

RAS RESORTS AND APART HOTELS LIMITED



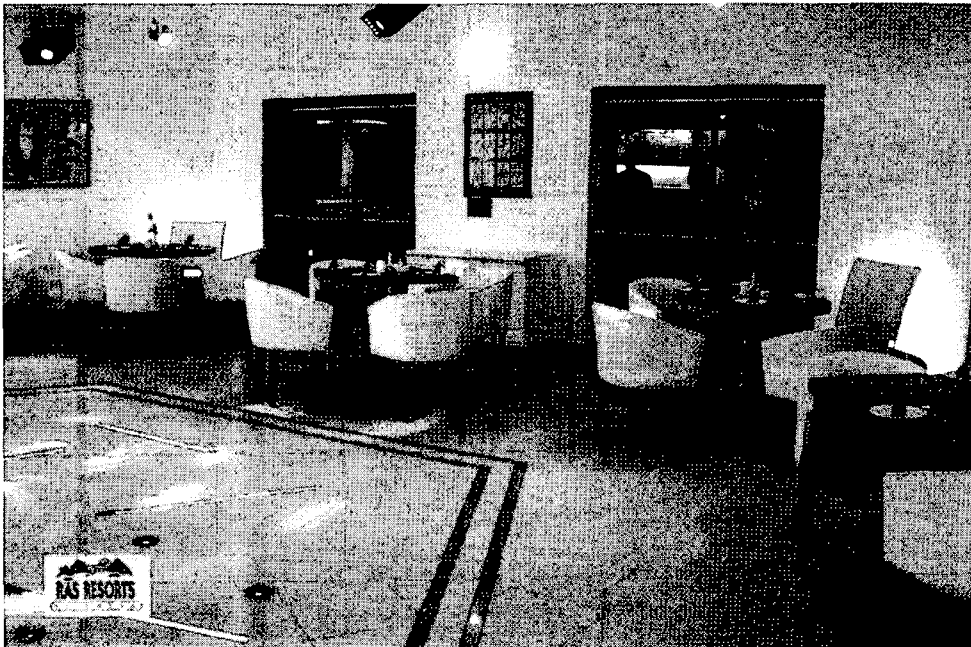
ANNUAL REPORT 2007-08



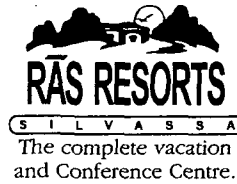
EXECUTIVE GUEST ROOM



BISTRO - THE FEAST VILLAGE



THE BANYAN TREE - LOUNGE & BAR



RAS RESORTS AND APART HOTELS LIMITED

BOARD OF DIRECTORS

PRAVIN VEPARI *Chairman*

PADMASHRI KUM. THANGAM PHILIP

AMEET HARIANI

TEKCHAND SHEWAKRAMANI

NALINI SHEWAKRAMANI

GAUTAM SHEWAKRAMANI

VISHAMBER SHEWAKRAMANI *Managing Director*

AUDITORS

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

RAS RESORTS AND APART HOTELS LIMITED



We are not obligated to win. We are obligated to keep trying to do the best we can every day.

Marian Wright Edelman

RAS RESORTS AND APART HOTELS LIMITED



NOTICE

Notice is hereby given that the Twenty-Fourth 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 Thursday, 18th September, 2008 at 10.00 a.m. to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2008 and the Profit & Loss Account and Cash Flow Statement for the year ended on that date and Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Tekchand Shewakramani who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Padm. Kum. Thangam Philip who retires by rotation but being eligible offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any Statutory modification or re-enactment thereof, for the time being in force and as approved by the Remuneration Committee, the Company in General Meeting hereby approves the re-appointment of Shri Vishamber Shewakramani as Managing Director of the Company for a period of five years with effect from 13th August, 2008 and 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) for period of three years with effect from 13th August, 2008 as set out in the agreement dated 30th July, 2008 entered into by the Company with him and submitted to this

meeting duly initialed by the Chairman, which agreement be and 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 the 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."

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 Register of Members and Share Transfer Books of the Company will remain closed from Monday, 15th September, 2008 to Thursday, 18th September, 2008 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
4. Members are requested to notify immediately change in their Registered address, if any, or make correspondence to the Registered Office of the Company or to Satellite Corporate Services Private Limited, B- 302, Sony Apartment, Opp. St. Jude's High School, Off Andheri- Kurla Road, Jarimari, Sakinaka, Mumbai- 400 072, Share Transfer Agents of the Company quoting their Folio No.

By order of the board,
Vishamber Shewakramani
Managing Director

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

Dated: July 30, 2008

RAS RESORTS AND APART HOTELS LIMITED



ANNEXURE TO NOTICE

Explanatory Statements under Section 173 of the Companies Act, 1956

Item No. 5

The term of Shri Vishamber Shewakramani as Managing Director of the Company will expire on 12th August, 2008. 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, 2008.

The terms of the remuneration for a period of first three years as contained in the Agreement dated 30th July, 2008 are as follows:

- a) Salary: Rs. 1,50,000/- 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 Section 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.

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Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I. General Information:

(1) Nature of industry	Hotel Industry		
(2) Date or expected date of commencement of commercial production	The Company has been in the business for many years		
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.			
(4) Financial performance based on given indicators	2005-06	2006-07	2007-08 (Rs. in lacs)
Turnover	281.49	439.57	515.15
Net profit/ (Loss) as per profit and loss account	6.84	77.46	32.01
Amount of Dividend paid	—	—	—
Rate of Dividend declared	—	—	—
Earning before interest, depreciation & taxes	33.59	116.91	92.49
% of EBIDT to turnover	11.93%	26.60%	17.95%
(5) Export performance and net foreign exchange collaborations	—	—	—
(6) Foreign investments or collaborators, if any	—	—	—

II. Information about the appointee:

(1) Background details	<p>Name: Shri Vishamber Shewakramani</p> <p>Designation: Managing Director</p> <p>Father's name: Shri Tekchand Shewakramani</p> <p>Nationality: Indian</p> <p>Date of Birth: 09.12.1954</p> <p>Qualifications: BSIE, MBA</p> <p>Experience: Over 23 years in Hotel industry</p>
(2) Past remuneration	The remuneration paid to him in the year 2006-07 was Rs.75,000/- per month.
(3) Recognition or awards	Managing Committee Member of the Hotel & Restaurant Association (Western India).
(4) Job profile and his suitability	The Managing Director shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company. Considering the above and having regard to age, qualifications, ability and experience and looking to the business

RAS RESORTS AND APART HOTELS LIMITED



(5) Remuneration proposed

requirement the re-appointment and proposed remuneration is in the interest of the Company.

Salary of Rs.1,50,000/- per month and other perquisites as mentioned elsewhere in the statement.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)

Compared to the remuneration with respect to the other hotel industry, the remuneration proposed to be paid is very low.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

The Managing Director is a promoter of the Company.

III. Other information:

(1) Reasons of loss or inadequate profits

The August 2004 flood destroyed 50% of hotel. The renovation and reconstruction has been completed in phases. The turnover of the company is improving. It will take another two years to stabilize.

(2) Steps taken or proposed to be taken for improvement

Substantial marketing efforts and encashing good business opportunities the turnover of the Company and its profitability are likely to increase further.

(3) Expected increase in productivity and profits in measurable terms.

With the curtailment in expenses and increase in the turnover the Company expects greater sales to the tune of approximately Rs. 550 lacs.

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. 5 of accompanying notice as it relates to his own appointment. Shri Teckchand Shewakramani, Smt. Nalini Shewakramani and Shri Gautam Shewakramani being relatives of Shri Vishamber Shewakramani are also deemed to be interested or concerned in the said resolution.

The above may also be treated as an abstract referred to in Section 302 of the Companies Act, 1956.

A copy of the Agreement dated 30th July, 2008 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 1.00 p.m.

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

Dated: July 30, 2008

By order of the board,

Vishamber Shewakramani
Managing Director

RAS RESORTS AND APART HOTELS LIMITED



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty-fourth Annual Report together with the Statement of Accounts for the year ended 31st March 2008.

Operations

The Company has completed its nineteenth year of operations. Income for the year is Rs. 487.33 lakhs as compared to 369.59 lakhs in the previous year.

The working results of the Company show a net profit of Rs 32.01 lakhs after making provision for depreciation of Rs. 29.57 lakhs.

Real Estate Business

The Company proposes the real estate business activities in Goa and Silvassa for high and buildup residential space from leisure purchasers and from corporates who are setting up the SEZ.

Accounts and Finance

The Company's writ Petition for 5% interest subsidy claim from concerned authorities of Silvassa is pending in the Supreme Court.

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange

The Company has earned Rs. 5.83 lakhs by way of foreign exchange and there is outgo of Rs. 0.04 lakhs in foreign exchange.

Directors

Shri Tekchand Shewkaramani and Padm. Kum. Thangam Philip, Directors of the Company will retire at the forthcoming 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.

Managing Director

The term of Shri Vishamber Shewakramani as Managing Director of the Company will expire on 12th August, 2008. The Board of Directors of the Company has re-appointed him for a further period of five years with effect from 13th August, 2008 subject to the approval of the members in the Annual General Meeting.

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.

RAS RESORTS AND APART HOTELS LIMITED



Listing

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

The Company has paid the Annual Listing Fees to The Bombay Stock Exchange Ltd. for the year 2008-2009.

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 Auditors forms part of this report.

Auditors & Observation

The observation made by the Auditors in their report and explanation given in the Notes to the Accounts are self-explanatory.

M/s. N. M. Raiji & Co., Chartered Accountants, the Auditors of the Company would retire at the

forthcoming Annual General Meeting and they are eligible for re-appointment.

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

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: July 30, 2008

ANNEXURE TO THE DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS OVERVIEW

Indian economy continues to grow at about 8% in FY 2008-2009, which will lead to improving demand and thus positively impact performance of the domestic hotel industry:

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

With continuing surge in tourist the hotel, this sector is likely to offer tremendous opportunity for investors with such a huge potential available. Several global hotel chains like Hilton, Accor, Marriott International, Berggruen Hotels, Cabana Hotels, Premier Travel Inn, Intercontinental Hotels Group and Hampshire among others have announced major investment plans for India.

Hotels are increasingly cashing in on food and beverages, restaurants, spas, health services, night

clubs and other ancillary services. These services are contributing more than half of the overall revenues of hotel chains. Non room revenues of hotels have contributed to 50-55% of overall revenues.

2. NATURE OF INDUSTRY

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

2.1.1 The key characteristics of the hotel industry are :

The industry is primarily capital intensive coupled with depreciation costs on the buildings, furniture, fixtures and equipment and other assets. While your Company has an "Asset light" strategy, there are key strategic assets that need to be locked in through investment. During periods of growth the depreciation and interest costs rise