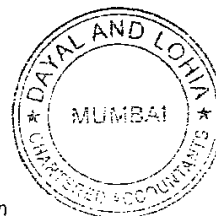


AUDITORS REPORT

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;

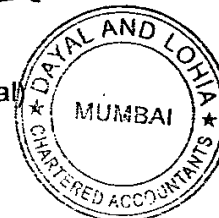


- e) In our opinion and based on the information and explanations given to us, none of the directors are disqualified as on 31st March, 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our 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 Statement of Profit and Loss, 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.

Place : Mumbai
Date : 4th May 2012

for DAYAL & LOHIA
Chartered Accountants
Firm Regn. No. 102200W

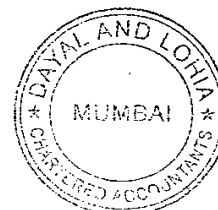
(S. L. Khandelwal)
Partner
M No: 101388



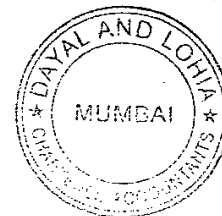
ANNEXURE TO THE AUDITOR'S REPORT

(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.

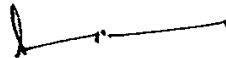


7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of the business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 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, 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 : 4th May, 2012