

MD	✓	BKC	✓
CS	✓	DPT	✓
NO	✓	DIV	✓
AGM	✓	AC	✓
NE	✓	SPI	✓

RAS RESORTS AND APART HOTELS LIMITED

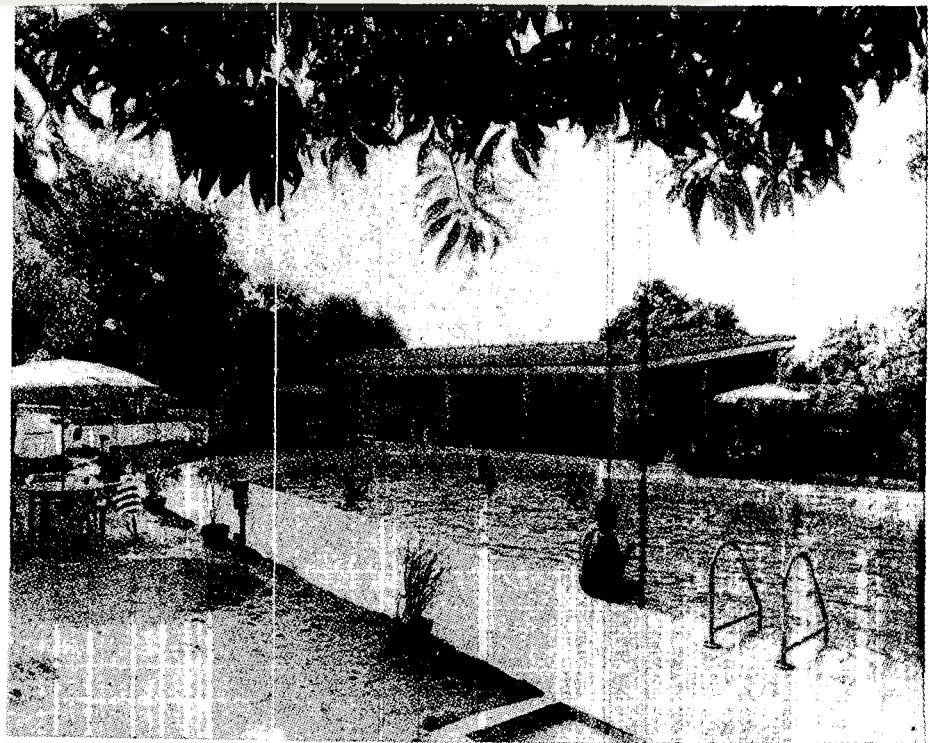


ANNUAL REPORT 97-98

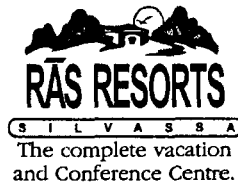


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RAS RESORTS AND APART HOTELS LIMITED

BOARD OF DIRECTORS

PRAVIN VEPARI *Chairman*
PADMASHRI KUM. THANGAM PHILIP
VIKRAM TANNAN
TEKCHAND SHEWAKRAMANI
SITARAM JHA
NALINI SHEWAKRAMANI
SHAILESH MAHIMTURA
JASHBHAI UMEDBHAI PATEL *Nominee Director*
VISHAMBER SHEWAKRAMANI *Managing Director*

AUDITORS

N.M. Rajji & Co.

LEGAL ADVISORS

Mahimtura & Co.

CORPORATE LAW ADVISOR

Bipin S. Acharya

BANKERS

Allahabad Bank
State Bank of India
Syndicate Bank

REGISTERED OFFICE

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

RESORT SITE

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

REGISTRAR & SHARE TRANSFER AGENT

Satellite Corporate Services Private Limited
39/724, Azad Nagar II, Ground Floor, Veera Desai Road,
Andheri (West), Mumbai - 400 053.

RAS RESORTS AND APART HOTELS LIMITED



*If you want to accomplish something
in this world, you must not be afraid
to accept greater responsibilities.*

— Robert Frost

RAS RESORTS AND APART HOTELS LIMITED



NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of the Company will be held at Green Room, Bombay Cricket Association, Garware Club, Ground Floor, "D" Road, Churchgate, Mumbai 400 020 on Saturday, 26th September, 1998 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Sitaram Jha, who retires by rotation, but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Smt. Nalini Shewakramani, who retires by rotation, but being eligible offers herself 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 modifications, the following Resolution as Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and 314 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force, the Company in general meeting hereby approves the re-appointment of Shri Vishamber Shewakramani as the Managing Director of the Company for a period of five years with effect from 13th August, 1998 on the terms and conditions and remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out in the agreement dated 12th August, 1998 entered into by the Company with him and submitted to this

meeting which agreement be and it is hereby specifically approved.

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation with Managing Director provided such variation is in accordance with provisions in part II of Schedule XIII of the Companies Act, 1956 and/or the provisions of law as may be applicable thereto from time to time."

7. To consider, and if thought fit, to pass, with or without modifications, the following Resolution as Special Resolution :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the following manner :

- A. The present Article 5A of the Articles of Association be deleted and in place thereof the following be inserted as Article 5A :

5A. In the event it is permitted by law to issue Shares without voting rights or with differential voting rights attached to them, the Directors may issue such Shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

- B. The present Article 5B of the Articles of Association be deleted and in place thereof the following be inserted as Article 5B :

5B. Notwithstanding anything contained in these Articles, in the event it is permitted by law for a Company to purchase its own Shares or Securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own Shares or Securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approval, as may be permitted by the law."

RAS RESORTS AND APART HOTELS LIMITED



8. To consider, and if thought fit, to pass, with or without modifications, the following Resolution as Special Resolution :

"RESOLVED THAT if and when permitted by the law and subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such consents, approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such consents, approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to buy back fully paid Shares and/or other Securities of the Company from the holders thereof from out of its free reserves or out of the Share Premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time.

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, deeds, papers and writings as may be required for the aforesaid purpose and deal with all such matters and things and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."

9. To consider, and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution :

"RESOLVED THAT in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and subject to such other

approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "BOARD" which expression shall also include a committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue, allocate or allot, in one or more tranches in the sole discretion of the Board, to such persons who are in the permanent employment of the Company at the time of the issue is made and to the Managing and Whole-time Directors of the Company, such number of Equity Shares of the Company of the face value of Rs. 10/- each, not exceeding such percentage of the Capital of the Company as may be permitted by the law as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with applicable guidelines and provisions of law and otherwise ranking *pari passu* with the Equity Shares of the Company as then issued and in existence and on such other terms & conditions and at such time or times as the Board may in its absolute discretion and in the best interests of the Company deem fit, provided that the aforesaid issue of Equity Shares may instead be in the form of fully or partly Convertible Debentures, Bonds, Warrants or other Securities as may be permitted by the law, from time to time.

"FURTHER RESOLVED THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required in pursuance of the above issue, and that the Equity Shares so issued, allocated or allotted shall rank in all respects *pari passu* with the existing Equity Shares of the Company save and except that such Equity Shares which may be with or without voting rights, if permitted by the law, shall carry the right

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to receive either the full dividend or a pro-rata dividend from the date of allotment, as may be decided by the Board, for the financial year in which the allotment of the Shares shall become effective.

"FURTHER RESOLVED THAT the consent of the Company be and is hereby granted in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals to the Board to secure, if necessary, all or any of the above mentioned Securities to be issued, by the creation of mortgages and/or charges on all or any of the Company's immovable and/or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board."

"FURTHER RESOLVED THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue price and all other terms and matters connected therewith including the creation of mortgages and/or charges and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to settle any questions or difficulties that may rise in regard to the issue."

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 explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business at Item Nos. 6 to 9 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19th September, 1998 to Saturday, 26th, September, 1998 (both days inclusive).
4. Members are requested to bring copies of the Annual Report at the time of attending the Annual General Meeting.
5. Dividend if declared will be paid to the Shareholders of the Company whose names will appear in the Register of Members as on 26th September, 1998.
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, 39/724, Azad Nagar II, Veera Desai Road, Andheri (West), Mumbai - 400 053. Share Transfer Agents of the Company quoting their Folio No.

By Order of the Board,

VISHAMBER SHEWAKRAMANI
Managing Director

Registered Office :

Rosewood Chambers,
99/C, Tulsiwadi, Tardeo,
Mumbai 400 034.
Dated : 21st, August 1998.

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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6

The term of Shri Vishamber Shewakramani as Managing Director of the Company has expired on 12th August, 1998. The Board of Directors of the Company has re-appointed Shri Vishamber Shewakramani as Managing Director of the Company for a further period of 5 years with effect from 13th August, 1998.

The principal terms contained in the Agreement dated 12th August, 1998 for his re-appointment are as follows :

- a) Salary : Rs. 55,000/- per month.
- b) Commission: Commission on Net Profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 as may be fixed by the Board subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.
- c) Perquisites : In addition to the aforesaid Salary and commission the Managing Director shall be entitled to the following perquisites :
 - i) Free furnished residential accommodation or House Rent Allowance together with utilities, therefor such as gas, electricity, water, furnishings, repairs, servants salaries, society charges and property taxes as may be approved by the Board.
 - ii) Reimbursement of Medical Expenses incurred for self and family and medical/accident insurance.
 - iii) Leave Travel concession for self and family once in a year in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
 - iv) Fees of clubs/annual membership fees for professional bodies.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.

Where in any financial year during the currency of the tenure of the Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above Salary and perquisites except commission not exceeding the ceiling limits prescribed in Schedule XIII of the Companies Act, 1956 as Minimum Remuneration.

- d) The Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above :
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
 - iii) Earned privilege leave, at the rate of one month's leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.
 - iv) Provision for Car and Telephone at the residence of the Managing Director shall not be treated as perquisites.

The Board commends the approval by the members of the re-appointment of Managing Director and payment of remuneration to him.

Shri Vishamber Shewakramani is concerned or interested in the said Resolution at item no. 6 of the accompanying notice as it relates to his own re-appointment. Smt. Nalini Shewakramani and Shri Tekchand Shewakramani being relatives of Shri Vishamber Shewakramani are also deemed to be interested or concerned in the said resolution.

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A copy of the Agreement dated 12th August, 1998 for the re-appointment of Shri Vishamber Shewakramani as Managing Director of the Company is open for inspection by the members at the Registered Office of the Company on any working day between 11.00 a.m. and 01.00 p.m.

ITEM NO. 7

It is proposed to substitute present Article 5A in the Articles of Association as set out in the Resolution at item No.7 of the accompanying notice to enable the Company to issue non-voting rights or differential voting rights shares.

It is also proposed to substitute present Article 5B in the Articles of Association at the said Item No. 7 to enable the Company to purchase any of its own shares or securities, as proposed in the Resolution at Item No. 8 in the event it is permissible by the law.

The Board commends the Resolution for acceptance by the members.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at its Registered Office between 11.00 A.M. and 1.00 P.M. on any working day of the Company.

ITEM NO. 8

The resolution set out in item no. 8 of the accompanying notice is an enabling provision aimed at facilitating the Company to buy-back its Shares as and when legally permissible.

The Board is of the opinion that it will be in the interests of the Company if Shareholders approve the said resolution. The Directors, therefore, recommend the above resolution for your approval.

The Directors of the Company may be deemed to be interested or concerned in the above resolution.

ITEM NO. 9

Having regard to the changing times particularly in a fiercely competitive environment, keeping in mind the long term interests of the Company and its Members, it is necessary for the Company to attract and retain qualified and talented personnel. Employee Stock Option Schemes are devised to impart to the employees a sense of ownership and

belonging. It is, therefore, appropriate to consider the introduction of a Stock Option Scheme in the sole discretion of the Board for such persons who are in the employment of the Company and for its Managing and Whole-time Directors. The Shares may be allotted directly to employees or allocated in accordance with a Stock Option Scheme framed in that behalf, or in accordance with the provisions of the prevailing law. It is intended that any such Option Scheme will not exceed an issue/allocation of shares/options representing such percentage of the Company's Capital as may be permitted by law. The proposed Resolution is designed to enable the achievement of these objectives.

Section 81 of the Act, provides, inter alia, that whenever it is proposed to increase the Subscribed Capital of a Company by the allotment of further shares, such further shares shall be offered to the existing Members of the Company in the manner laid down in the said Section unless the Members in General Meeting resolve otherwise. The consent of the Members is therefore being sought to authorise the Board of Directors to issue and allot the Shares or other securities in the manner and to the extent set out in the Resolution at Item No. 9 of the accompanying notice.

The Directors commend the Resolution for acceptance by the Members. Shri Vishamber Shewakramani, Managing Director may be deemed to be concerned in the Resolution to the extent of the Equity Shares or other Securities, which may be offered, allocated or allotted to him. Smt. Nalini Shewakramani and Shri Teckchand Shewakramani being relatives of Shri Vishamber Shewakramani are also deemed to be interested or concerned in the said resolution.

By Order of the Board,

VISHAMBER SHEWAKRAMANI
Managing Director

Registered Office :

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

Dated : 21st, August 1998.