2,077,939	2,197,002
Other Operating Supplies	699,947	729,943
Fuel, Power and Light	5,080,695	4,119,883
Repairs & Maintenance:		
– Building	3,914,206	3,518,074
– Plant & Machinery	948,696	784,597
– Others	3,206,817	2,407,042
Telephone, Postage & Telegram	1,078,567	831,819
Rent	767,157	710,346
Rates & Taxes	100,712	300
Insurance	985,258	840,282
Printing & Stationery	865,630	1,012,833
Traveling, Conveyance & Guest Transportation	3,477,166	2,778,429
Watch & Ward	661,995	507,575



# RAS RESORTS AND APART HOTELS LIMITED



## NOTES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31.03.2012 Rupees	Year ended 31.03.2011 Rupees
<b>NOTE 25: OTHER EXPENSES (Contd.)</b>		
Gardening Expenses	1,073,306	907,587
Advertisement & Publicity	1,349,075	981,712
Business Promotion Expenses	660,496	494,555
Commission on Credit Card and Other Sales	320,277	274,992
Legal & Professional Charges	2,328,691	1,556,285
Payment to Auditors:		
Audit Fees	112,360	110,300
Taxation Matters	28,090	27,575
Other Matters	82,725	82,725
Reimbursement of Expenses	920	740
Directors' Sitting Fees	158,000	204,000
Bad Debts /Debit Balances Written off	198,825	3,049
Musical Expenses	568,508	564,412
Decoration Charges	65,470	153,896
Hiring Charges	679,504	214,200
Labour Charges	755,470	768,841
Transport Charges	168,579	195,413
Travel Agency Commission	507,370	438,239
Membership & Subscription	302,027	273,952
Miscellaneous Expenses	1,291,040	694,111
<b>TOTAL</b>	<b>34,515,518</b>	<b>28,384,709</b>

# RAS RESORTS AND APART HOTELS LIMITED



## NOTE 26:

**Significant Accounting Policies and Notes annexed to and forming part of the Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the year ended 31st March, 2012.**

### A. 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 recognized 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 capitalized 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.

#### (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

# RAS RESORTS AND APART HOTELS LIMITED



## NOTE 26:

### A. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES: (Contd)

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 realized 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 recognized 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 estimate 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.

### B. CONTINGENT LIABILITY

Liability in respect of VAT on sale of food and beverages at Silvassa is presently unascertainable pending completion of assessment by the authorities. And Bank Guarantee issued in favour of Electricity Dept. Silvassa of Rs. 750,000/-.

C. Unexpired Capital Commitment (net of advances) – Rs. 2,211,720 (Previous year:Rs.72,528,720/-)

### D. TIME SHARE

a) Time Share Refundable amount 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.

b) Non-refundable deposit - Time Share dream vista is recognised as income equally over a period of 30 years from the date sale of time share.

(Refer Note – 5)

# RAS RESORTS AND APART HOTELS LIMITED



## NOTE 26 (Contd.)

### E. 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".

(Amount in Rupees)

Sr. No.	Particulars	31st March, 2012	31st March, 2011
1.	<b>Segment Revenue</b>		
	Hoteliering	78,384,113	74,141,909
	Real Estate	3,321,807	—
	Total	81,705,920	74,141,909
	Less: Inter-segment revenue	—	—
	<b>Net Income from operations</b>	<b>81,705,920</b>	<b>74,141,909</b>
2.	<b>Segment Results</b>		
	Hoteliering	9,892,449	17,840,801
	Real Estate	3,321,807	—
	Total	13,214,256	17,840,801
	(Less) :		
	(i) Interest	(1,992,759)	(3,872,790)
(ii) Tax expenses	(4,349,343)	(2,587,368)	
	<b>Profit After Tax</b>	<b>6,872,154</b>	<b>11,380,643</b>
3.	<b>Segment Assets</b>		
	Hoteliering	111,956,803	86,032,372
	Real Estate	2,592,656	31,199,743
4.	<b>Segment Liabilities</b>		
	Hoteliering	18,498,110	21,326,238
	Real Estate	—	—
5.	<b>Segment Non Cash Expenses</b>		
	Hoteliering	3,247,383	3,254,018
	Real Estate	—	—

# RAS RESORTS AND APART HOTELS LIMITED



## NOTE 26 (Contd.)

F. 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	:	Provided 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** (Amount in Rupees)

Particulars	31st March 2012	31st March 2011
Present Value of Unfunded Obligations	2,454,178	2,223,860
Unrecognised Past Service Cost	—	—
Amount not recognized as an Asset because of the limit in para 59 (b)	—	—
<b>Net Liability recognized in the Balance Sheet</b>	<b>2,454,178</b>	<b>2,223,860</b>

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

Particulars	31st March 2012	31st March 2011
Current Service Cost	374,807	340,390
Interest Cost	177,909	160,114
Expected return on Plan Assets	—	—
Actuarial Losses / Gains	(242,844)	(278,069)
Net gratuity expenses included in payments to and provision for employees	309,872	222,435
<b>Actual Return on Plan Assets</b>	<b>—</b>	<b>—</b>

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

Particulars	31st March 2012	31st March 2011
Opening Defined Benefit Obligation	2,223,860	2,001,425
Current Service Cost	374,807	340,390
Interest Cost	177,909	160,114
Actuarial Losses / Gains	(242,844)	(278,069)
Liabilities assumed on Amalgamation	—	—
Benefits Paid	(79,554)	—
<b>Closing Defined Benefit Obligation</b>	<b>2,454,178</b>	<b>2,223,860</b>

(iv) **Summary of Actuarial Assumptions**

Particulars	Current Year
Discount Rate	8%
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.

(Refer Note – 6)

# RAS RESORTS AND APART HOTELS LIMITED



## NOTE 26 (Contd.)

## NOTE 26 (Contd.)

### G. RELATED PARTY DISCLOSURE

The Names of related parties are as under:

**a) Key Management Personnel**

Vishamber Shewakramani – Managing Director  
Nalini Shewakramani - Executive Director

**b) Relatives of Key management Personnel**

Tekchand Shewakramani  
Kamla Shewakramani  
Gautam Shewakramani  
Rahul Shewakramani

**c) Associate Enterprises**

Ras Stock & Financial Services Pvt. Ltd.	Audio Compass (India) Pvt. Ltd.
Rahul Agrotech (I) Pvt. Ltd.	Primary Cuisine Pvt. Ltd.
Ras Erectors Pvt. Ltd.	Burger King Restaurant Pvt. Ltd.
Gras Health Resorts Pvt. Ltd.	Hungry Jacks Fast Food Pvt. Ltd.
Gautam Premises Pvt. Ltd.	Gautam Enterprises
Ras Dui Hotels Pvt. Ltd.	Ras Business Premises Pvt. Ltd.

**d) TRANSACTIONS WITH RELATED PARTIES:**

(Amount in Rupees)

Personnel		Key Management Personnel	Relatives of Key Management	Associate Enterprises
Purchase of Services	(Current Yr.)	400	800	—
	(Previous Yr.)	400	800	—
Rent paid	(Current Yr.)	—	60,000	119,124
	(Previous Yr.)	—	60,000	119,124
Remuneration to Directors	(Current Yr.)	3,750,000	180,000	—
	(Previous Yr.)	2,550,000	—	—
Advance for Land	(Current Yr.)	—	—	—
	(Previous Yr.)	12,000,000	—	—
Sale of Investment	(Current Yr.)	—	—	—
	(Previous Yr.)	—	—	12,806,350

### H. EARNINGS PER SHARE (Basic and Diluted):

(Amount in Rupees)

	31st March 2012	31st March 2011
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)	6,872,154	11,380,643
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):	1.81	2.99

# RAS RESORTS AND APART HOTELS LIMITED



## NOTE 26 (Contd.)

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

	Current Year Rs.	Previous Year Rs.
Salary & Perks	3,750,000	2,550,000

(Refer Note – 22)

- L. 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, 2012.

## M.

	Current Year Rs.	Previous Year Rs.
(a) Earnings in Foreign Exchange	415,819	257,795

- N. The company does not have the data about status of its vendor as macro small and medium enterprises. Hence amount due to macro small and medium enterprises as on 31st March 2012 cannot be ascertained.
- O. 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.
- P. Previous year's figures disclosed have been recast, to comply with revised Schedule VI wherever necessary, to make them comparable with those for the current year.

## SIGNATURES TO NOTES 1 TO 26

As per our attached report of even date

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

**S.L. KHANDELWAL**  
Partner  
Membership No. 101388  
Mumbai, 4th May, 2012

For and on behalf of the Board

**PRAVIN VEPARI** *Chairman*

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

**VISHAMBER SHEWAKRAMANI** *Managing Director*

Mumbai, 4th May, 2012

# RAS RESORTS AND APART HOTELS LIMITED



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Rs. in lacs	Year ended 31.3.2012 Rs. in lacs	Rs. in lacs	Year ended 31.3.2011 Rs. in lacs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit/(Loss) before tax		112.21		139.68
Adjustments for :				
Depreciation	32.47		32.54	
Interest Expense	19.04		36.21	
Provision for Employee Benefit	2.31		2.22	
Profit on sale of assets	-		(45.83)	
Time Share Dream vista Income	(1.39)		(1.39)	
Sundry Balance W/back	(2.34)		-	
Interest Income	(0.32)	49.77	(0.14)	23.61
<b>Operating profit before working capital changes</b>		<b>161.98</b>		<b>163.29</b>
Adjustments for :				
Trade & Other receivables	137.41		(152.24)	
Inventories	(0.65)		(4.80)	
Trade Payables & Other Liabilities	8.40	145.16	36.90	(120.14)
<b>Cash Generated from Operations</b>		<b>307.14</b>		<b>43.15</b>
Income Tax Paid		(48.36)		(10.94)
<b>Net cash from Operating Activities (A)</b>		<b>258.78</b>		<b>32.21</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchases of fixed assets	48.26		(163.48)	
Sale of fixed assets	3.08		-	
Sale of Investment	-		128.57	
Interest received	0.32	51.66	-	(34.91)
<b>Net cash used in Investing activities (B)</b>		<b>51.66</b>		<b>(34.91)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Borrowings (net)		(117.42)		72.31
Borrowing Unsecured Loan		(3.85)		8.72
Interest Paid on Long Term Loan		(19.04)		(36.21)
Dividend & Dividend Tax Paid		(66.47)		(44.31)
<b>Net cash from Financing Activities (C)</b>		<b>(206.78)</b>		<b>0.51</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>103.66</b>		<b>(2.19)</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 1ST APRIL, 2011 (Opening Balance)</b>		<b>17.61</b>		<b>19.80</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.03.2012 (CLOSING)</b>		<b>121.27</b>		<b>17.61</b>

As per our attached report of even date

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

**S.L. KHANDELWAL**  
Partner  
Membership No. 101388  
Mumbai, 4th May, 2012

For and on behalf of the Board

**VISHAMBER SHEWAKRAMANI**

*Managing Director*

**NALINI SHEWAKRAMANI**

*Director*

Mumbai, 4th May, 2012



# 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 28TH ANNUAL GENERAL MEETING of the Company at Garware Club House, Banquet Hall, Wankhede Stadium, 'D' Road, Churchgate, Mumbai 400 020 on Friday, September 21st, 2012 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 28th ANNUAL GENERAL MEETING of the Company, to be held on Friday, September 21st, 2012 at 10.00 a.m. at any adjournment thereof.

Signed this ..... day of ..... 2012

Date of Receipt ..... 2012

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



**BISTRO-THE FEAST  
VILLAGE**



**SABHA - CONFERENCE HALL**

**SAMVAAD - CONFERENCE HALL**



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