

**PANORAMIC  
UNIVERSAL LIMITED**

formerly known as IT Microsystems (India) Ltd.

ANNUAL REPORT 2007-08

Panoramic Universal Limited (formerly known as IT Microsystems (India) Ltd) is a holistically managed company operating in three strategic business divisions – Hospitality, Travel & Tourism and Information Technology (IT).

Panoramic owns and operates ten reputed hotels in India, USA and New Zealand. Headquartered in Mumbai, the Company has offices in major cities of India, USA, UK and New Zealand and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company also manages the country's largest revolving lounge, 'AREA 51' in Pune.



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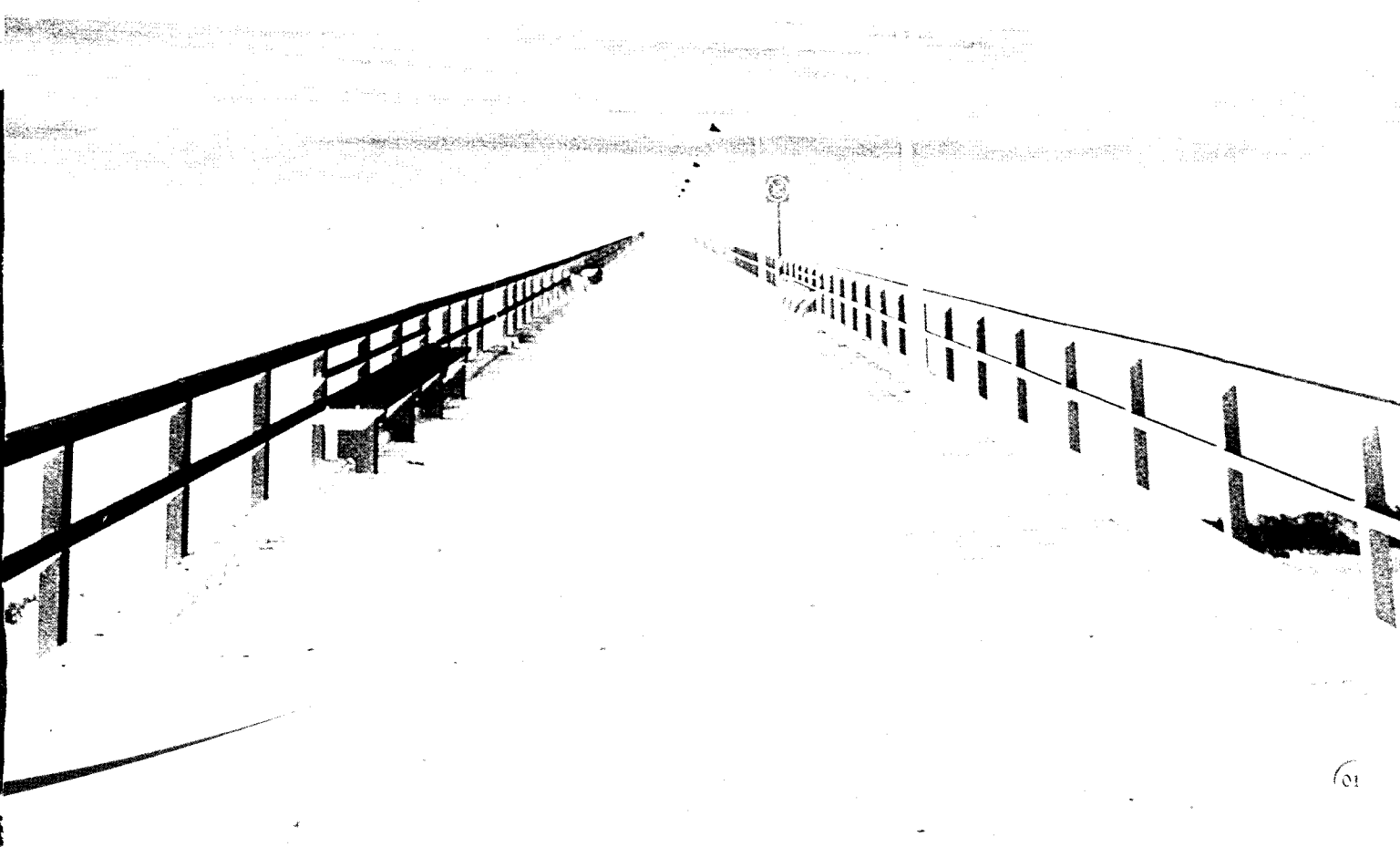
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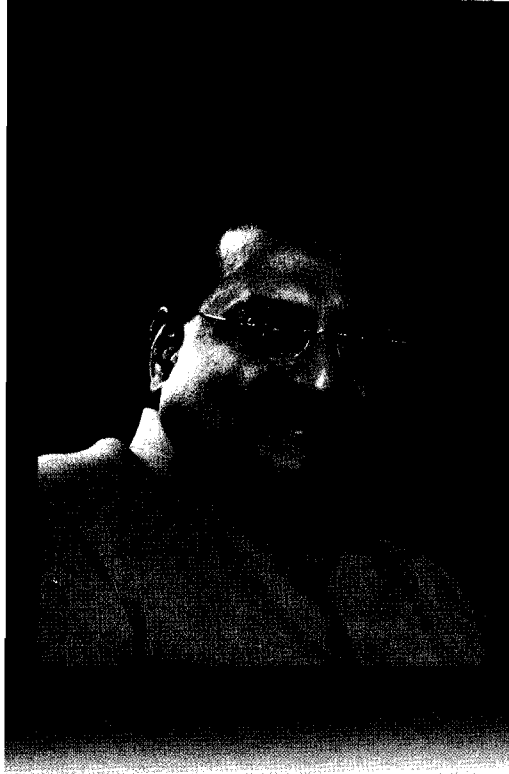
# Travelling into the future

From the past to the present,  
and now into the future --  
Panoramic's journey has been one of exciting opportunities,  
of strategic forays, and of new initiatives.

Opportunities that lay the foundation for growth.  
Forays that set the pace for expansion.  
And initiatives that prepare us for the next big leap into the future.

The fiscal 2007-08 charted the course for many more such big opportunities,  
strategic forays and key initiatives.  
All of which combined will put Panoramic on the path to future success.





**“The Company is looking ahead to a synergistic drive with the combination of multi-revenue generating business model of its hotel, time share and travel portal business, aimed at providing a one-window service to its customers.”**

## Dear Shareholders,

The journey to success traverses many paths, each replete with opportunities galore. And only organizations that have the capacity and the inclination to tackle these opportunities eventually succeed. It has always been our effort to take on every possible opportunity that comes our way in our onward march to the next level of success. The year 2007-08, saw us tactically employing vital strategies benefiting Panoramic and all its stakeholders.

During the year, Panoramic strategically forayed into the booming travel & tourism sector. Your Company also explored organic & inorganic opportunities in a bid to rapidly expand the hospitality and travel businesses and exploit the varied opportunities in India and overseas.

### On course to financial success

During the year, your Company consolidated its business and focused its initiatives to further seek the potential in the hospitality business. The financial results stood as under:

<b>Standalone Financials</b>		[Rs. in Millions]
Particulars	31.03.2008	31.03.2007
Total Revenue	344.37	282.06
Operating Profit	154.45	130.36
PAT	123.97	120.72
Earning Per Share (F.V. Rs.5/- each)	9.57	9.32

### Consolidated Financials

[Rs. in Millions]

Particulars	31.03.2008	31.03.2007
Total Revenue	1,348.39	1,331.89
Operating Profit	616.32	600.57
PAT	339.76	328.28
Earning Per Share (F.V. Rs.5/- each)	26.22	25.33

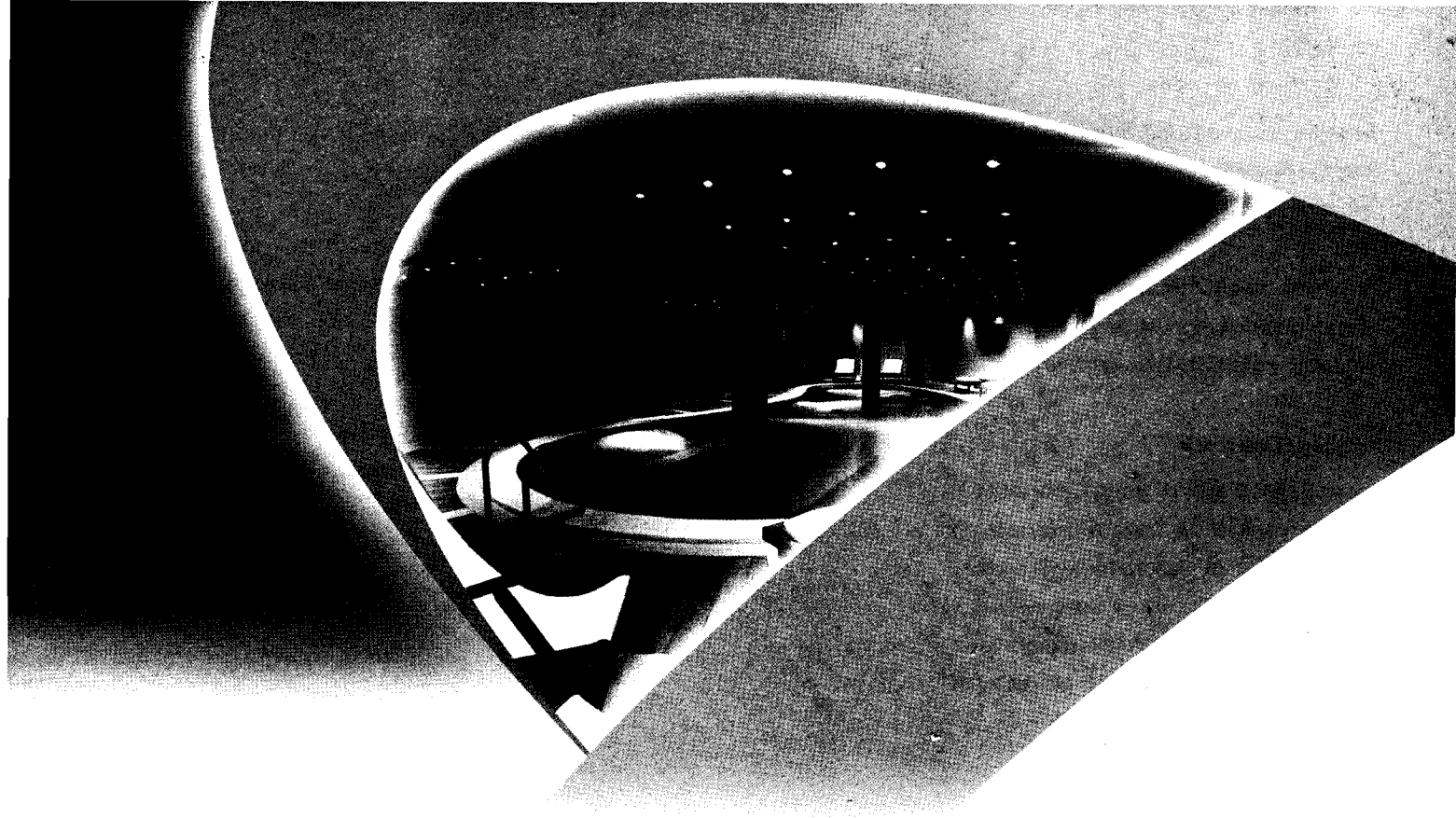
### Charting a new course

#### Strategic foray into travel & tourism

Your Company's foray into the travel & tourism segment was marked by two important acquisitions – one each in the domestic and international markets. In India, Panoramic acquired the controlling stake in a well-established travel agency - Hi-Flyers Travel Services Limited.

Armed with more than a decade of experience, Hi-Flyers offers the complete array of services in the travel & tourism sector – from international & domestic ticketing, package tours across popular destinations worldwide, forex services to other allied services like visa approvals, passport assistance etc.

With its domestic travel initiative in place, Panoramic moved on to consolidating its travel foray in the international arena. The year saw the Company acquire the business of Future Travels - a 30 year old travel agency based in the heart of New York city. The move marked the Company's diversification in the US



business where it already owns five hotels with 796 rooms under operation. The Company acquired the business of Future Travels Inc through its wholly-owned subsidiary in US.

### **Travel portal**

Going a step further, to offer a comprehensive travel solutions to our customers, we have initiated work on the development of a one-stop travel portal i.e [www.travelhot.com](http://www.travelhot.com). Our aim is to provide hassle-free travel and hospitality options to business and leisure travelers. The soft launch of this portal is expected shortly.

Panoramic's initiatives in this direction are directly linked to the growing opportunities in the travel and tourism segment, with the World Tourism Organisation (WTO) projecting global tourist arrivals in India to grow by 4% till 2010 and thereafter by 4.5% for the next 10 years. We hope to see the results of these initiatives translating to your Company's benefit within a short span of time.

### **On the right course**

#### **Consolidating the hospitality business**

Even as Panoramic made deep inroads into tourism and travel sectors and mapped out big plans to encash the immense opportunities unfolding, your Company did not lose sight of its core hospitality business.

During the year, your Company executed a number of projects and chalked out many more for the coming years, in line with its strategic plans to expand its horizons within and outside India.

Panoramic has acquired land in Jaipur (Rajasthan) & Usgaon (Goa) and is in the process of acquiring land in Vechoor, Munnar and Kumarakom (Kerala) as the destinations for its upcoming hotel projects in the country.

The group has also acquired land at Pune and Thane (Maharashtra) and Durgapur (West Bengal) for development of star hotels to be managed by Panoramic.

In line with its growth strategy, your Company has started development work for several greenfield hotel properties across India

On the international hospitality front, Panoramic's subsidiary in the US purchased 79 acres of land in Fort Drum at Watertown, New York. With the completion of this project, your Company will nearly double the number of hotel rooms under its operation in the US.

Back home, your Company acquired a resort-cum-water park at Panvel near Mumbai and also started work for the construction of its hospitality brand. Panoramic has plans to convert in future

the resort into a 200 room 5 star facility with a convention centre once the proposed international airport in the vicinity becomes operational.

During the year under review, Panoramic also diversified into development of mix-use projects, acquiring land for a 3 star hotel-cum-commercial complex to be built in Jaipur

### **Keeping IT on track**

Though the thrust of your Company's development plans remained on Tourism, Travel & Hospitality, marked progress was also registered in Panoramic's IT business during the year. Development of several new software programmes was initiated as a further step to add to the repertoire of cost-effective and high-end services and products offered by this division.

### **Future plans**

With the upbeat scenario of a over 8% projected growth in the domestic economy, continuously rising forex reserves, increasing interest shown in India by tourists from different parts of the world and the upcoming Commonwealth Games, immense opportunities are slated to unfold across the entire gamut of hospitality, tourism and travel sectors. Having established itself

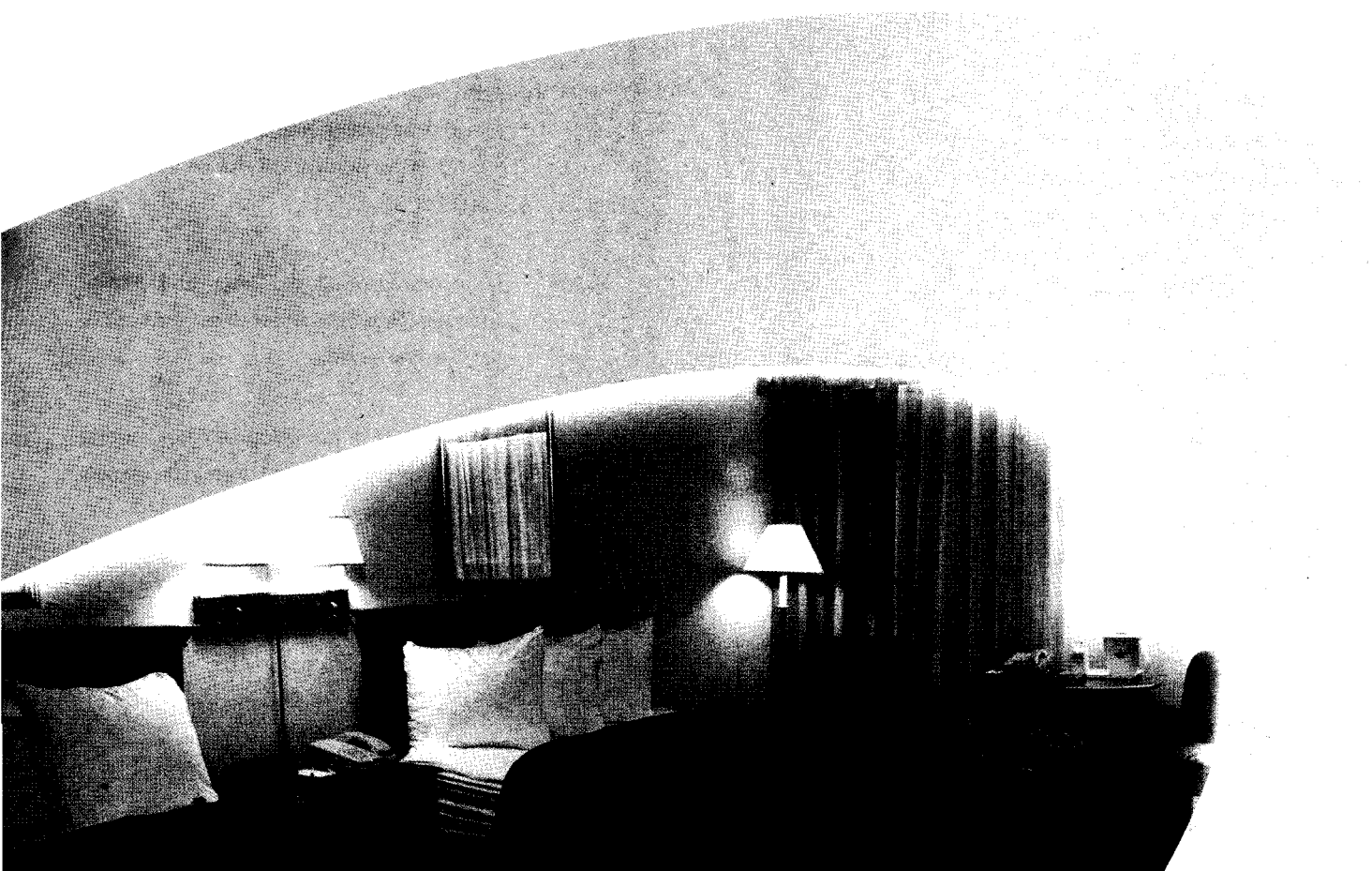
in these niche segments, Panoramic is well placed to encash these opportunities in a big way.

Hospitality business being the core of its operations, your Company is looking at the inorganic route of expansion, focusing on Star category hotels in Tier II and III cities, tourist destinations, historical places and business hubs.

In a move to further consolidate and expand its business, your Company plans to foray into professional management and operation of group and third party hotels on an all India basis. The Company plans to target Star category hotels in this business.

In the coming year, as part of its stated strategy to expand into the overseas market, Panoramic is looking at further acquiring travel agencies abroad, particularly in the US and UK, to compliment the inbound as well as outbound tourism for these countries.

Since your Company's core strength lies in identifying undervalued properties which have the potential to give good returns, Panoramic is constantly seeking opportunities to acquire attractive properties at good locations.



Room at Holiday Inn, Hudson



Ballroom at Holiday Inn,  
Hudson

The Company is looking ahead at a synergistic drive with the combination of its hotel, time share and travel businesses, aimed at providing a one-window service to its customers.

Development of brands for its travel offerings and franchisee is another key initiative that your Company has planned for the coming fiscal.

During the year, the Company forged ahead with its plans to consolidate the group projects, under the 'United 21' Hotels, Resorts and Clubs brand.

**On a parting note**

By all accounts, these are exciting times for your Company. The year ahead looks good, with your Company's plans in sync with

the unfolding opportunities in niche businesses. And with your support and co-operation, and the unstinted hard work of our employees, we are confident of making the best of these times, to the maximum benefit of one and all.

I would like to express my deep felt thanks to, our shareholders, financiers, bankers, stake holders, employees and record appreciation for the co-operation extended by the Central & State Government & Other Statutory authorities & others associated with the Company.

**Mr. Sudhir Moravekar**

Chairman

Panoramic Universal Limited

# Travelling into the future

With a robust business model

## Panoramic Universal Ltd.

Hospitality

Travel &  
Tourism

Information  
Technology

Hotels & Resorts

Timeshare &  
condominiums

Travel Portal

Software Products  
& Development

- Owning & operating star category hotels/hospitality project in India, USA & New Zealand.
- Introducing innovative hospitality concepts.
- Developing green field hotel projects.
- Encashing business opportunities by acquiring operational/non operational hotel projects.
- Expanding travel & tourism business through traditional model of travel agencies as well as emerging format of travel portal.
- Developing software products targeted towards small & medium enterprises.

Comfort Inn.  
North Carolina



With a multi-dynamic growth strategy

**Multi-foray**

Forayed into Tourism -acquired travel agencies in USA, India

**Multi-expansion**

Operations on to launch Travel portal [www.travelhot.com](http://www.travelhot.com)

**Multi-concept**

Introduce time share & condominium projects for faster pay back & continuous cash flow

**Multi-revenue model**

Mixed use projects to offset high property prices & faster break even

**Multi-offering**

Offer integrated solutions to SME clients in IT sector.

**Multi-location**

Own, run, manage Star category hotels in India, USA & NZ

**Multi-vision**

Work on for consolidation of United 21 brand

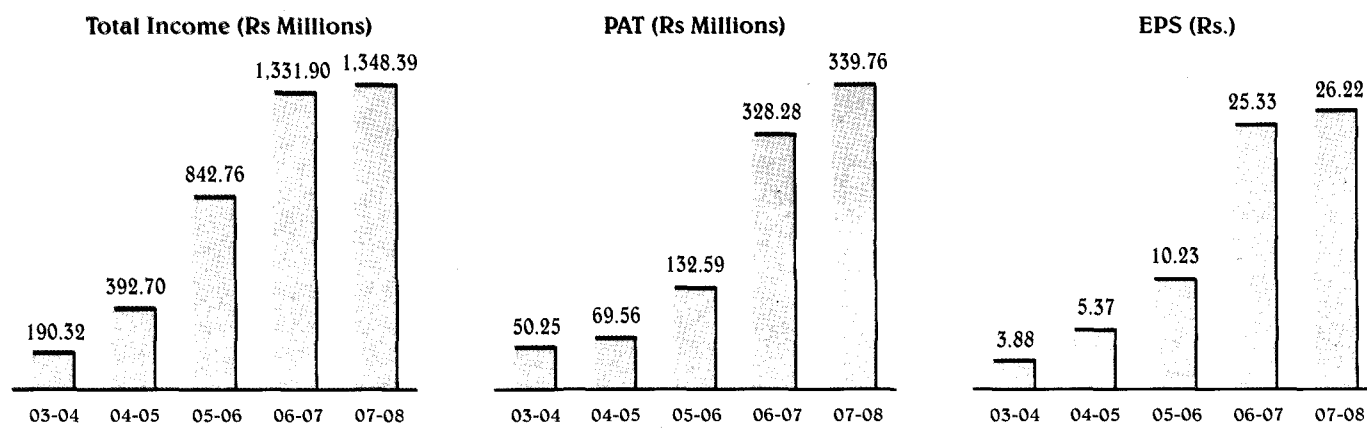
With a strong financial base

**Financial highlights**

(Rs. in Millions)

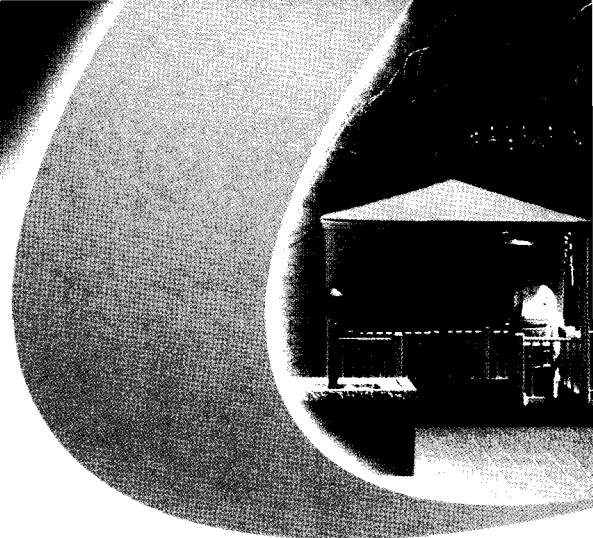
**Consolidated**

Particulars	FY. 2007-08	FY. 2006-07	FY. 2005-06	FY. 2004-05	FY. 2003-04
<b>EARNINGS DATA</b>					
Total Income	1,348.39	1,331.90	842.76	392.70	190.32
Net Sales	813.93	805.90	661.98	329.93	170.46
EBIDTA	616.32	598.00	280.80	114.30	71.90
EBIT	563.11	544.27	213.95	93.96	56.63
Profit Before Tax	493.40	461.20	160.61	71.41	51.03
Profit After Tax	339.76	328.28	132.59	69.56	50.25
<b>BALANCE SHEET DATA</b>					
Equity	64.79	64.79	64.79	64.79	64.79
Preference Shares	500.00	-	-	-	-
Reserves & Surpluses	955.48	683.77	383.14	270.45	186.72
Debt	1,471.05	1,265.00	1,171.29	870.29	195.70
Net Worth	1,508.30	741.99	443.16	327.38	244.64
Capital Employed	2,984.45	2,019.10	1,624.93	1,212.72	447.25
<b>SHARE DATA</b>					
Dividend per share (in Rs.)	1.25	1.00	0.60	0.50	2.00
Earnings per share (in Rs.)	26.22	25.33	10.23	5.37	3.8
<b>RATIOS &amp; MARGINS</b>					
EBIDTA margin (in %)	75.72	74.20	42.42	34.64	42.18
PAT margin (in %)	41.74	40.73	20.03	21.08	29.48
ROCE (in %)	22.51	29.87	15.08	11.32	12.66
ROE (in %)	30.20	55.50	34.41	24.32	20.54



# Travelling into the future

With a multi-location presence



## Overseas hospitality presence

- \* Total no. of hotels - 6
- \* Room inventory - 818
- \* Aggregate value of hotel properties overseas\* - **Rs 1552.30 Millions (USD 36.10 Millions)**

Hotel	Location	Market Value* (Rs in millions)	Market Value* (USD in millions)
The Georgian Resort	Lake George New York	462.25	10.75
Holiday Inn	Hudson, Ohio	322.50	7.50
Econo Lodge	Burlington, North Carolina	144.05	3.35
United Inn	Syracuse, New York	210.70	4.90
Comfort Inn	Greensboro, North Carolina	208.55	4.85
Sai Motels	Auckland, New Zealand	204.25	4.75
		<b>Total: 1552.30</b>	<b>Total: 36.10</b>

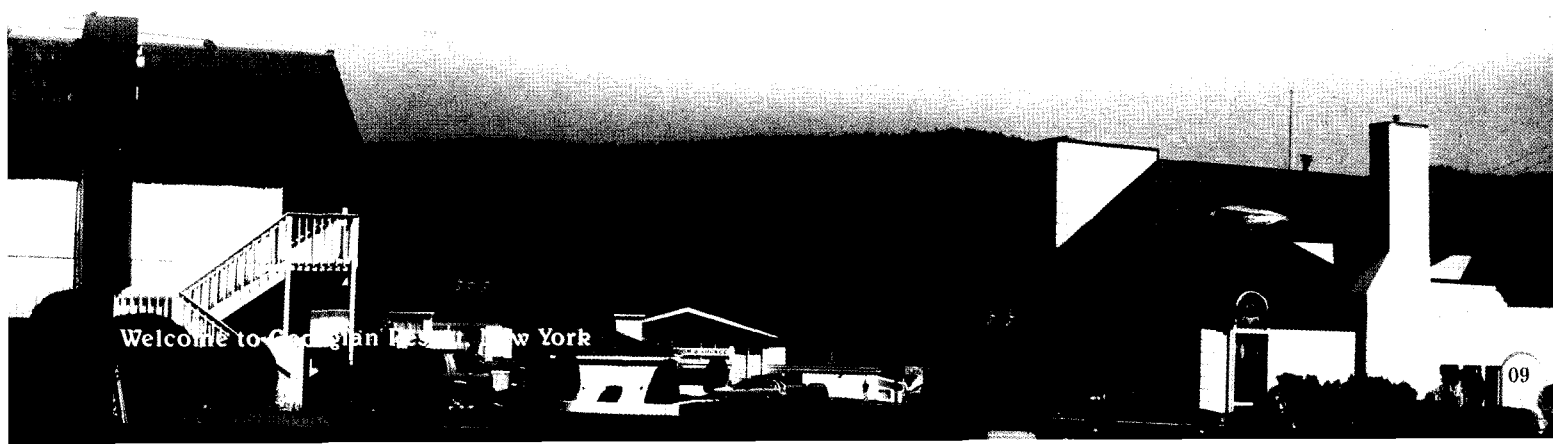
(\*Management estimates)

## Indian hospitality presence

- \* Total No. of hotels - 4
- \* Rooms inventory - 125
- \* Aggregate value of hotel properties in India\* - **Rs 500 Millions (USD 11.65 Millions)**

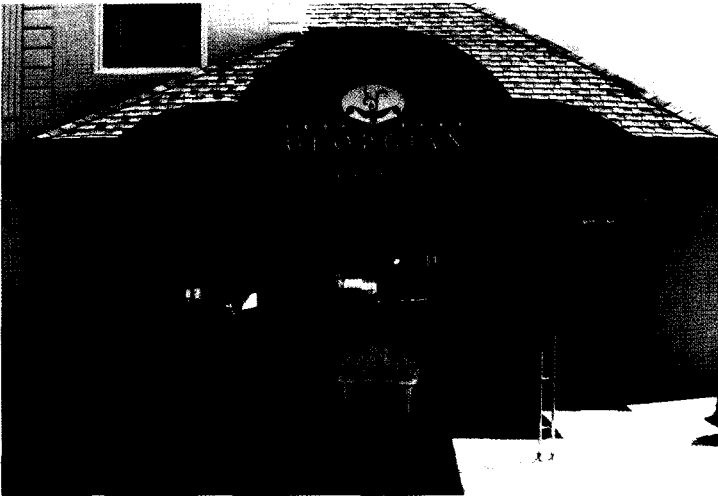
Hotel	Location	Market Value* (Rs in Millions)	Market Value* (USD in Millions)
Sai Sahavas	Shirdi	100	2.33
Sagar Kinara	Malvan	65	1.52
Graciano Cottages	Goa	85	1.98
Panoramic Resort & Water park	Panvel	250	5.82
		<b>Total: 500</b>	<b>Total: 11.65</b>

(\*Management estimates)



# Travelling into the future

With a multi-location presence



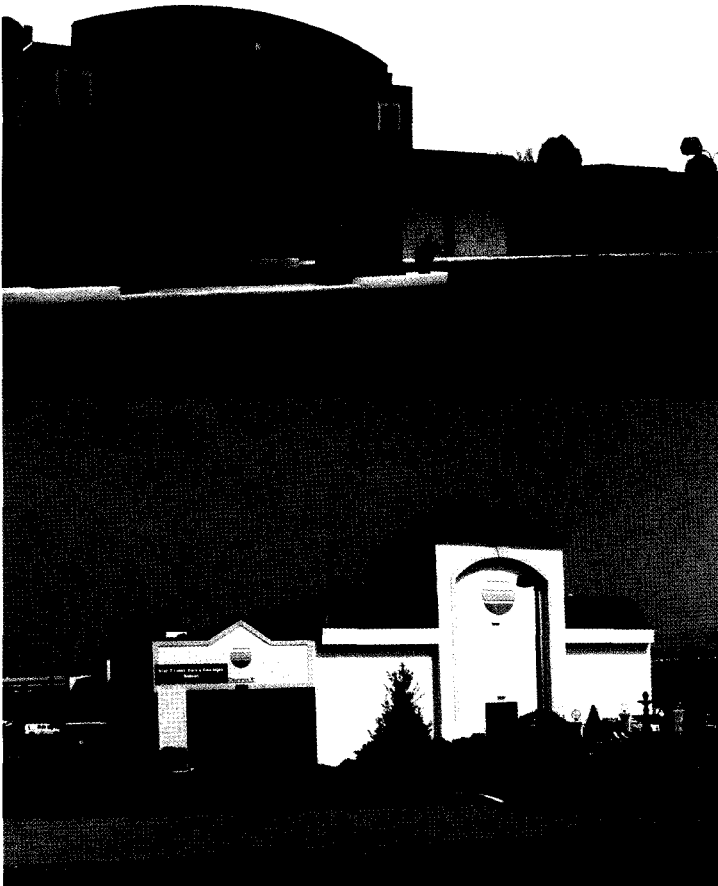
## **The Georgian Resort**

**- New York, USA**

Situated on the shores of Lake George the hotel is ideal for conferences, family holidays, special events and adventure sports. The surrounding area has a sense of calm and is immersed in nature's pristine beauty. The resort is amongst Panoramic's prime properties and provides all the amenities for a memorable stay.

Room inventory: 164

Asset cost: USD 7.5 Millions



## **Holiday Inn**

**- Ohio, USA**

The hotel is perfectly located for a weekend get away. It is situated just 25 minutes from the Bridgestone World Golf Championship and close to 30 minutes from Wildwater Kingdom and Geauga Lake.

Room inventory: 239

Asset cost: USD 6.5 Millions

## **Comfort Inn**

**- North Carolina, USA**

Situated at an important location, the Piedmont Triad International Airport and local Amtrak station are minutes away. There are many tourist locations nearby to visit such as Wet 'n Wild Emerald Pointe, Guilford Courthouse National Military Park and Celebration Station. You can also enjoy golfing, hiking, horse riding and tennis.

Room inventory: 126

Asset cost: USD 3.95 Millions

## Econo Lodge

- North Carolina, USA

The hotel is located just south of Interstate 40. Nearby attractions include Alamance Battleground that features historical structures, monuments and a visitor centre to educate visitors. There are a number of city parks and several lakes close by, offering activities such as boating, fishing, canoeing and skiing.

Room inventory: 125

Asset cost: USD 2.8 Millions



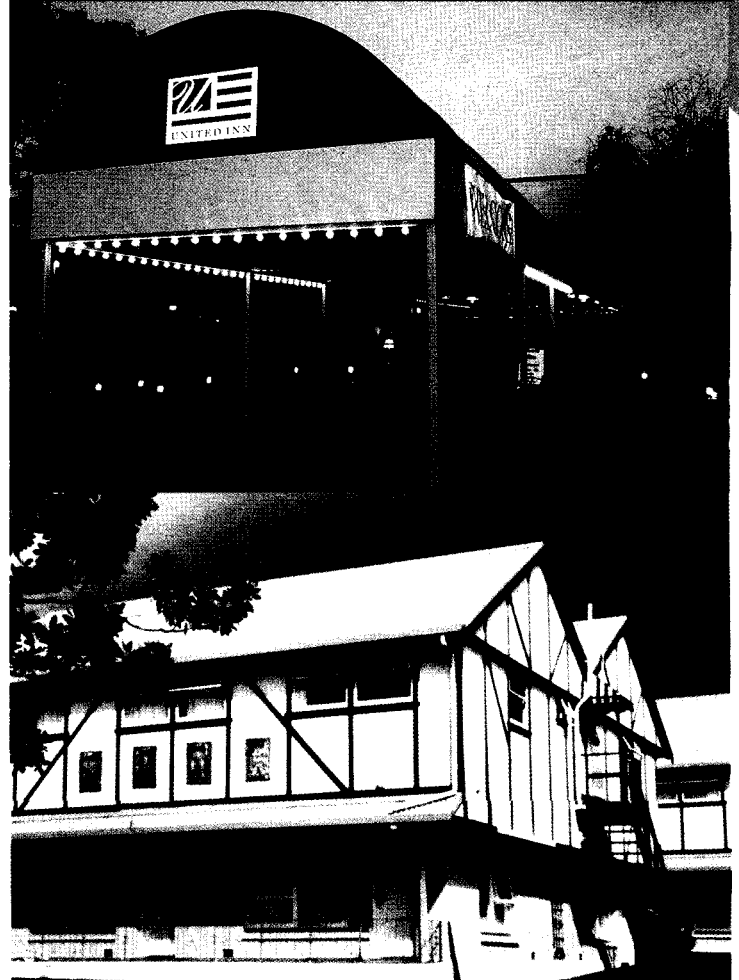
## United Inn

- New York, USA

Situated in central New York state the hotel attracts travelers by providing high-quality service and all necessary amenities. The rates offered are very competitive and attract a large number of value-seeking customers.

Room inventory: 142

Asset cost: USD 4.25 Millions



## Sai Motels

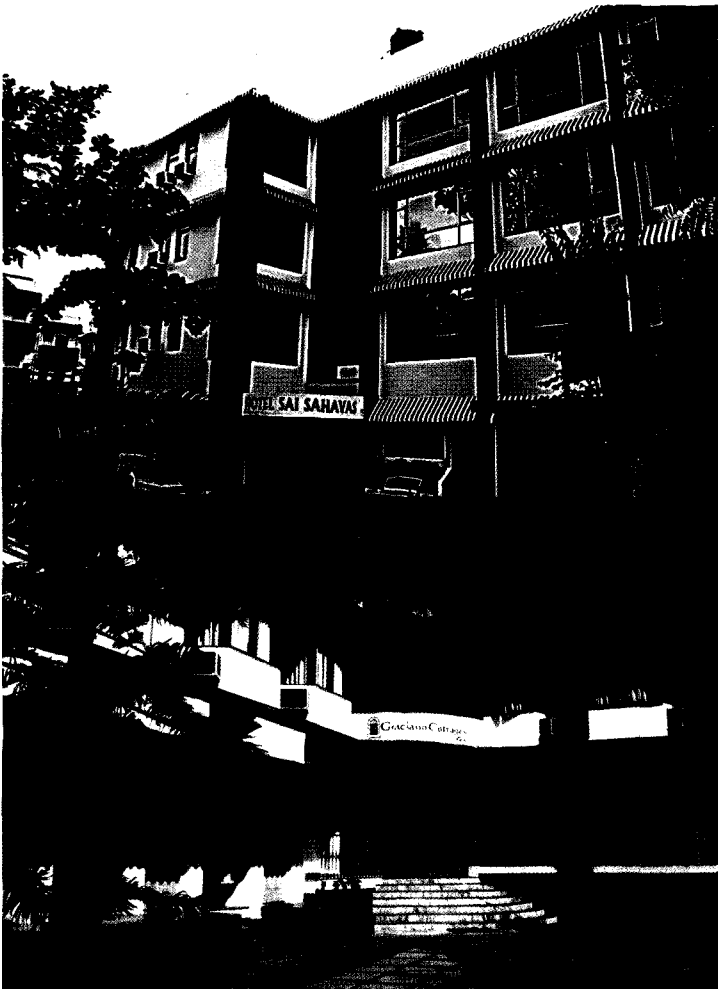
- Auckland, New Zealand

The hotel is situated in the heart of Auckland city and offers a range of amenities and quality service to the customers. Nearby locations include Ellerslie Racecourse & Convention Centre, Alexandra Park Raceway and the Auckland Show Grounds. For adventure seekers there are many hiking trails, holiday islands and beaches close by.

Room inventory: 92

Asset cost: USD 3.5 Millions

# Travelling into the future



## **Hotel Sai Sahavas**

**- Shirdi, India**

A divine place where people come to seek peace and blessings of 'Shri Sai Baba'. At this religious place is located 'Sai Sahavas' - a 3-star hotel that offers excellent service and promises you a pleasant stay. The hotel is walking distance from the 'Shri Sai Baba Temple' and enables the devotees to conveniently access the temple.

Room inventory: 46

Asset cost: USD 2 Millions

## **Graciano Cottages**

**- Goa, India**

Home to some of India's best beaches and breathtaking scenic beauty Goa offers the perfect get away. Graciano Cottages offers a stunning skyline view, lush with greenery. It is situated in the midst of one of the most beautiful beaches known for its white silvery sands - the Colva beach.

Room inventory: 22

Asset cost: USD 1 Millions



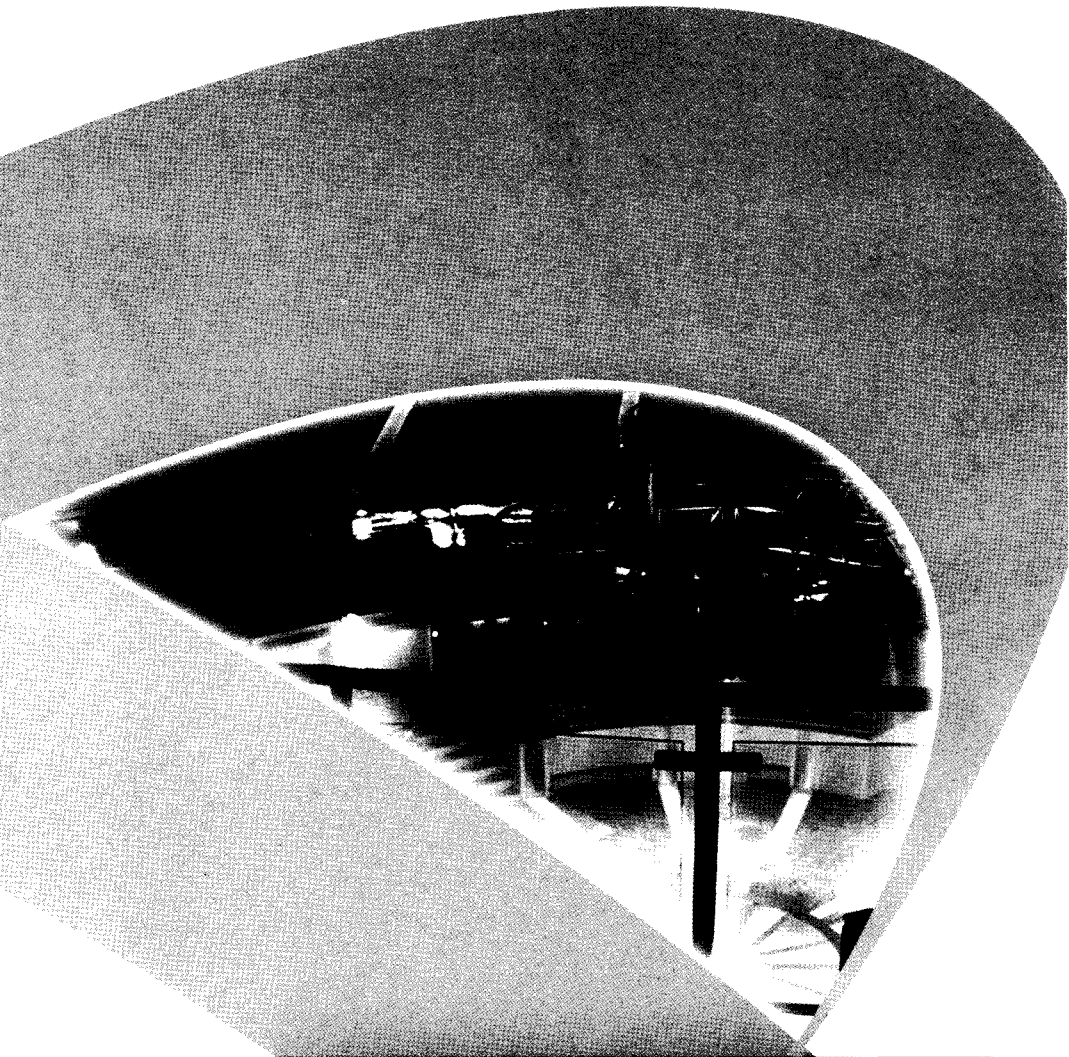
## **Hotel Sagar Kinara**

**- Malvan, India**

Situated right on the beach, the hotel offers a magnificent view of the Sindhudurg Fort built in the sea. You can stroll on the beach collecting sea shells or just relax listening to the sound of the waves. It offers a wide cuisine and is equipped with full-fledged amenities.

Room inventory: 32

Asset cost: USD 0.93 Millions



## **Area 51**

**– Pune, India**

Panoramic manages India's largest revolving entertainment lounge, 'Area 51' owned by the group. It is the ideal place to take your guests out for a spin. One can host parties, wedding receptions, conferences, private events and many more. Contemporary and futuristic designed, it offers the perfect party atmosphere. Panoramic also manages the banqueting and the restaurant business of the group's club project at Baner hills. Pune.

## **Panoramic Resort & Water Park**

**– Panvel, India**

It is a perfect weekend get away from Mumbai with a water park. The resort is spread over 15 acres of land consisting of 25 cottages and a conference hall. It has been a favorite destination for MICE, Corporate Picnic and family get-togethers. The resort is ideally located on Goa Alibaug highway and is a few kilometers away from the Maha Mumbai SEZ as well as the proposed new international airport at Kopra-Panvel area.

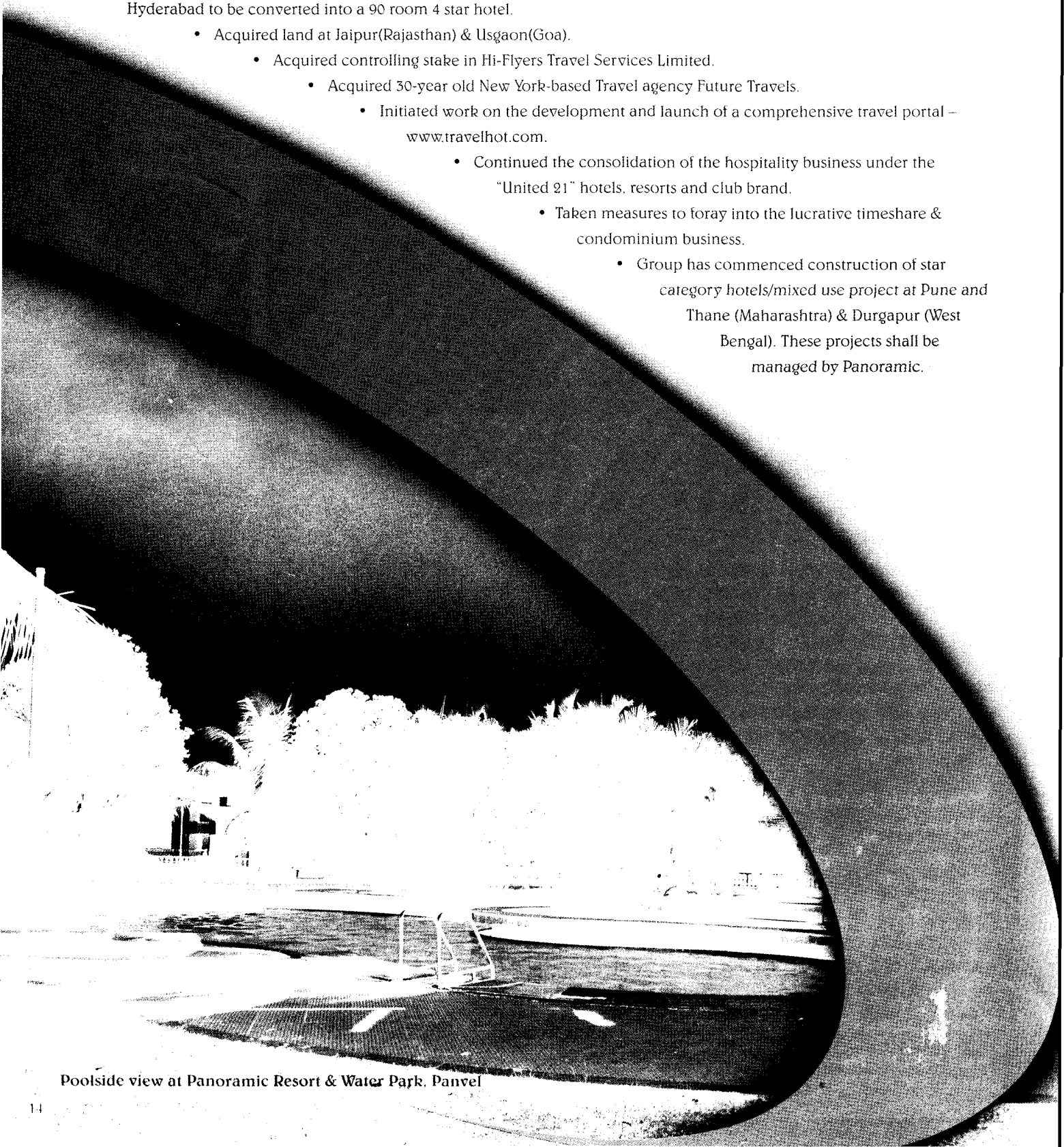
Room inventory: 25

Asset cost: Rs 250 Millions



## Major Events of 2007-2008

- Acquired garden resort & Water Park at Panvel (Mumbai).
- Signed an MOU to acquire a semi-finished commercial complex at Secunderabad. Hyderabad to be converted into a 90 room 4 star hotel.
  - Acquired land at Jaipur(Rajasthan) & Usgaon(Goa).
  - Acquired controlling stake in Hi-Flyers Travel Services Limited.
    - Acquired 30-year old New York-based Travel agency Future Travels.
      - Initiated work on the development and launch of a comprehensive travel portal – [www.travelhot.com](http://www.travelhot.com).
      - Continued the consolidation of the hospitality business under the “United 21” hotels, resorts and club brand.
      - Taken measures to foray into the lucrative timeshare & condominium business.
      - Group has commenced construction of star category hotels/mixed use project at Pune and Thane (Maharashtra) & Durgapur (West Bengal). These projects shall be managed by Panoramic.



Poolside view at Panoramic Resort & Water Park, Panvel



## Upcoming hotel projects

The company has plans to develop, own, manage and operate the upcoming hospitality projects at various locations, directly and / or through SPVs to make significant presence amongst the top players in the Indian hospitality sector. Panoramic plans to double the rooms under its operation by adding 1024 hotel rooms to its existing room inventory of 943 with the completion / acquisition of the following projects:

### I) Owned & managed

Projects	Location	Room Inventory
3 Star Hotel & Commercial Complex	Jaipur	83
3 Star Hotel (Operational)	Ahmedabad	35
4 Star Hotel	Hyderabad	90
Jungle Resort	Usgaon, Goa	150
5 Star Hotel and Ayurvedic Spa	Kumarakoum, Kerala	125
3 Star Hotel	Munnar, Kerala	90
3 Star Hotel	Vechoor, Kerala	75
		<b>Total: 648</b>

### II) On management contract basis

Projects	Location	Room Inventory
5 Star hotel & club	Thane	46
5 Star Hotel	Pune	185
3 Star hotel, club & service apartment	Durgapur, West Bengal	120
2 Star hotel (Operational)	Alleppey, Kerala	25
		<b>Total: 376</b>



Lounge at The Georgian Resort, New York

# Traversing new growth trajectories

## Hospitality

### Exciting opportunities

Paucity of suitable accommodation for business and leisure travelers has boosted the demand in the Indian hospitality sector manifold over the past few years. To meet this shortage, a whopping 53,000 hotel rooms are expected to be added by 2011.

### Strategic foray

In the hospitality sector, which accounts for 75% of its total consolidated revenue, Panoramic has adopted a multi-pronged strategy to boost its business. The Company has plans for massive expansion in its hotel portfolio in India through greenfield projects as well as acquisition of running hotels/semi-finished hotel projects.

The Company also intends to introduce new hospitality concepts like time share, condominiums and mixed-use projects. These unique strategies are revenue accretive and enhance the cash flows of the projects thus ensuring faster break even & pay back.

Another advantage of the above strategy is reduction in the business risk. In a mixed use project, a hotel shall be a part of a larger project encompassing other revenue generating assets. For instance, in a project combining hotel with a recreation club, the Company would recover substantial project cost through one time membership fees in the initial years and ensures recurring revenue through the yearly maintenance charges, usage charges etc. Similarly with sale of commercial premises in a hotel cum commercial complex project, the Company recovers the majority of the project cost in the initial years itself.

## **New Initiatives**

Among the notable initiatives undertaken by the company during the year were:

### **Acquisition of garden resort and water park in Mumbai**

With an eye on its future plans and developments in the Travel & Tourism and Hospitality industries, Panoramic has recently acquired a resort cum Water Park in Mumbai.

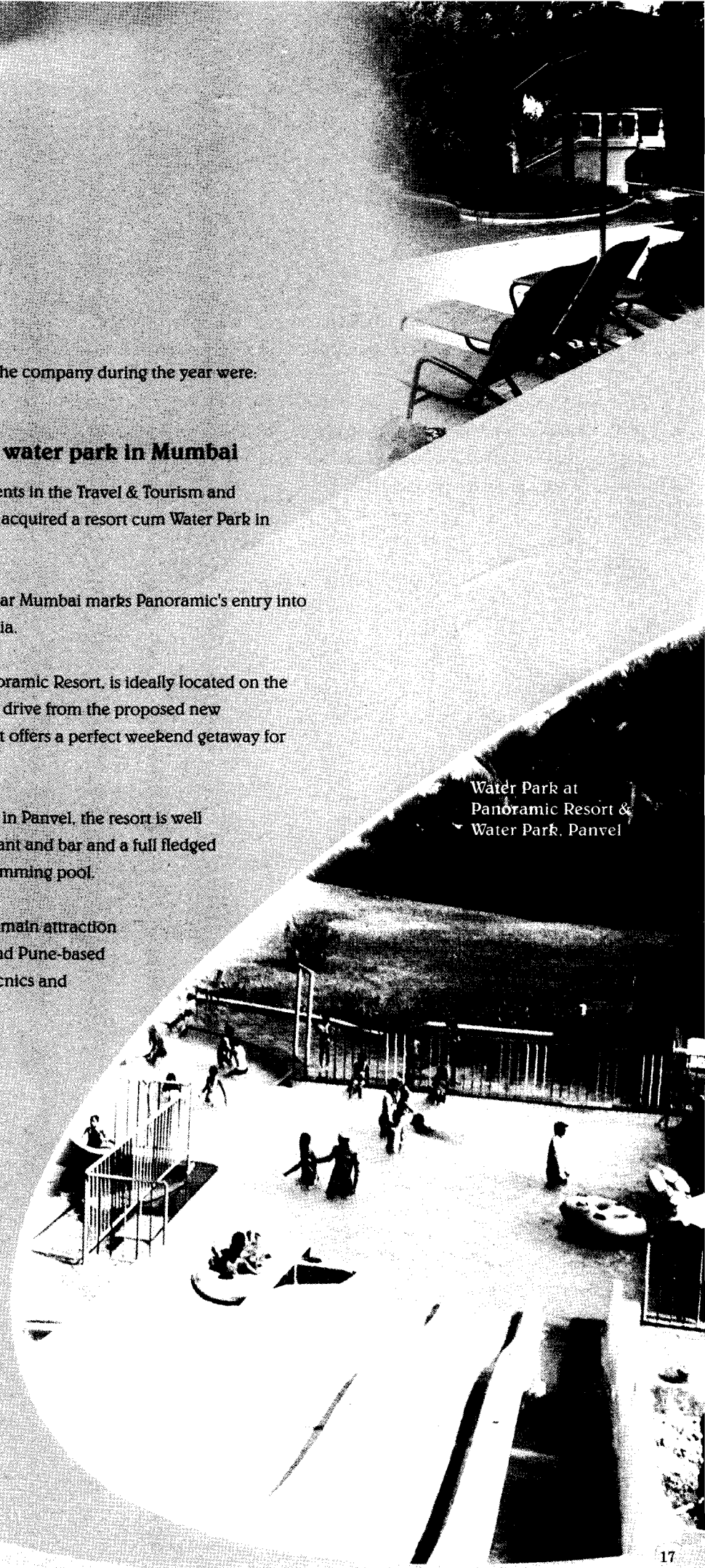
Acquisition of Rishi garden resort at Panvel near Mumbai marks Panoramic's entry into the lucrative Indian commercial capital of India.

The property, which is being re-named as Panoramic Resort, is ideally located on the Panvel-Alibaug-Goa highway and a 10 minute drive from the proposed new international airport and Maha Mumbai SEZ. It offers a perfect weekend getaway for Mumbai's families and youngsters.

Spread over lush green 15 acres of prime land in Panvel, the resort is well equipped with 25 super deluxe rooms, restaurant and bar and a full fledged water park with rain-dance facilities and a swimming pool.

Special water slides made for children are the main attraction of the resort. Employees of various Mumbai and Pune-based corporates visit the resort for get-togethers, picnics and conferences.

Water Park at  
Panoramic Resort &  
Water Park, Panvel



# Traversing new growth trajectories

## Hospitality

Panoramic's core strength in this sector lies in identifying undervalued properties which have the potential to give good returns. The Company is constantly seizing opportunities to acquire attractive properties at good locations for the future.

Realizing the huge potential to be tapped in the hospitality sector, Panoramic has planned hotel projects at various locations across India. Negotiations are in progress to acquire land for hotel projects at various locations across India. The proposed hotel projects are 3 & 4-star hotels/resorts. Going ahead, the Company plans to increase the number of rooms it operates to 1967 in the next couple of years (from the present 943).

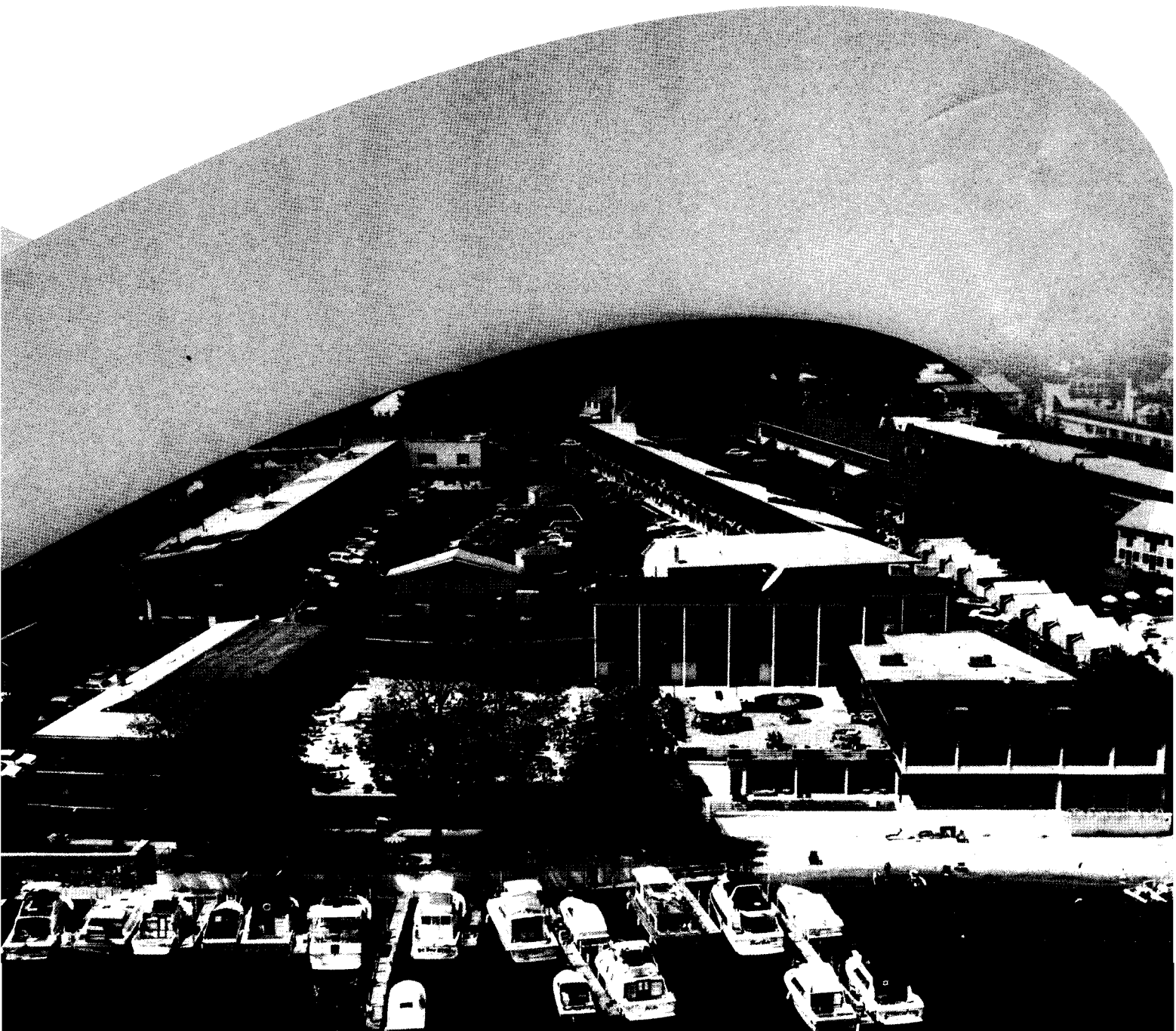


Lake View of  
the Georgian Resort,  
New York



## Consolidating the hospitality brand

Notwithstanding its foray into newer areas of business, Panoramic has continued to focus attention on its hospitality business, in which it aims to become an international player. During the year, the Company forged ahead with its plans to consolidate the group projects into the Company, under the 'United 21' Hotels, Resorts and Clubs brand. The Group's new upcoming projects at Pune, Thane and Durgapur, are all being developed under this brand name.



# Traversing new growth trajectories

## Upcoming Indian project

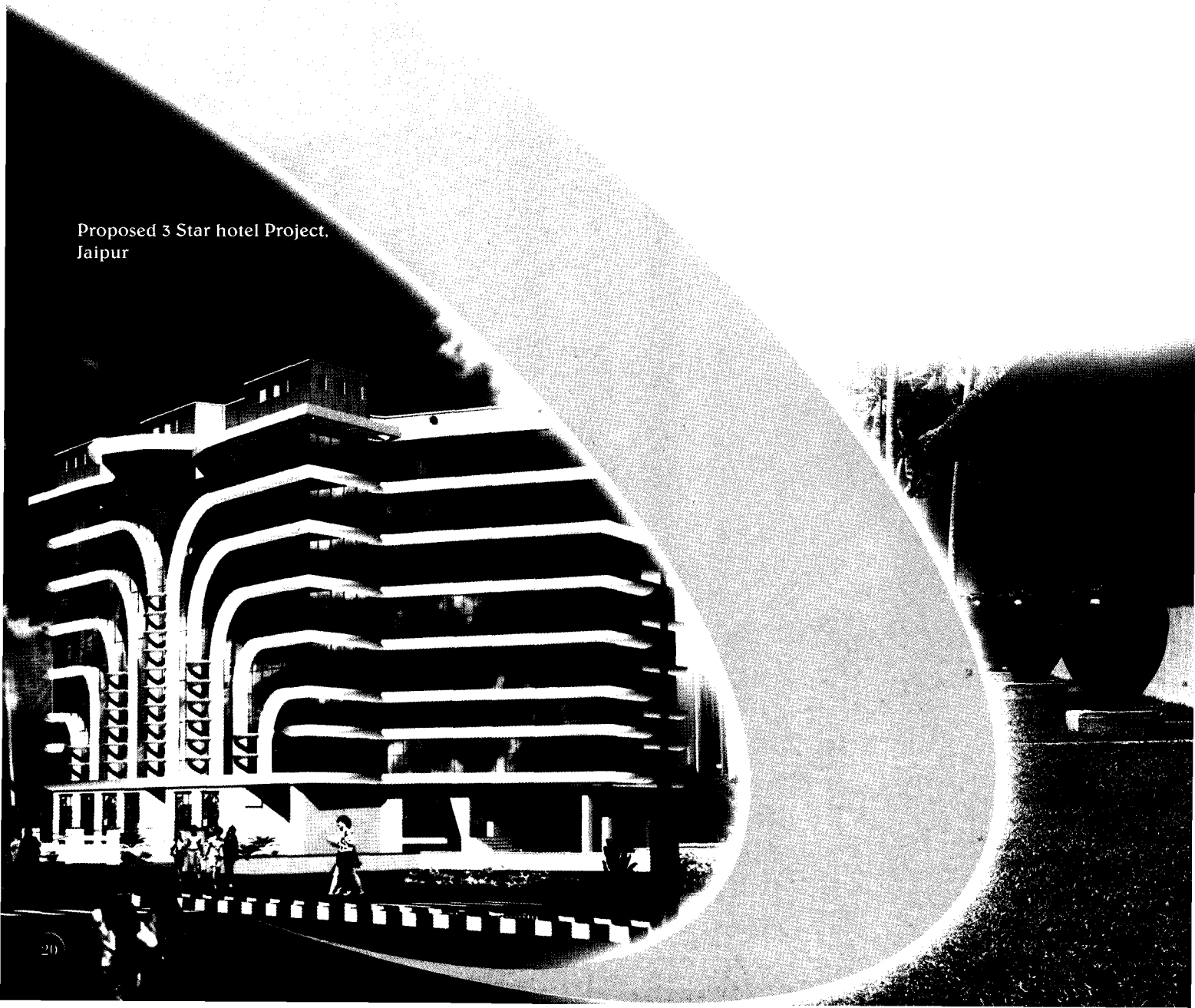
**Projects of Panoramic Universal Ltd (Owned & Managed).**

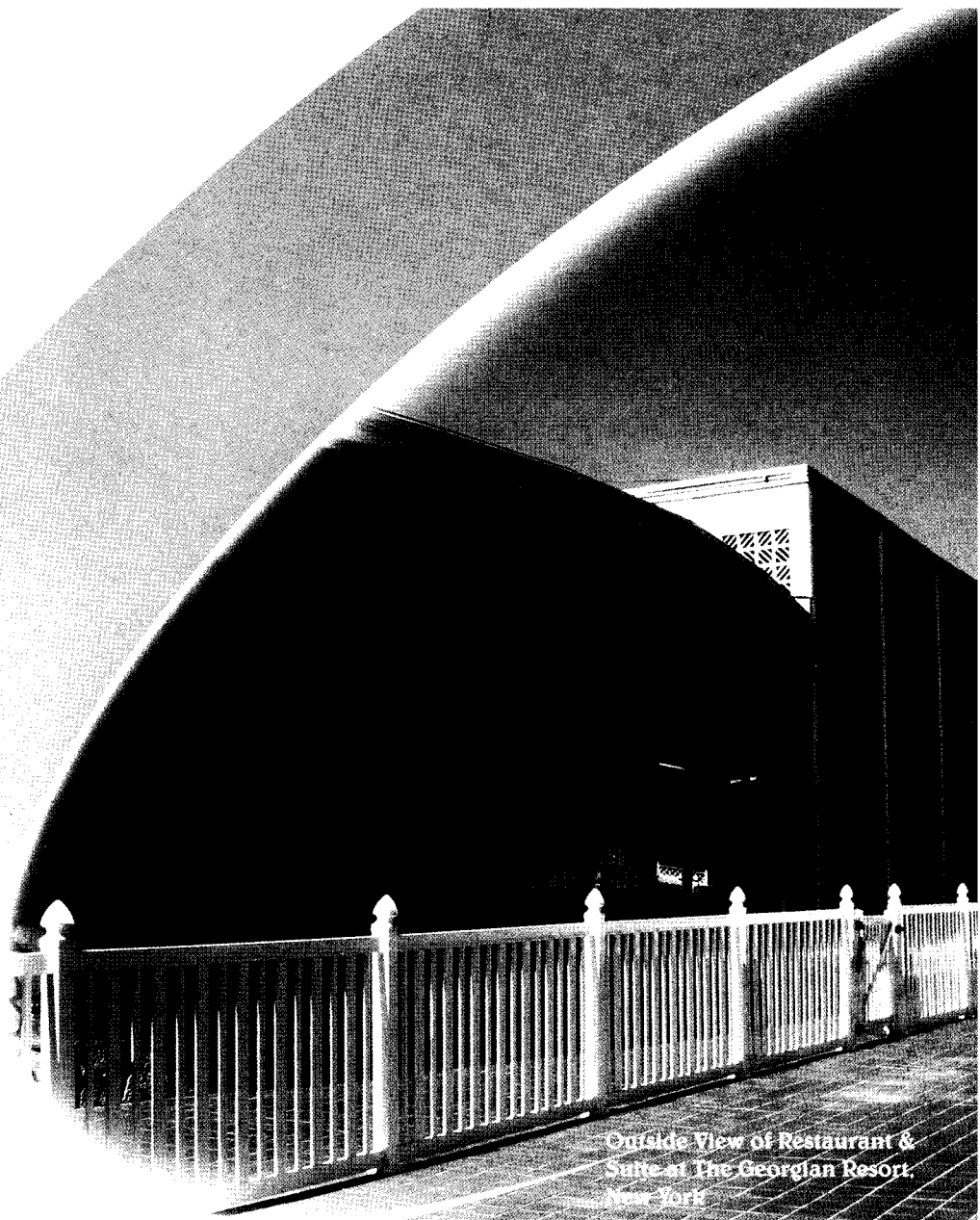
### **1) Jaipur : Commercial complex cum 3 Star hotel.**

Rooms: 83

Jaipur, the capital city of Rajasthan has become one of most preferred destinations of urban living in India and has emerged as one of the fastest growing cities in the country. Strategically located opposite the railway station, the site is ideally suited for a star category hotel and a commercial complex. The company intends to develop a 83 room 3 star hotel along with a commercial complex of 30,000 square feet.

Proposed 3 Star hotel Project,  
Jaipur





Outside View of Restaurant & Suite at The Georgian Resort, New York

## 2) Ahmedabad: 3 Star Hotel

Rooms: 35

Ahmedabad is the largest city in Gujarat and the sixth largest city in India with a population of almost 5 million. In addition to its role as a commercial center, Ahmedabad is also an important industrial center, with chemical and textile industries. Panoramic is acquiring a 35 room 3 star hotel along with 6500 square feet of commercial premises, located on the busy Ashram Road. The hotel has a conference hall with a seating capacity of 250 persons. A multi-cuisine restaurant of the hotel is popular amongst the local population.

## 3) Hyderabad : 4 Star Hotel

Rooms: 90

Hyderabad, the fifth largest metropolis of India, is the state capital of Andhra Pradesh and is well-known for its rich history and culture with monuments, mosques, temples, lakes, and a rich and varied heritage in arts, crafts and dance. Panoramic is acquiring a company owning a semi-finished structure to be converted into a 4 star 90 room hotel comprising of 11 suites and 79 deluxe rooms spread over 6 floors. The hotel shall be located in the heart of the city at Secunderabad opposite the passport office. Considering the palate of the local population, the hotel plans to host two restaurants and a bar with a theme concept.

#### 4) Goa (Usgaon) : Jungle Resort

Rooms: 150

Panoramic has acquired 35 acres of land at Usgaon in Goa for development of a jungle resort offering a blend of rustic charm and modern comfort. Just 40 minutes drive from the hustle and bustle of Madgoan city, the resort blends into the surrounding greenery. Its offbeat setting promises to offer an unique experience. Aimed to be built in complete harmony with nature, the resort endeavours to present the guests the true living in a natural jungle resort experience. The Company also plans to promote this resort through its time share programs.

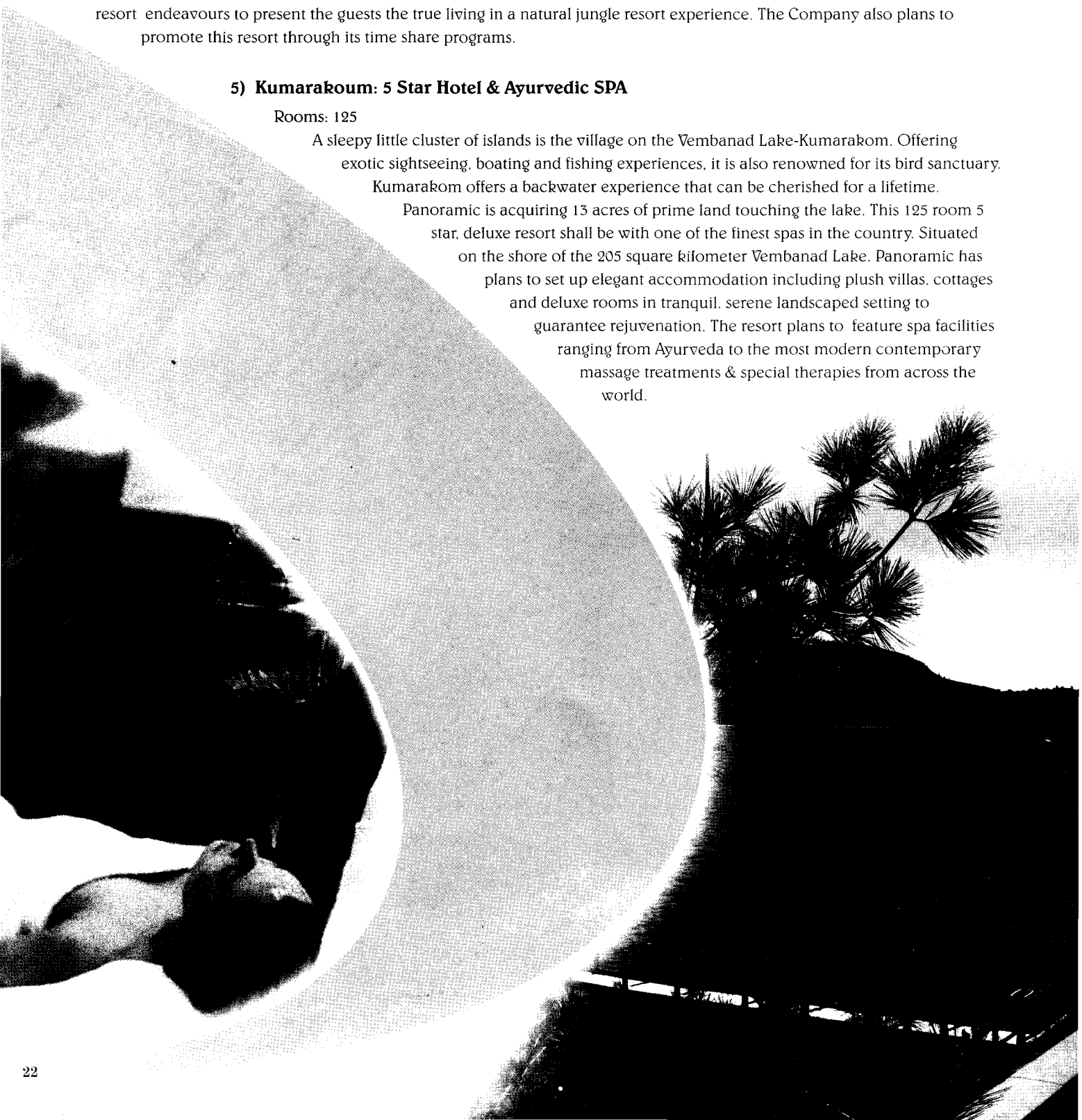
#### 5) Kumarakom: 5 Star Hotel & Ayurvedic SPA

Rooms: 125

A sleepy little cluster of islands is the village on the Vembanad Lake-Kumarakom. Offering exotic sightseeing, boating and fishing experiences, it is also renowned for its bird sanctuary.

Kumarakom offers a backwater experience that can be cherished for a lifetime.

Panoramic is acquiring 13 acres of prime land touching the lake. This 125 room 5 star, deluxe resort shall be with one of the finest spas in the country. Situated on the shore of the 205 square kilometer Vembanad Lake, Panoramic has plans to set up elegant accommodation including plush villas, cottages and deluxe rooms in tranquil, serene landscaped setting to guarantee rejuvenation. The resort plans to feature spa facilities ranging from Ayurveda to the most modern contemporary massage treatments & special therapies from across the world.





## 6) Munnar: 3 Star Hotel

Rooms: 90

One of the most popular hill stations in India, Munnar is situated at the confluence of three mountain streams - Mudrapuzha, Nallathanni and Kundala. Located at 1600 M above sea level, this was once the summer resort of the erstwhile British Government in South India. Sprawling tea plantations, picturesque towns, winding lanes, trekking and holiday facilities make Munnar a unique experience. Munnar is essentially a tea town.

Panoramic would be constructing a 90 rooms, 3 star hotel. The Company also plans to promote this hotel through its time share programs.

## 7) Vechoor : 3 Star Hotel

Rooms: 75

Vechoor is an important commercial center of Kerala. Panoramic backwater stretches, lush paddy fields, highlands, hills and hillocks, extensive rubber plantations, places associated with many legends and a totally literate people have given Vechoor the enviable title: The land of letters, legends and lakes.

Panoramic would be constructing a 75 rooms 3 star hotel. The Company also plans to promote this hotel through its time share programs.



**Projects under Panoramic Group Companies (Managed)**

**1) Thane: 5 Star Hotel cum Club**

Rooms: 46

Thane project is planned to be the first mixed use project of the group offering club membership and hotel facility. The project shall be managed by Panoramic.

Consisting of 46 suite rooms, the project plans to offer the best of the facilities in fitness, sports, recreation and cuisine to its club members. The club shall house a health club and spa, dietary counseling center, squash courts, billiards & snooker room, children activity zones, multi-cuisine restaurants and an exclusive roof top swimming pool besides conference and banquet facilities.

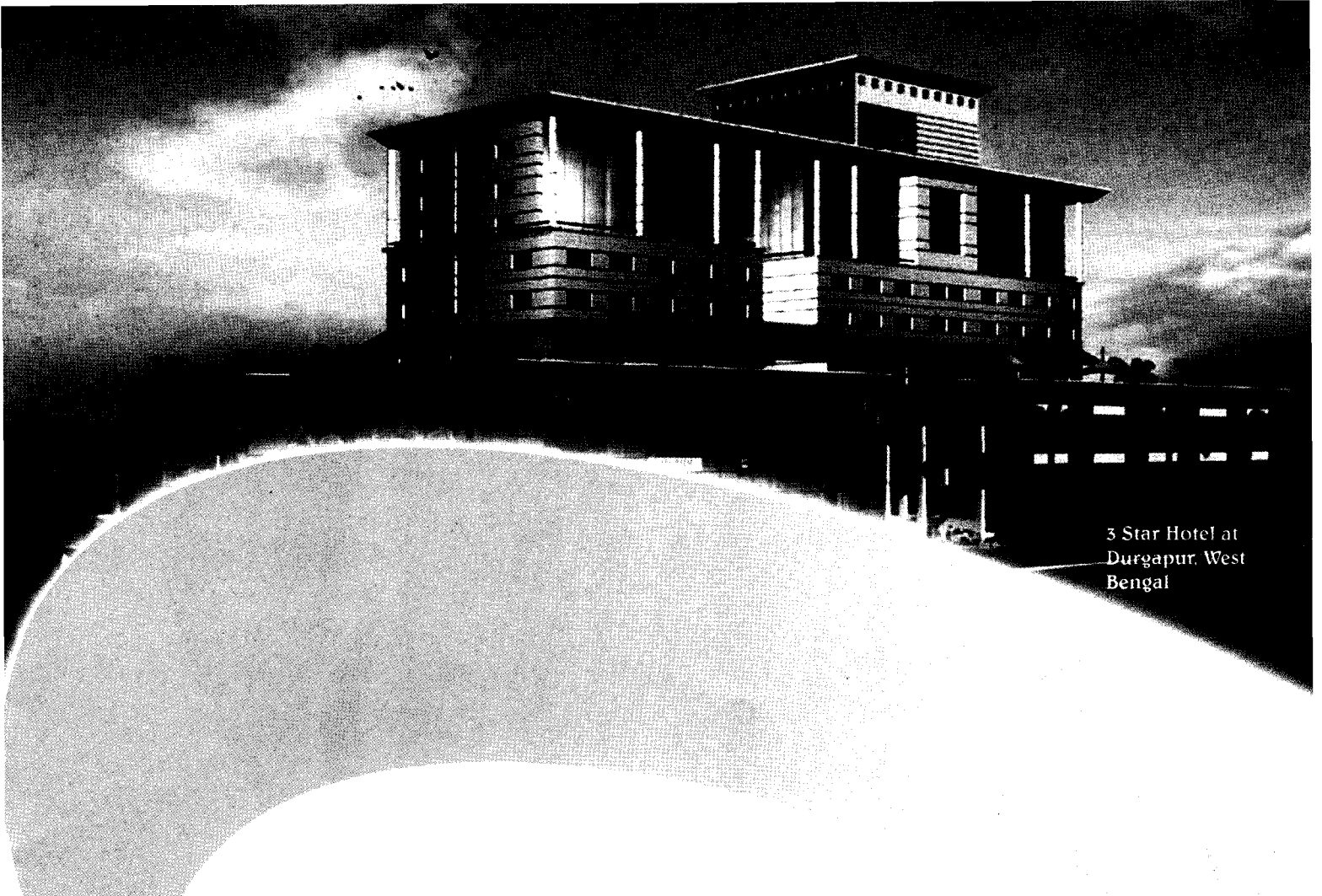
**2) Pune: 5 Star Hotel**

Rooms: 185

In Baner, Pune the group is constructing a 185 room 5 star property slated to be amongst the best state-of-the-art hospitality projects of the city. Offering the best of stay, cuisine, conferencing and wellness facilities, the hotel will be managed by Panoramic.

5 Star Hotel at Thane

5 Star Hotel at Pune



3 Star Hotel at  
Durgapur, West  
Bengal

### **3) Durgapur : 3 Star Hotel cum club**

Rooms: 120

The first proposed family club in Durgapur is coming shortly, it is branded by 'UNITED 21' ushers in new standards in international hospitality. It's sprawled over spacious 50,000 sq. ft. The hotel has total of 120 rooms, out of which 60 rooms are service apartments, and another 60 are executive rooms. Durgapur is an industrial metropolis in the state of West Bengal, India, located about 160 km from Kolkata. Durgapur projects an image of an industrialized India. It is a vast industrial complex comprising of public and private sectors. It attracts business travelers more than the holidaymakers. Currently there are only two, star category hotels available in Durgapur. The targeted customers are the business travelers.

### **4] Alleppey (Alappuzha) Kerala: 2 Star Hotel**

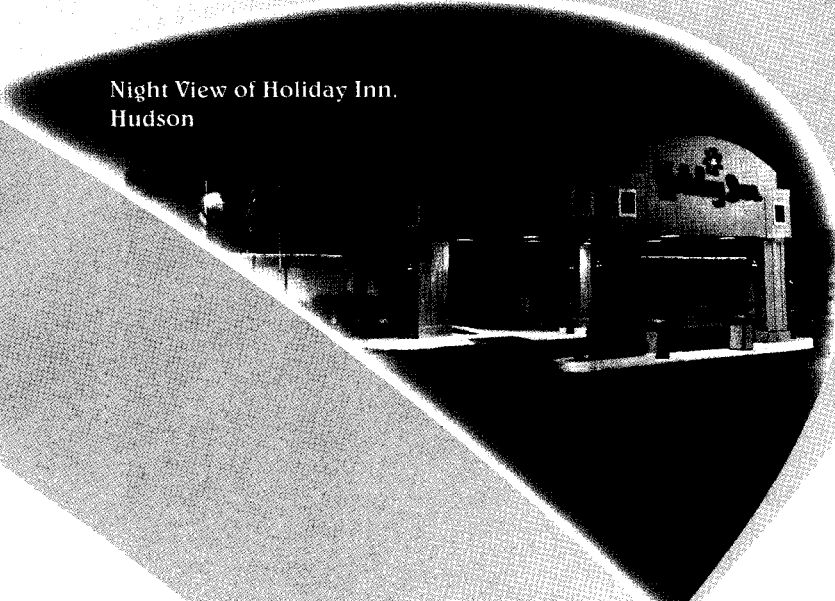
Rooms: 25

Alleppey (Alappuzha) is a district of immense and natural beauty. This backwater country is also home to diverse animal and bird life. Today Alappuzha has grown in importance as a backwater tourist centre, attracting several thousands of tourists each year. Alappuzha is also famous for its boat races, houseboat holidays, beaches, marine products, and coir industry. Increased tourism activity is leading to strong demand for quality hotels rooms in the region. Panoramic in acquiring a company owning a 25 room 2 star beach resort at Alleppey. It is at a distance of just 1 km from the market area and 2 kms from Alleppey station offering cottage accommodation. The in house multi-cuisine restaurant at the resort is famous for the special Malayali cuisine along with other varieties of food.

# Sharing new routes to expansion

## Timeshare & condominiums

Night View of Holiday Inn,  
Hudson

A black and white photograph showing the entrance of a Holiday Inn hotel at night. The building is illuminated, and the 'Holiday Inn' logo is visible on the facade. The photo is framed within a circular cutout in a larger, textured, semi-circular graphic element that dominates the right side of the page.

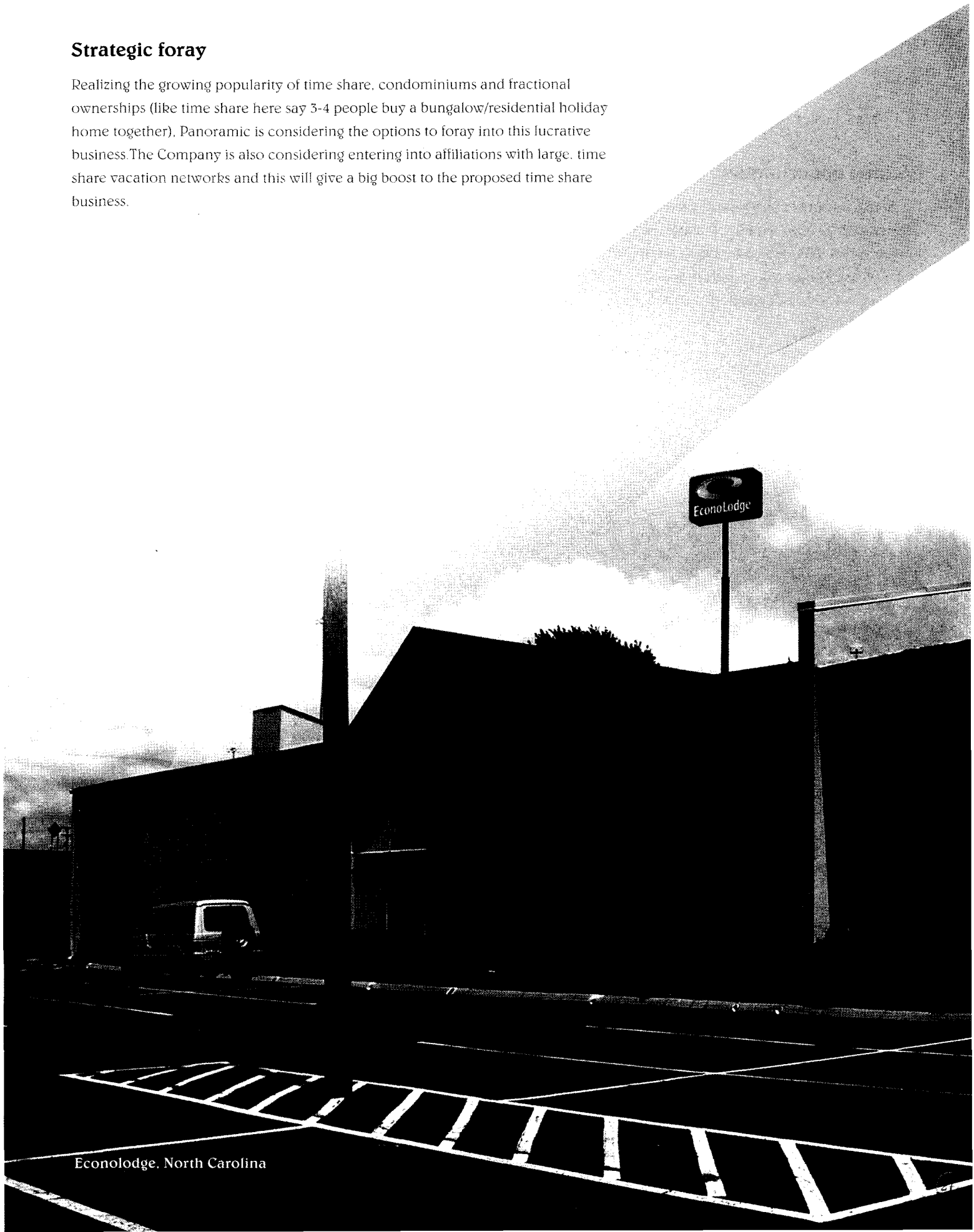
### Exciting opportunities

A timeshare is a property or the right to use a property in a chain of hotels / clubs / vacation homes / resort condominium units for a fixed period each year. Owners enjoy multiple benefits such as renting out, gifting, exchanging within resort group or through international exchange companies such as Resort Condominiums International (RCI). Timeshares have also been gaining popularity as an investment in future vacations. The popularity of the time share concept can be judged from the estimated number of members worldwide – nearly six million members for such clubs worldwide. **The timeshare industry in India is expected to grow at the rate of 18 to 20 per cent year-on-year.**

From the developers view point, by creating a shared ownership they reduce the costs for each owner and can successfully market and sell properties to more number of people. Time-share owners pay for their unit and also share maintenance fees, and costs to upkeep common areas such as swimming pools, tennis courts, gymnasiums etc. Plus, importantly the ownership of the property rests with the developer who can enjoy the upswing in prices prevailing in the real estate market.

## Strategic foray

Realizing the growing popularity of time share, condominiums and fractional ownerships (like time share here say 3-4 people buy a bungalow/residential holiday home together), Panoramic is considering the options to foray into this lucrative business. The Company is also considering entering into affiliations with large, time share vacation networks and this will give a big boost to the proposed time share business.



# Traversing new booming sectors

## Travel & Tourism

### Exciting opportunities

The Indian tourism industry is expected to grow at a compounded rate of 8.8% over the next 10 years as per World Tourism Organization (WTO). Currently, India accounts for a mere 0.5% of the world tourism trade, indicating the huge potential to be tapped. As per WTO estimates, global tourist arrivals in India are expected to grow by 4% till 2010 and thereafter by 4.5% for the next 10 years. The growth in tourism is one of the key factors leading to increased demand for hotel rooms. With India gradually emerging as a leisure destination of choice, the future is likely to witness a large-scale boom in the travel & tourism sectors.



## **Strategic foray**

To tap the immense potential unfolding in these segments, Panoramic has reconsolidated its hospitality business with the travel industry under the strategic business division of Tourism. Aligning its business strategy to encash the growing opportunities in this sector, both within the country and abroad, Panoramic went on a major acquisition spree in the travel business during the fiscal ended 2008.

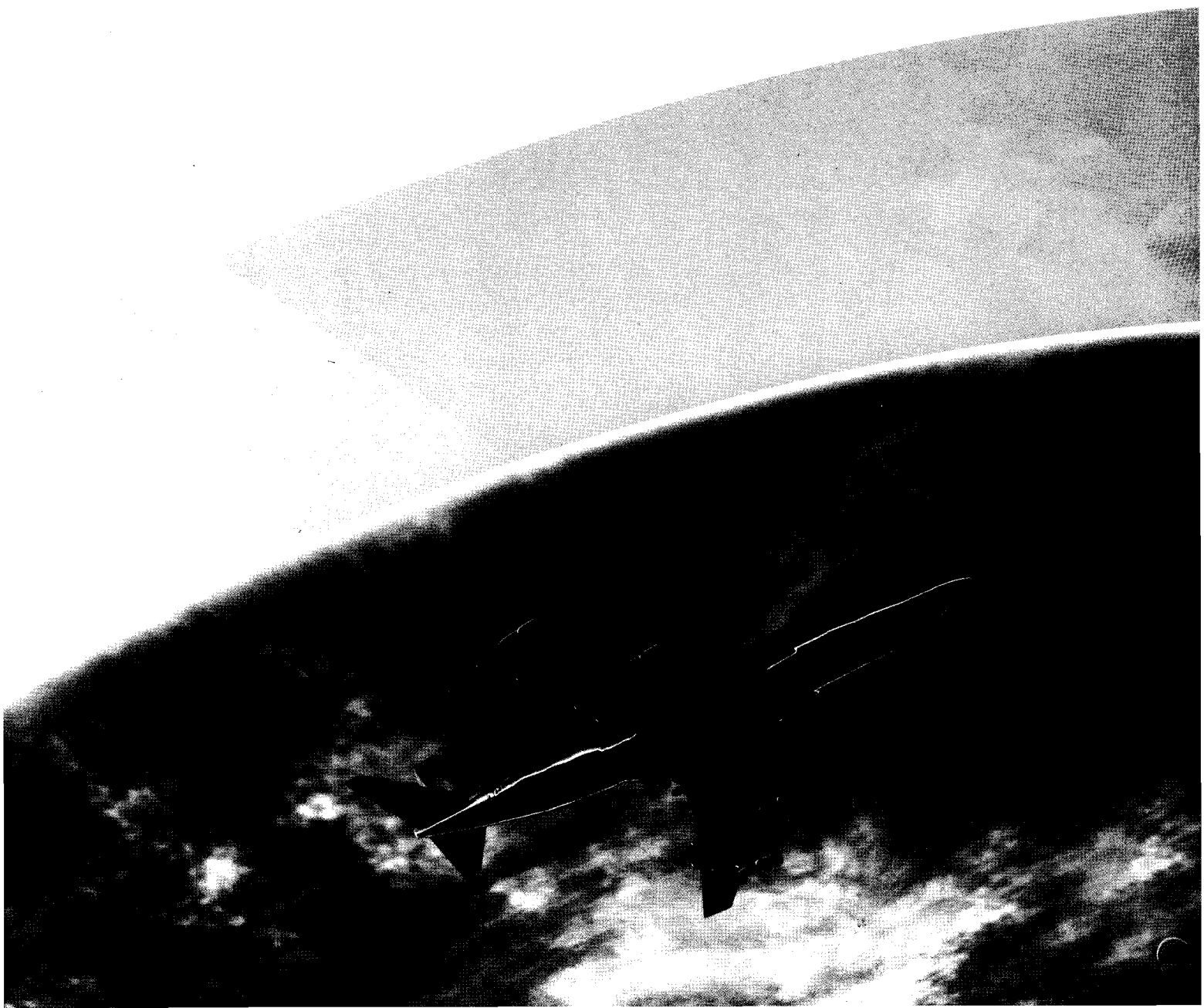
Panoramic's foray during 2007-08 into the domestic and international travel and tourism business was a tactical move in line with the boom in the hospitality and tourism businesses and the growth in domestic economy.

## **New initiatives**

Panoramic's entry into the booming travel and tourism segments was marked by several key strategic initiatives:

### **Acquisition of controlling stake in a reputed Indian travel agency**

The company kicked off its entry into this lucrative business segment with the acquisition of a controlling stake in an Indian travel agency, Hi-Flyers Travel Services Ltd. -- a full service travel outfit catering to premium corporate and HNI clients like Sharekhan, Akruti Foundation, IDFC - SSKI, Jain Irrigation, Supreme Industries, Boroughs India and several others, with a successful track record extending over a decade. The acquisition marked the Company's entry into the fast-growing field of domestic travel and tourism, catering to international and domestic ticketing, package tours to popular destinations worldwide, forex services and other allied services like visa approvals, passport assistance etc.



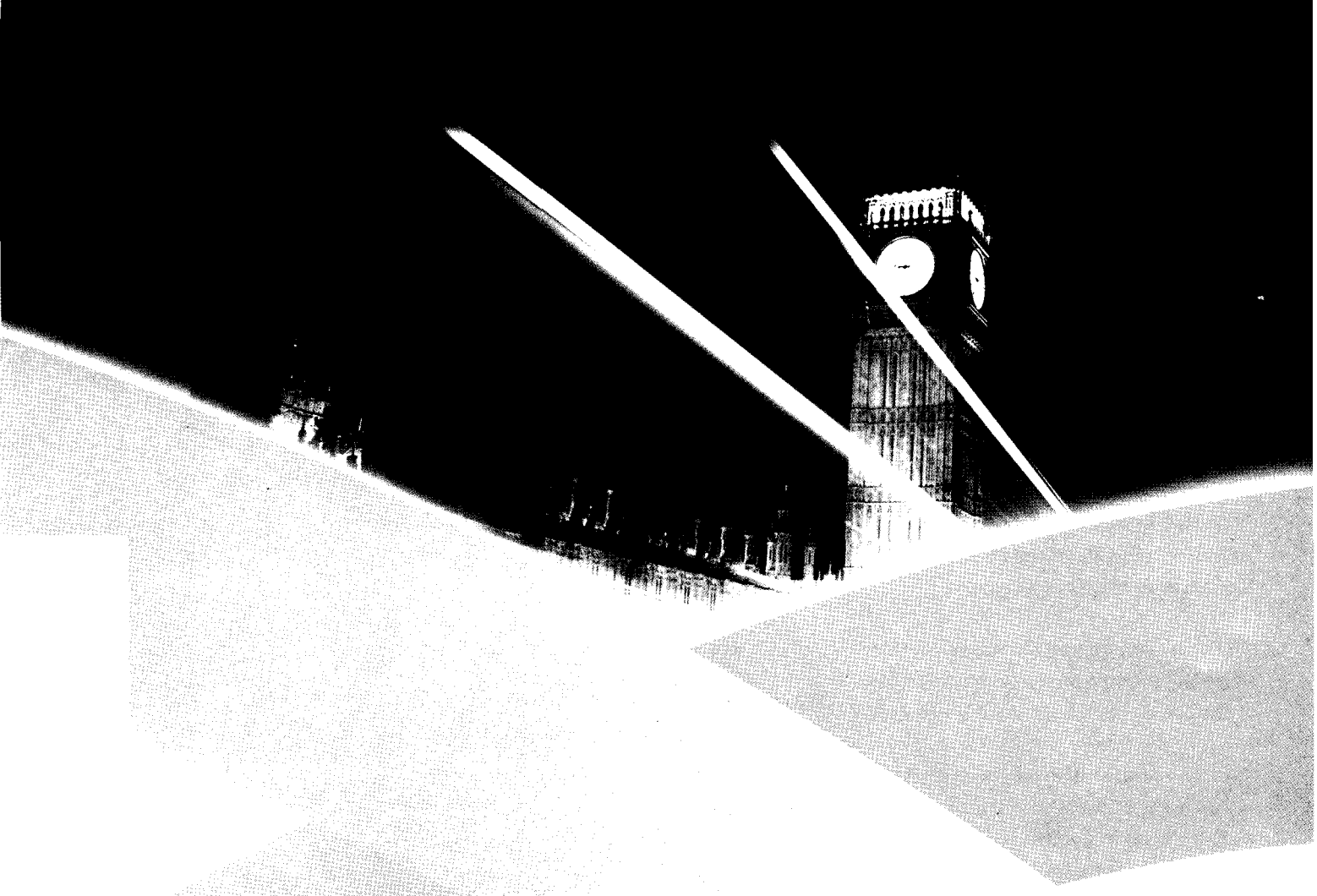
# Traversing new booming sectors

## **Acquisition of Future Travels, New York City**

With its domestic travel initiative in place, Panoramic moved on to consolidating its travel foray in the international travel and tourism business. The year saw Panoramic acquiring the business of Future Travels - a travel agency based in the heart of New York City.

Working in close association with 600 small and big businesses, Future Travels has served more than 15,000 customers, with a turnover of USD 10 million and has tie-ups with Air India, Kuwait Airways, Delta, Air France, Lufthansa, British Airways, American Airlines etc. Future Travels specializes in customized worldwide holiday tours including summer vacations, honeymoon packages and educational packages to destinations like Spain, Portugal, Morocco, China, Japan, Australia, New Zealand, Europe and South America. The agency also arranges summer tours to Alaska, including Canadian Rockies and Denali National Park and in India to unique destinations like Mansarovar, Kailash Parbat as also other tourist attractions.





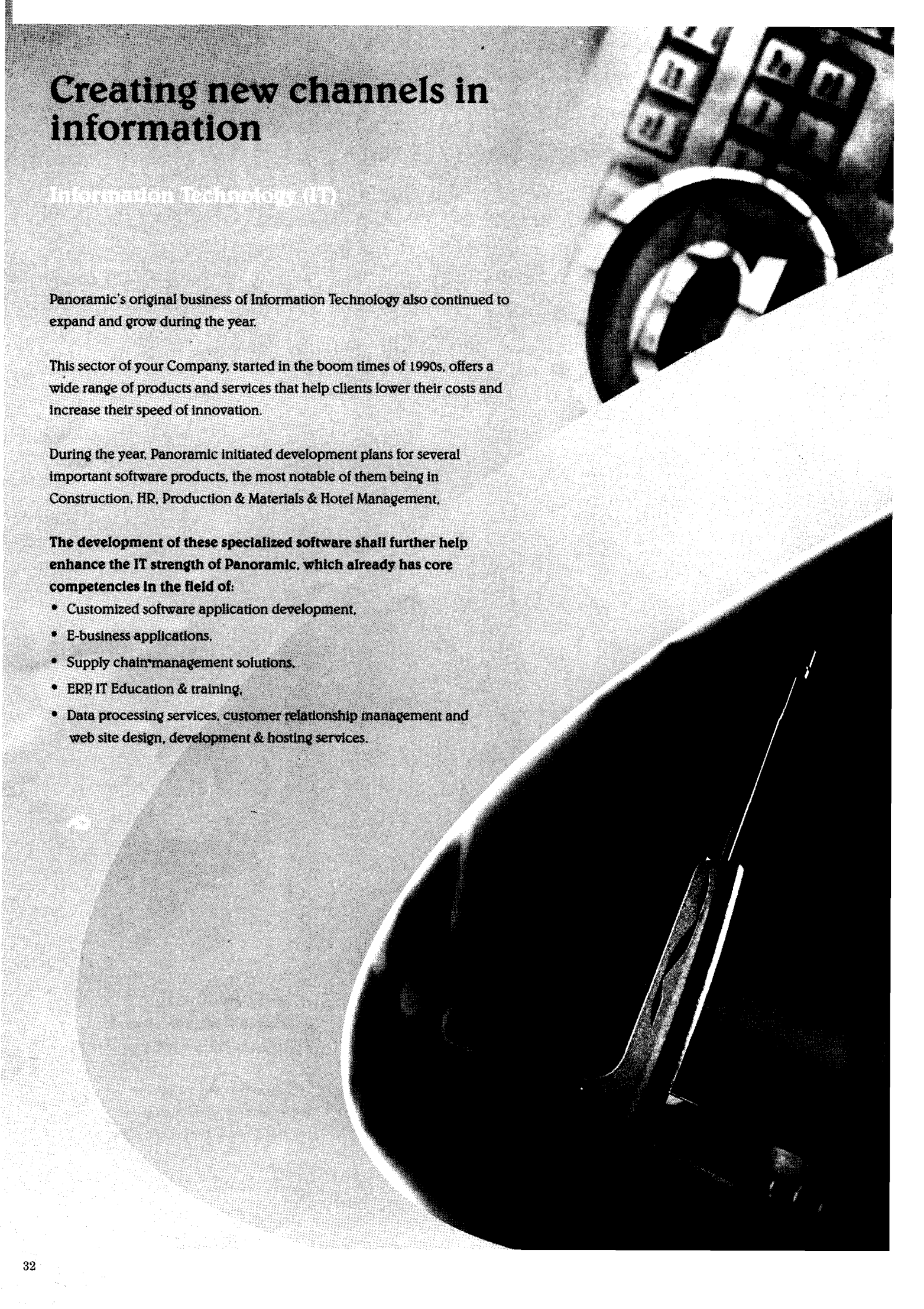
## **Future plans**

### **Operations in full swing for early launch of a travel portal**

Further in line with its growth strategy in this critical sector, Panoramic also plans to soon launch a travel portal- '[www.travelhot.com](http://www.travelhot.com)', aimed at offering a comprehensive travel solution to its customers - right from air ticket booking, travel arrangements to staying in our own hotels, travel and tour packages catering to B2B and B2C segments.

The one-stop travel portal shall go a long way in encashing the immense potential in the tourism and hospitality business by providing hassle-free travel and hospitality options to business and other travelers. By inter-linking the various travel options with the Company's ever-expanding hospitality options in India and abroad, Panoramic hopes to provide a relaxed travel experience to its valued customers through this portal.

# Creating new channels in information



## Information Technology (IT)

Panoramic's original business of Information Technology also continued to expand and grow during the year.

This sector of your Company, started in the boom times of 1990s, offers a wide range of products and services that help clients lower their costs and increase their speed of innovation.

During the year, Panoramic initiated development plans for several important software products, the most notable of them being in Construction, HR, Production & Materials & Hotel Management.

**The development of these specialized software shall further help enhance the IT strength of Panoramic, which already has core competencies in the field of:**

- Customized software application development.
- E-business applications.
- Supply chain management solutions.
- ERP IT Education & training.
- Data processing services, customer relationship management and web site design, development & hosting services.

## Corporate Information

### Board of Directors

Mr. Sudhir Moravekar	.....	Chairman
Ms. Vidya Moravekar	.....	Managing Director
Mr. Arun Tari	.....	Whole-time Director
Mr. Siddhartha Moravekar	.....	Director
Mr. Vilas Mitbawkar	.....	Director
Mr. Mehul Parekh	.....	Director
Ms. Hemlata Sawant	.....	Director
Mr. Abeezer Faizullahoy	.....	Director
Dr. Arun Pradhan	.....	Director

### Audit Committee

Mr. Mehul Parekh	.....	Chairman
Ms. Hemlata Sawant		
Mr. Vilas Mitbawkar		

### Remuneration Committee

Mr. Mehul Parekh	.....	Chairman
Ms. Hemlata Sawant		
Mr. Vilas Mitbawkar		

### Share Transfer cum Investors' Grievance Committee

Mr. Mehul Parekh	.....	Chairman
Mr. Siddhartha Moravekar		
Mr. Arun Tari		

### Company Secretary

Mr. Chirag N. Shah

### Registered Office

Aman Chambers, 4<sup>th</sup> floor,  
Opp. New Passport Office,  
Veer Savarkar Road,  
Prabhadevi, Mumbai-400 025

### Registrar & Transfer Agents

Sharex (Dynamic) India Private Limited  
Unit No. 1, Luthra Industrial Premises, Safed Pool,  
Andheri Kurla Road, Andheri (E),  
Mumbai 400 072

### Stock Exchange

The Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

### Branches

USA,  
New Zealand,  
United Arab Emirates

### Auditors

M/s. H.H. Topiwala & Company

### Bankers

The Saraswat Co-op. Bank Ltd  
Bank of Maharashtra  
ABN Amro Bank Ltd.  
ICICI Bank Ltd.  
HDFC Bank Ltd.  
Axis Bank Ltd.

# Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Seventeenth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2008.

## Financial Results

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2008 is summarized below:

(Rupees in Lacs)		
Particulars	2007-08	2006-07
Total Revenue	3,443	2,820
Profit Before Interest, Taxes & Depreciation	1,544	1,303
Interest	77	50
Depreciation	76	44
Profit Before Tax	1,391	1,209
Current Tax	147	-
Deferred Tax	-	-
Fringe Benefit Tax	4	2
Profit After Tax	1,240	1,207
Dividend on Preference Shares	80	-
Dividend on Equity Shares	162	129
Dividend Tax	41	22
Transfer to General Reserves	150	100
Balance Carried Over	3,345	2,540

## Operations / Performance

During the previous year, the Indian Economy, as expected, grew stronger, with the GDP growth of 8.8% with an average growth of 8.6% in the last three years. The services sector continues to maintain impressive growth and has recorded an average growth rate of 10.40% over the past four years. During the year 2007-08, your Company has achieved a 22% increase in turnover at Rs. 3,443 Lacs compared to Rs. 2,820 Lacs of previous years. The gross operating profit (PBDIT) was higher by 18% at Rs. 1,544 Lacs from the previous year's Rs. 1,303 Lacs and the net profit was higher by 2.73% in the current year at Rs. 1,240 Lacs compared to Rs. 1,207 Lacs of the previous year.

## Highlights Of The Year

### Purchase of resort & water park at Navi Mumbai

The company has recently acquired Panoramic Resort & Water Park at Panvel near Navi Mumbai. The Resort is spread over lush green 15 acres of prime land in Panvel and is well equipped with 25 super deluxe rooms, a restaurant and a bar and a full fledged water park with water slides, rain-dance facilities and a swimming pool.

Located ideally on the Panvel-Alibaug-Goa highway, the resort is a 10 minute drive from the proposed international airport and Maha Mumbai SEZ and offers a perfect weekend getaway for the Mumbaikars. Special water slides made for children

add to the popularity. Further, the proximity to the resort from Mumbai and Pune also makes it a perfect choice for corporate get-togethers, MICE, picnics and conferences. Being adjacent to the Karnala bird sanctuary, the resort has become a favourite destination for tourists too.

### Acquisition of Hi-Flyers Travel Services Limited

During the year, the Company has acquired a majority stake in a travel agency viz. Hi-Flyers Travel Services Limited, Mumbai. Hi-Flyers Travel Services Limited caters to premium corporate and HNI clients like Sharekhan, Akruiti Foundation, SSKI, Jain Irrigation, Supreme Industries, Boroughs India and several others, with a successful track record extending over a decade.

This acquisition marks your company's entry into the fast-growing field of domestic travel and tourism, catering to international and domestic ticketing, package tours to popular destinations worldwide, forex services and other allied services like visa approvals, passport assistance etc. With a view to facilitate its operations in line with its fast growth strategy, your company has acquired a separate office space in Mumbai for the above purpose.

### Acquisition of Future Travels Agency, a New York based travel agency

Continuing with its travel & tourism foray, the company has acquired the business of Future Travels - a travel agency based in the heart of New York City, with operations dating back to over 30 years. This acquisition has been undertaken by Panoramic through its wholly owned subsidiary in USA. This acquisition marks your company's diversification in US business, where it already owns five hotels with over 900 rooms under operation.

Working in close association with 600 small and big businesses, Future Travels has served till date more than 15,000 customers, with a turnover of USD 10 million. It is the number one consolidator with Air India and Kuwait Airways and has a large business with other airlines such as Delta, Air France, Lufthansa, British Airways, American Airlines etc. specializing in customized worldwide tours for Asian Ethnic groups based in USA and other countries, summer tours, educational packages and honeymoon tours.

### Launch of Travel Portal

In line with its growth strategy of providing comprehensive travel solution to its customers, Panoramic Universal Limited has recently inked an agreement with a leading software solutions provider for the development of a one-stop travel portal viz. [www.travelhot.com](http://www.travelhot.com) to provide hassle-free travel and hospitality options to business and leisure travelers. The vendor is a specialist in providing software solutions in the travel domain and has leading travel portals as its clients.

The said travel portal shall provide an integrated e-commerce solution which will enable the company's customers, i.e. B2b, B2c, B2b2b and firms to come online and shall encompass major services related to domestic and international travel including hotel bookings, holiday packages, air ticketing, rail bookings, Forex, cruises etc.

## Directors' Report (contd....)

Considering the growth in the Indian and global tourism industry, there is immense potential to be tapped in this sector. By inter-linking the various travel options with our ever-expanding hospitality options in India and abroad, we hope, through this portal, to provide a relaxed travel experience to our valued customers.

### Dividend

#### Cumulative Non-convertible Redeemable Preference Shares

The Board has recommended a *pro rata* dividend @ 7% aggregating to Rs. 94,23,708/- (including tax) for the year on the Cumulative Non-convertible Redeemable Preference Shares.

#### Equity Shares

The Board has further recommended a dividend of 25% on the Equity Shares of the Company for the financial year 2007-08. The outflow on account of the dividend would be Rs. 1,89,49,534/- including tax on dividend.

### Directors

In accordance with the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Vilas Mitbawkar and Ms. Hemlata Sawant, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Board recommends the re-appointment of Directors as aforesaid in the best interest of the Company.

Mr. Vilas Wakharkar resigned as Director from the Board with effect from 11<sup>th</sup> March, 2008.

Mr. Mohan Nagpurkar was co-opted as an Additional Director in the Board of Directors meeting held on 27<sup>th</sup> December, 2007. However on account of his pressing professional engagements, he has resigned as Director of the Company with effect from 25<sup>th</sup> August 2008.

Your Board places its sincere appreciation for the valuable contributions made by Mr. Vilas Wakharkar and Mr. Mohan Nagpurkar, during their respective tenures as Directors of the Company.

### Auditors

The Statutory Auditors of the Company, M/s. H. H. Topiwala & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office as Auditors. The Statutory Auditors have also confirmed that their reappointment, if made, will be within the limits under section 224(1B) of the Companies Act, 1956. Your Directors propose the re-appointment of M/s. H. H. Topiwala & Co., as Statutory Auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

### Directors' Responsibility Statement

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, the Board of Directors, based on the

representations received from the Operating Management, hereby confirms that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2008 and of the profit of the Company for that period.
- iii. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognised while relying on any system of internal control and records.
- iv. It has prepared the annual accounts on a going concern basis.

### Management Discussion And Analysis

A report on Management discussion and analysis of the financial condition and results of operations of the Company for the period under review as required under Clause 49 of the listing agreement with the Stock Exchanges, is given separately in the Annual Report.

### Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance. As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance as well as the Auditors' certificate on the compliance of guidelines on Corporate Governance are annexed and form a part of this Annual Report.

### Public Deposits

During the year under review, your Company has neither invited nor accepted any deposits from the public.

### Conversation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and outgo

The particulars as prescribed under sub-section (1) (e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, as set out in Annexure A, forms part of this report.

### Particulars of Employees

The information as required to be provided in terms of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 has been set out in Annexure B to this report.

## Directors' Report (contd....)

### Subsidiaries

The Company vide letter no.47/334/2008-CL-III dated 2<sup>nd</sup> June 2008 has obtained an exemption from the Ministry of Corporate Affairs, Government of India from publication of financial statements of its 9 (nine) subsidiaries namely (i) Panoramic Ace Properties Inc., (ii) Sai Motels Limited, (iii) Sai Properties Inc., (iv) Georgian Motel Corporation, (v) Sai Living Hudson Inc., (vi) Travel Universe Inc., (vii) Indo Pacific Hotels Limited, (viii) Panoramic Holidays Limited and (ix) Hi-Flyers Travel Services Limited for the year, under the provisions of Section 212 of the Companies Act, 1956 and hence the accounts of the subsidiaries are not appended to the Annual Report. However, the consolidated financial statement of all subsidiaries prepared in compliance with Accounting Standard 21 of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors form a part of the Annual Report.

As required in the exemption letter received from the Ministry of Corporate Affairs, Government of India, the Company has also disclosed in the consolidated balance sheet, information with respect to each subsidiary of the Company such as capital, reserves, total assets, total liabilities, details of investment, turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend in Indian Rupee equivalent to the figures given in foreign currency appearing in the accounts of the subsidiary companies along with exchange rate as on March 31, 2008.

The Financial Statements of the Subsidiary Companies and other related detailed information are available for inspection to the Members at the registered office of the Company.

### Acknowledgments

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from customers, banks, suppliers, shareholders, Central and State Governments and other statutory authorities and others associated with the Company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by employees at all levels, which has enabled the company to achieve sustained growth in the operational performance during the year under review.

**By Order and on behalf of the Board**

Sd/-

Place: Mumbai

Date: 30<sup>th</sup> August, 2008

**Sudhir Moravekar**  
**Chairman**

### Registered Office:

Aman Chambers, 4<sup>th</sup> Floor,  
Opp. New Passport Office,  
Veer Savarkar Road,  
Prabhadevi, Mumbai – 400 025

## Directors' Report (contd....)

### ANNEXURES TO THE DIRECTORS' REPORT

#### ANNEXURE A

Additional information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

a. Conservation of Energy:

The Company continued the energy conservation efforts during the year. It has closely monitored power consumption and running hours on day to day basis thus resulting in optimum utilization of energy. The hotel is fitted with energy saving devices to conserve energy in the long run.

b. Research & Development (R & D)

There was no specific Research and Development activity during the year under review.

c. Technology Absorption:

The activities of Company at present do not involve technology absorption and research and development.

d. Foreign exchange earnings and outgo:

The Company has been making its best efforts to increase its foreign exchange earnings. The foreign exchange earnings during the year was Rs. 3,226 Lacs (Previous year Rs. 2,603 Lacs) and foreign exchange outgo was Rs. 821 Lacs (including investment and loan of Rs.785 lacs to WOS abroad) (Previous year Rs. 747 Lacs). The details are given at Sr. No.14 of Schedule No. 22 to the Notes to Accounts.

## Directors' Report (contd....)

### ANNEXURE B

Information as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2008.

Name	Designation/ Nature of duties	Remune- ration Rupees	Qualifi- cation	Experience (years)	Age (years)	Commen- cement of Employment	Previous Employment
Ms. Viidyaa Moravekar	Managing Director	32,19,890/-	B.A	23	51	December 12, 2004	Reserve Bank of India

#### Notes:

1. Remuneration received includes Salary, House Rent Allowances, Reimbursement of Medical Expenses, but does not include Company's contribution to Provident Fund, Gratuity, Leave travel allowance and other funds.
2. Nature of employment of Ms. Viidyaa Moravekar is contractual.
3. The re-appointment is subject to the rules and regulations of the Company in force from time to time.



# Management Discussion and Analysis Report

## 1. Economic Overview

The year 2007-08 has been a challenging year compared to the last four years. India's economy over the past five fiscal years has managed to sustain an average growth rate of 8.8%. The Industrial and Service Sectors have been the major contributors to this growth. India is the fourth largest economy in the world and has the second largest GDP among the developing countries, based on the purchasing power parity.

The growth potential of the services sector in India, offering employment to 40 million people, has been enormous. There has been a continuous impressive growth in IT, Textile and Infrastructure sectors, which in turn has given a boost to the Hospitality sector.

The Indian economy is expected to attract continuous foreign inflow as it offers attractive investment opportunity, compared to most other countries.

## 2. Hospitality & Tourism Industry Overview.

The overall growth of travel and tourism continues to expand rapidly in India. A large fraction of this demand is being created domestically, indicating a strong base and consequently, strengthening the argument for further development of hotels, especially in the mid market and lower categories. In 2007, 4.9 million international tourists were estimated to have travelled to India; a growth of 12.4%. In the same year, 52.9 million domestic tourists were estimated to have travelled; a growth of 14.6%.

According to the latest Tourism Satellite Accounting (TSA) research released by the World Travel and Tourism Council (WTTC) and its strategic partner Accenture, India's travel and tourism industry is expected to generate approximately US\$ 100 billion in 2008, growing at 7.3% and rising to US\$ 275.5 billion by 2018 over the next ten years.

The rapid growth of India's tourism industry has been instrumental in South Asia being the preferred tourist destination as noted by the UN World Tourism Organisation (UNWTO). Foreign tourist arrival rose to 3.46 million to an estimated 5 million in 2007. Domestic tourists too have grown from 366.23 million in 2004 to 462 million in 2006.

Consequently, foreign exchange earnings from tourism in India rose from US\$ 3 billion in 2002 to an estimated 11.96 billion in 2007.

The year 2007-08 witnessed a surge in development of mid-market hotels in India as domestic demand for that product segment grew the fastest. International and domestic brands are aggressively entering this market and establishing their brands. Innovation is seen in the development of new business models and ownership structures of properties.

Occupancies in most cities continued to be stable, except in Pune and Hyderabad, which have shown a slight decline in overall performance, owing to newer developments entering the market and the market showing resistance to the high room rates being charged. The hotel industry is adopting a rate strategy vis-à-vis an occupancy one, which is resulting in an increase in the revenue per available room. The shortfall in available rooms distorts the trend for actual demand, as the occupancies in branded hotels remain stable and do not rise proportionately to demand. However, a large quantum of unaccommodated demand is getting accumulated and being catered to by the unbranded guesthouses and service apartments springing up in cities like Pune, Bangalore, Delhi, Mumbai and Hyderabad.

The estimated number of required hotel rooms is around 240,000. The current availability is just 90,000 rooms, leaving a shortfall of 150,000 rooms. While occupancy ratio is around 75-80%, the average increase in room rates has been hovering around 22-25%. By 2010, India will see an estimated 10 million foreign visitors and thereby a demand for approximately 100,000 rooms.

India's hospitality sector is expected to see an estimated US\$ 11.41 billion in the next two years, and around 40 international hotel brands by 2011, according to a report by Ma Foi Management Consultants. Along with these large scale expansion plans, international hotel asset management companies are also likely to enter India.

Recognizing the untapped opportunity, government has taken various initiatives for the development of this sector. The government has declared hotel and tourism industry as a high priority sector and has also offered an additional impetus for 100% FDI investments in this industry.

## 3. Market Overview.

### Indian Scenario

India leads among the top 10 most expensive destinations in the world, with Mumbai, the country's banking and commercial centre, holding the seventh position. This indicates the dominance of luxury hotels and restricted availability of room options in the city. Both, Mumbai and the country's political centre New Delhi, suffer from acute scarcity of land for development, coupled with high land prices.

### Other cities on a boom

With industrial and service sectors of India diversifying, boom in the IT and Manufacturing sectors, coupled with lower infrastructure rate, the hotel industry is now focusing on upcoming cities likes of Hyderabad, Jaipur, Kerala and Goa.

In most markets, new inventory is expected to come into place, and with it, supply of hotel rooms would increase substantially. This is likely to bring down the room tariffs to some extent.

# Management Discussion and Analysis Report (contd....)

## 4. Expansion Plans

A brief overview of the Company's expansion plans into its hospitality segment is as under :-

### Hyderabad – 90 Rooms, Andhra Pradesh

Panoramic is acquiring a semi finished structure to be converted into a four star 90 room hotel comprising of 11 suites and 79 deluxe rooms spread over 6 floors. The hotel shall be located in the heart of the city at Secunderabad. Considering the palate of the local population, the hotel shall host two restaurants and bar with a theme concept.

### Jaipur – 83 Rooms, Rajasthan

Jaipur, also known as "Pink City", is the capital of Rajasthan state. Rajasthan is admired across the world for its rich heritage, glittering lakes, lush green hills, exotic wildlife and sandy golden deserts. Strategically located opposite the railway station, the site is ideally suited for a star category hotel and a commercial complex. The company intends to develop an 83 room three star hotel along with a commercial complex of 30,000 square feet.

### Kumarakom – 125 Rooms, Kerala

A little cluster of islands is the village on the Vembanad Lake - Kumarakom. Offering exotic sightseeing, boating and fishing experiences, it is also renowned for its bird sanctuary. Kumarakom offers a backwater experience that can be cherished for a lifetime. This 125 room five-star, deluxe hotel and Ayurvedic SPA shall be with one of the finest spas in the country. Situated right on the shore of the 205 square kilometer Vembanad Lake, Panoramic has plans to set up elegant accommodation including plush villas, cottages and deluxe rooms in tranquil, serene landscaped setting to guarantee rejuvenation.

### Munnar – 90 Rooms, Kerala

One of the most popular hill stations in India, Munnar is situated at the confluence of three mountain streams - Mudrapuzha, Nallathanni and Kundala. Located at 1600 Mts. above from sea level. Sprawling tea plantations, picture book towns, winding lanes, trekking and holiday facilities make Munnar a unique experience. This 90 Room Three-Star, deluxe hotel shall cater to tourists from all over the world.

Munnar is essentially a tea town. Munnar also has the highest peak in South India - Anamudi which towers over 2695 Mts. and is an ideal spot for campers who like to do some trekking.

### Vechoor – 75 Rooms, Kerala

Vechoor is an important commercial center of Kerala. Backwater stretches, lush paddy fields, highlands, hills and hillocks, extensive rubber plantations, places associated with many legends are some of the major attraction of this hill station. The company proposes to set up 3 Star Hotel consisting of 75 rooms situated at village Vechoor, Kerala state, the site is ideally suited for a star category hotel.

### Usgaon – 150 Rooms and Jungle Resort, Goa

Panoramic has acquired 35 acres of land at Usgaon in Goa for development of a jungle resort offering a blend of rustic charm and modern comfort. Just 40 minutes drive away from hustle and bustle of Madgaon City, the resort shall be set in glorious surroundings offering a unique experience of the jungle range. Merging with nature, the resort shall Endeavour in giving its guests a feeling of being one with nature.

## 5. Financial Results with respect to operational performance.

### Revenues:

Your company has earned total revenue of Rs. 3,443 Lacs as against the previous year's revenue of Rs. 2,820 Lacs, and increase by 22% over the last year. The rupee appreciation against the US dollar has affected the revenue.

The income from information technology increased by 20% to Rs. 3,092 Lacs from Rs. 2,580 Lacs in the previous year.

The income from hospitality business has increased by 39% to Rs. 179 Lacs from Rs. 130 Lacs in the previous year and other income has increased by 55% to Rs. 172 Lacs from Rs. 111 Lacs in the previous year.

### Expenditure:

The total expenditure increased by 27% to Rs.2,053 Lacs from Rs.1,611 Lacs in the previous year. This increase of Rs. 442 Lacs is largely on account of exchange rate fluctuation loss, depreciation & amortisation and interest and financial charges by 277% over previous year.

Personnel cost increased by 49% to Rs. 287 Lacs from Rs. 192 Lacs over previous year due to recruitment of additional staff, staff welfare expenses and higher provision for provident, ESIC and gratuity.

Other operating expenses increased by 1% (Rs.1046 Lacs) over previous year mainly due to increase in software development consultancy charges and material consumed.

### Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA):

EBIDTA registered an increase of 18% to Rs. 1,544 Lacs in 2007-08 from Rs. 1,303 Lacs in the previous year.

### Profit before Tax:

The PBT grew by 15% to Rs. 1,391 Lacs from Rs. 1,209 Lacs in the previous year.

### Profit after Tax:

The PAT rose by 2.73% to Rs. 1,240 Lacs from Rs. 1,207 Lacs in the previous year.

## Management Discussion and Analysis Report (contd....)

### 6. Opportunities & Threats

#### Opportunities

Your Company is poised strategically to take advantage of:

- Rapidly growing market in India, USA and key gateway cities in source-market destinations.
- Expansion in international and domestic destinations with top-of-the-line luxury and leisure properties.
- Meeting growing demand in the budget and mid-market segments.
- Extending the product portfolio into related offerings viz. travel, travel portal & tourism initiatives
- Spread of IT & Software programmes all over the world to give further boost to the IT business segment of the company.
- Multi pronged strategies through Greenfield projects and acquisition of running hotels / projects.
- New hospitality concepts such as mixed use projects, time share & condominiums.

Key initiatives taken by your Company during the year are discussed in a separate section.

#### Threats

The threats identified by your Company are related mainly to the markets in which your Company operates and general factors related to the tourism industry. Significant among these are:

- General downturn in global and domestic economies.
- Interest rates fluctuation could have adverse effect on performance.
- There is lack of adequate, good quality highways and other means of transport.
- Taxation increases the cost of package tours offered by tour operators thereby making the tours unattractive and expensive, which in turn affects the business of the Company.
- Growing competitive environment and seasonality of the hotel industry could also affect the performance and financial results of the Company.
- Longer gestation period of Greenfield projects can add to the delay in prospected revenues and increased costs.
- Project delays, changes in government and government policies and political situation in the country can affect occupancy rates and tourists flow at the hotels.
- Inflationary trend in the Indian economy can dampen the spending capacity of tourists in general.

These threats and your Company's strategy to overcome them have been discussed in details in the section on Risk and Concerns.

### 7. Risks and Concerns

Hotel business in general is sensitive to fluctuations in the economy. This sector may be unfavourably affected by changes in global and domestic economies, changes in local market conditions, excess room supply, reduced international or local demands for hotel rooms or related services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other natural and social factors. Since the demand for hotels is affected by a world-wide economic slowdown, it may have its impact on the hotel industry in India, as the luxury hotel business significantly depends on foreign business and leisure travellers. The hotel industry faces risk from volatile socio-political environment, internationally as well as within the country. Terrorist threats, epidemics and natural calamities add to the risk factors faced by the tourism and hospitality industry.

Growing competition from international chains, especially in the Indian subcontinent, South East Asia and Asia Pacific, are also a serious risk factor for your Company.

Also, large and sudden changes in foreign exchange rates, leading to appreciation of the Indian rupee, are bound to have a negative impact on realisation of foreign currency sales.

Risk management is an integral part of the Company's business process. To counter risk from growing competition, your company is renovating and continuously repositioning its properties. It is also improving its service standards, in consultation with experts, to provide exceptional services, consistently at all its hotels.

Your Company's expansion and acquisitions in India and the US have positioned it optimally to make the most of the growing demand for tourism and hospitality in these markets. However, your Company aims to increase its presence nationally to reduce its over-dependence on one market. Continuing its efforts in that direction, and to mitigate this risk to an extent, your Company is also looking at various other locations for expansion.

Other risk mitigation measures undertaken by your Company include: diversification of the service / product portfolio through expansion into travel and real estate businesses; acquisition of land at competitive rates; and foray into mixed-use projects, time share & condominiums.

The hotel industry needs quality employees, and with demand for the same improving across the industry, your Company feels that wage inflation would be a critical factor in determining its costs. 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, which is an area of great importance for your Company.

## Management Discussion and Analysis Report (contd....)

### 8. Outlook

In view of the positive forecast for the hospitality industry, in which the company has created a niche for itself, the outlook for the years ahead is bullish. With industry forecasts indicating a huge jump in tourism arrivals, the company is likely to gain from the growing demand in the hospitality industry.

Its foray into the tourism / travel, as well as the real estate segments, are also expected to help the company benefit from the boom in these businesses.

### 9. Internal Controls Systems and adequacy.

The internal control systems in place with the Company and its subsidiaries are designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The Internal Auditors carry out in-depth audits of the transactions of the Company at all the hotels and the corporate office periodically, whereby, adequacy and effectiveness of internal controls are monitored regularly.

The periodical internal audit reports are placed before the *Audit Committee of the Board* to review the important observations of the Internal Audit and suggest corrective actions for the management to implement. The Audit Committee also reviews periodically the scope and the results of the audits, with the statutory auditors.

### 10. Human Resources

Panoramic Universal lays the highest importance on

human resources and focuses on employee relations in terms of regular streamlining of the hiring and selection processes. Your company has imbibed the best practices of human resource to leverage its human resources capital and provide opportunities to high performers for attending training programmes and additional exposures.

Various initiatives and endeavours in this direction have been part of a greater strategy set in place by your Company. The aim is to align the employees with the larger ideals and goals of the Company, without losing sight of the dynamics that exist at a more personal level. *Half yearly and annual performance management systems* and career paths orientations are in place. A detailed HR manual with policies and procedures is in place, and employee engagement surveys too have commenced.

### 11. 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.

## Corporate Governance Report

### 1. COMPANY'S PHILOSOPHY

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Corporate Governance is an integral part of values, ethics and best business practices to maximize the long term value for stakeholders. The Company's activities are carried out in accordance with good Corporate Governance practices and the Company is constantly striving to better them and adopt the best practices. The Company's philosophy on Corporate Governance envisages attainment of highest levels of transparency, accountability and equity in all facets of its operation. The Company believes to achieve the highest level of Governance and to benchmark itself with some of the best governed companies.

The Company is in full compliance with the requirements of the revised guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

### (iii) Director's Attendance record and directorship held:

Table - 1 :

Name of Director	Category	Attendance		No. of Directorship in other Companies #	Committee Positions in other Companies (excluding the Company) \$		Share-holding
		Board	Last AGM		Chairman	Member	
Sudhir Moravekar	Promoter Non-Executive Chairman	1	Yes	4	Nil	Nil	64,49,802
Vidya Moravekar	Managing Director	4	Yes	7	Nil	Nil	Nil
Arun Tari	Whole-Time Director	4	Yes	Nil	Nil	Nil	Nil
Siddhartha Moravekar	Non-Executive	Nil	No	1	Nil	Nil	Nil
Mehul Parekh	Non-Executive Independent	5	No	Nil	Nil	Nil	Nil
Hemlata Sawant	Non-Executive Independent	5	Yes	1	Nil	Nil	Nil
Vilas Mitbawkar	Non-Executive Independent	4	No	1	Nil	Nil	Nil
Abezar Faizullahoy	Non-Executive Independent	3	No	1	Nil	2	Nil
Vilas Wakharkar (ceased w.e.f. 11.05.2008)	Non-Executive	4	Yes	Nil	Nil	Nil	Nil
Arun Pradhan	Non-Executive Independent	1	No	Nil	Nil	Nil	Nil
Mohan Nagpurkar (ceased w.e.f. 25.08.2008)	Non-Executive Independent	1	N.A.	Nil	Nil	Nil	Nil

Mr. Sudhir Moravekar, Ms. Vidya Moravekar and Mr. Siddhartha Moravekar are relatives within the meaning of Section 6 read with Schedule IA of the Companies Act, 1956.

# Directorship in other companies excludes directorship in private, section 25 and foreign companies.

\$ Audit Committee and Share Transfer cum Investors' Grievance Committee has been considered.

### 2. BOARD OF DIRECTORS

#### (i) Composition of the Board:

As at 31<sup>st</sup> March, 2008 the composition Board comprises of ten directors, out of which eight are Non-Executive Directors. The Board is headed by a Non Executive Chairman, who is the Promoter of the Company and the Board comprises of six Independent directors. The aforesaid composition of the Board is in conformity with the revised Clause 49 of Listing Agreement entered into with the Stock Exchanges. *Details of Board of Directors are given in Table 1 below.*

The Company does not pay any compensation to its Non Executive Directors.

#### (ii) Number of Board meetings:

During the period under review, six Board meetings were held viz: 30<sup>th</sup> April 2007, 30<sup>th</sup> July 2007, 30<sup>th</sup> August 2007, 30<sup>th</sup> October 2007, 27<sup>th</sup> December 2007 and 30<sup>th</sup> January 2008. The maximum time gap between two Board Meetings did not exceed four months.

# Corporate Governance Report (contd....)

## (v) Panoramic Universal's Code of conduct

The Board has laid down a code of conduct for all directors and senior management personnel of the Company, which is also available on the Company's web site – [www.panoramicuniversal.com](http://www.panoramicuniversal.com). The Code is circulated annually to all the Board members and senior management and the compliance of the same is affirmed annually. Any breach of the aforesaid Code is required to be brought to the notice of the Compliance Officer or any member of the Board or Senior Management and is required to be reported to the Board of Directors of the Company for necessary action.

A declaration signed by the Chief Executive Officer (CEO) regarding affirmation of the compliance with the Code of Conduct is appended at the end of this report.

## 3. BOARD COMMITTEE

In Compliance with the Companies Act, 1956 and Listing Agreement, the Board has constituted a set of committees with specific terms of reference and scope. The committee operate as empowered agents of the Board as per their charter/terms of reference.

The details of the Committees constituted by the Board are given below:

### (i) AUDIT COMMITTEE

Your Company has an Audit Committee at the Board level which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors which oversees the financial reporting process. The Committee performs the functions enumerated in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

#### • Broad Terms of Reference

The terms of reference of Audit Committee covers the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956.

#### • Composition:

The Audit Committee has been constituted by the Board and it comprises of the following Non-Executive Independent Directors:-

Mr. Mehul Parekh : Chairman

Mr. Vilas Mitbawkar : Member

Ms. Hemlata Sawant : Member

Mr. Chirag N. Shah, Company Secretary acts as a Secretary to the Audit Committee.

#### • Details of Audit Committee Meetings

During the year, the Audit Committee met six times on 30<sup>th</sup> April 2007, 30<sup>th</sup> July 2007, 30<sup>th</sup> August 2007, 30<sup>th</sup> October 2007, 26<sup>th</sup> December 2007 and 30<sup>th</sup> January 2008. The attendance of the

members at the meeting was as follows:-

Name of Director	No. of Meetings	
	Held	Attended
Mehul Parekh	6	6
Vilas Mitbawkar	6	6
Hemlata Sawant	6	6

#### • Functions of Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and inter-alia perform the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure the financial statements are correct, sufficient and credible;
- recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment of any other service;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing with the Management, the quarterly financial statements before the submission to the board for approval;
- reviewing with the Management the annual financial statements of the subsidiary companies;
- reviewing with the Management and the external and internal auditor, the adequacy of internal control systems;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### (ii) REMUNERATION COMMITTEE

The Company has set up a Remuneration Committee in terms of Clause 49 of the Listing Agreement and Schedule XIII of the Companies Act, 1956 which consists of 3 directors. The committee is headed by an Independent Director, Mr. Mehul Parekh. The main function of the said committee is to determine the remuneration payable to the Directors.

#### • Composition:

Mr. Mehul Parekh : Chairman

Mr. Vilas Mitbawkar : Member

Ms. Hemlata Sawant : Member

## Corporate Governance Report (contd....)

- **Broad Terms of Reference**

The broad terms of reference of the Remuneration Committee of the Company includes determining and recommending to the Board, salary (including annual increments), perquisites and commission to be paid to the Company's Director within the overall ceiling fixed by the Board.

- **Details of Remuneration Committee Meetings**

No Remuneration Committee meeting was held during the financial year 2007-08.

### Remuneration Policy

The Company's remuneration strategy aims at attracting and retaining high caliber talent. The remuneration policy is therefore, market-led and takes into account the

competitive circumstances of each business so as to attract and retain quality talent and leverage performance significantly and is directed towards rewarding performance based on review of achievements.

The recommendations of the Committee are based on evaluation of the performance of Managing Director and Whole-time Director on certain parameters, as laid down by the Board as part of the self-evaluation process and Company's Rules / Policies. In terms of the guidelines, the Company ensures that the remuneration by way of salary and other allowances and monetary value of perquisites should be within the overall limit as specified under the Companies Act, 1956. In the event of absence or inadequacy of Net profits in any financial year, the remuneration payable to the managerial person(s) shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any modification thereto.

Details of remuneration paid to the executive directors of the Company during the year are as under:

Name of the Director	Remuneration including Allowances (Rs. In '000)				Service Contract & Notice period	Stock option
	Salary	Perquisites and Allowances	Commission	Retirement Benefits		
Viidyaa Moravekar	1,815	—	1,404	240	Valid w.e.f. 1.12.2005 for a period of three years with an option to terminate the same by either party by giving 30 days' notice	Nil
Arun Tari	561	—	—	70	Valid w.e.f. 01.12.2006 with an option to terminate the same by either party by giving 30 days' notice	Nil

The Non Executive Directors do not receive any compensation from the Company.

### (iii) SHARE TRANSFER CUM INVESTORS' GRIEVANCE COMMITTEE

Share Transfer cum Investors' Grievance Committee comprises of three directors. The Committee is headed by the Non Executive Director, Mr. Mehul Parekh.

Mr. Chirag N. Shah - Company Secretary, is the Compliance Officer.

- **Composition:**

Mr. Mehul Parekh : Chairman

Mr. Arun Tari : Member

Mr. Siddhartha Moravekar : Member

The Committee reviews matters including the transfer, transmission of shares, issue of duplicate share certificates, mailing of annual reports, payment of dividend, communication with members, transfer of unclaimed amounts to Investor Education and Protection Fund, dematerializations of shares and other depository related activities regulatory compliances etc.

The Committee monitors operations of the Investors' services department and encourages its team members to provide qualitative services and ensures expeditious redressal of investor grievances.

- **Details of the Share Transfer cum Investors' Grievance Committee Meetings**

During the year, the Share Transfer cum Investors' Grievance Committee met six times on 10<sup>th</sup> April 2007, 5<sup>th</sup> July 2007, 10<sup>th</sup> September 2007, 10<sup>th</sup> January 2008, 11<sup>th</sup> February 2008 and 10<sup>th</sup> March 2008. The attendance of the members was as follows:-

Name of Director	No. of Meetings	
	Held	Attended
Mehul Parekh	6	6
Siddhartha Moravekar	6	0
Arun Tari	6	6

# Corporate Governance Report (contd....)

The status of investor complaints received during the year are given below:-

Number of complaints received during the year	Nature of complaints	Number of complaints solved	Number of pending Complaints
Share Transfer/ Transmission	0	0	0
Dividend	0	0	0
Others	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 4. GENERAL BODY MEETINGS

### • Details of Annual General Meetings held during three previous financial years

Year	Date and Time	Venue	Special resolutions
2006-07	29.09.2007 11.00 a.m.	Hotel Kohinoor Park , Veer Savarkar Marg, Opposite Siddhivinayak Temple, Prabhadevi, Mumbai – 400 025	<ul style="list-style-type: none"> <li>• Issue of Preference shares to Promoter Group Company on private placement basis.</li> <li>• Issue of GDR/FCCB/Other Securities.</li> <li>• Issue of securities through Qualified Institutional Placement Route.</li> <li>• Issue of further equity shares on Right basis.</li> <li>• Increase in limits for FII Investments.</li> </ul>
2005-06	30.09.2006 12.00 Noon	Hotel Kohinoor Park , Veer Savarkar Marg, Opposite Siddhivinayak Temple, Prabhadevi, Mumbai – 400 025	<ul style="list-style-type: none"> <li>• Issue of Securities thru ADR/GDR/FCCB etc.</li> <li>• Raising of resources by way of Qualified Institutional(s) Placement(s).</li> </ul>
2004-05	30.09.2005 11.30 a.m.	114, Kalyandas Udyog Bhavan, Near Century Bhavan, Prabhadevi, Mumbai 400 025	<ul style="list-style-type: none"> <li>• Revision of remuneration of the Managing Director.</li> <li>• Issue of Convertible warrants on preferential basis.</li> </ul>

## 5. DISCLOSURES

- There has been no materially significant related party transaction that may have potential conflict with the interests of the Company at large.
- There has been no penalty, stricture etc. imposed on the Company by the Stock Exchange, SEBI or any other statutory authority for any non compliance or any matter related to capital market during the last three years.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standards.
- The Company promotes ethical behaviour in all its business activities. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor. The report received from any employee is reviewed by the core committee. The Directors and Senior Management Personnel are obligated to maintain confidentiality of such reportings.
- The Company has complied with all the mandatory requirements with regards to Clause 49 of the listing agreement.
- The Company is also actively considering compliance with the non mandatory requirements of Clause 49 with regard to Corporate Governance.

## 6. MEANS OF COMMUNICATION:

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of the close of the respective period.
- The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in The Free Press Journal and Navshakti newspapers within forty-eight hours of approval thereof.
- Pursuant to Clause 51 of the Listing Agreement, all data related to quarterly financial results, shareholding pattern, etc. are posted on the Electronic Data Information Filing and Retrieval (EDIFAR) website [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in) maintained by SEBI, within the time frame prescribed in this regard.
- The Company's financial results and shareholding pattern are displayed on the Company's Website [www.panoramicuniversal.com](http://www.panoramicuniversal.com)
- No formal presentations were made to the institutional investors and analysts during the year under review.



## Corporate Governance Report (contd....)

### 7. GENERAL SHAREHOLDER INFORMATION

#### • Annual General Meeting

Date and Time : 29<sup>th</sup> September, 2008 at 11.00 a.m.

Venue : Hotel Kohinoor Park, Veer Savarkar Marg, Opp. Siddhivinayak Temple, Prabhadevi, Mumbai - 400 025

- The Financial year of the Company commences on April 1 each year and ends on March 31 of the following year.

#### • Financial Calendar

Financial reporting for quarter ended June 30, 2008	Last week of July 2008
Financial reporting for quarter ended September 30, 2008	Last week of October 2008
Financial reporting for quarter ended December 31, 2008	Last week of January 2009
Financial reporting for quarter ended March 31, 2009	Last week of April 2009

#### • Date of Book Closure

The Share Transfer Books and Register of the Company will remain closed from 25<sup>th</sup> September, 2008 to 29<sup>th</sup> September, 2008 (both days inclusive) for the purpose of ascertaining the names of the shareholders entitled to dividend, if declared at the Annual General Meeting.

#### • Corporate Identification Number

CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India

**L67190MH1992PLC066856.**

#### • Market price Data (High, Low during each month in last financial Year)

The monthly high and low figures along with the trading volumes of shares of the company traded on the Bombay Stock Exchange & National Stock Exchange are as under:-

Date	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
April 2007	165.90	110.05	863270	166.20	111.00	461467
May 2007	157.70	131.55	244062	162.90	132.60	163500
June 2007	154.00	112.50	460736	154.85	111.00	267736
July 2007	138.90	103.00	234393	140.00	102.05	73899
August 2007	120.00	95.50	114709	129.00	92.55	26887
September 2007	125.00	93.00	253633	134.00	90.10	164402
October 2007	122.05	87.00	312673	120.90	87.55	331267
November 2007	122.10	92.10	609538	123.95	92.05	364365
December 2007	158.00	103.00	2838017	160.00	85.00	1143404
January 2008	178.00	88.35	761051	182.70	88.55	310221
February 2008	123.80	90.50	97015	124.90	90.25	44830
March 2008	91.20	48.35	273584	99.00	45.60	106730

#### • Dividend Payment Date :

Dividend, if declared, shall be paid on or after 4<sup>th</sup> October, 2008 from the date of Annual General Meeting. Dividend shall be remitted through Electronic Clearing Services (ECS) at approved locations, wherever ECS details are available with the Company; and in other cases, through dividend draft payable at par.

Financial Year	Dividend Payment Date	Proposed date for transfer to IEPF
2000-01	October 6, 2001	October 5, 2008
2001-02	October 8, 2002	October 7, 2009
2002-03	October 6, 2003	October 5, 2010
2003-04	January 8, 2005	January 7, 2012
2004-05	October 11, 2005	October 10, 2012
2005-06	October 16, 2006	October 15, 2013
2006-07	October 3, 2007	October 2, 2014

#### • Listing on Stock Exchange :

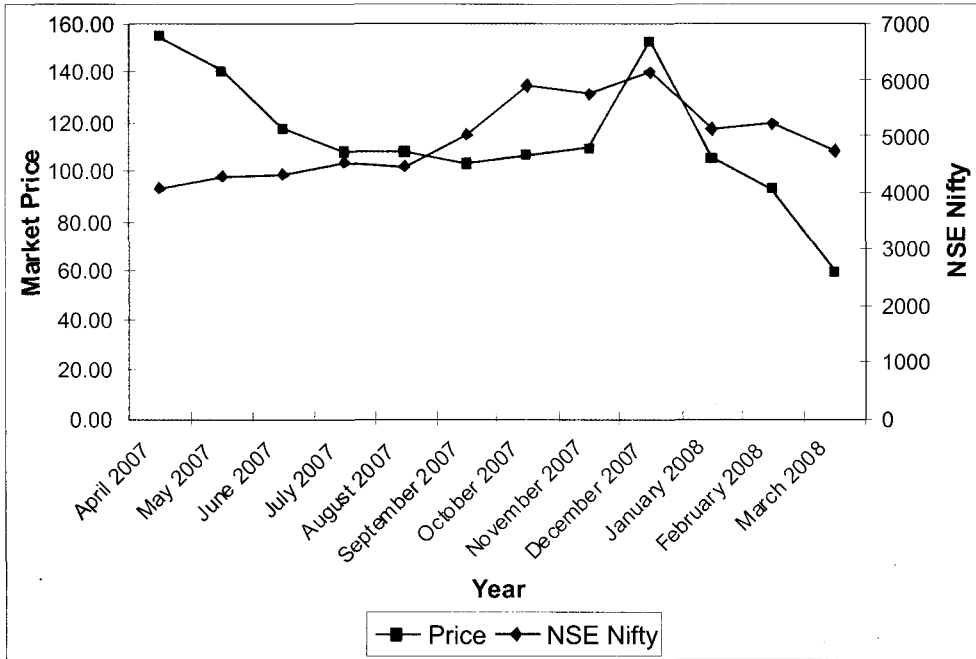
The equity shares of the Company are listed on the Bombay Stock Exchange Limited, and National Stock Exchange of India Limited. The listing fees for the year 2008-09 have been paid to the Stock Exchanges.

#### • Stock Code :

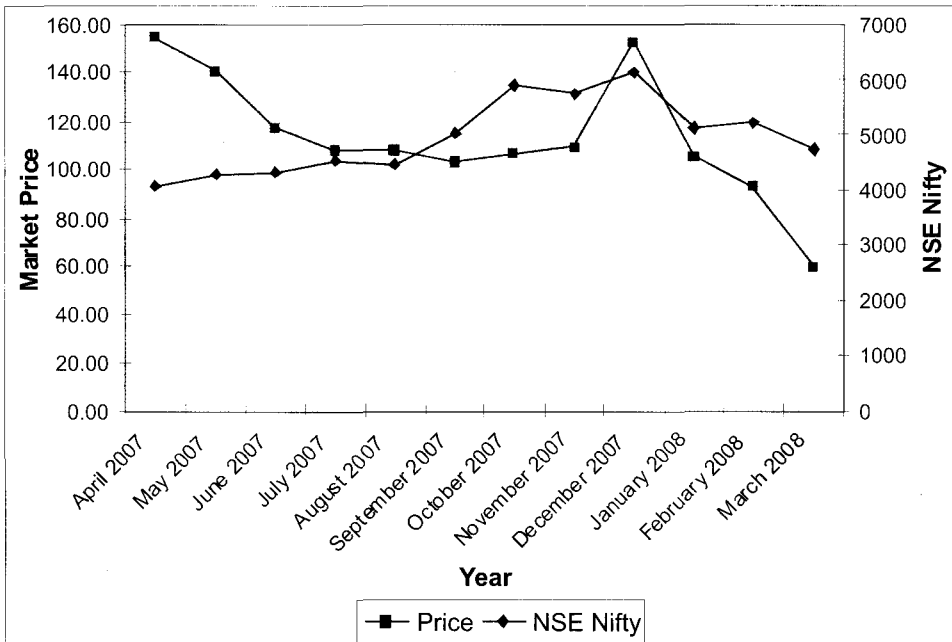
Trading symbol on NSE	PANORAMUNI
Trading scrip code on BSE	531816

# Corporate Governance Report (contd....)

- **Panoramic Universal Limited share performance versus BSE Sensex**



- **Panoramic Universal Limited share performance versus NSE Nifty**



- **Registrar & Share Transfer Agents**

Name : M/s. Sharex Dynamic (India) Private Limited  
 Address : Unit no. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai 400 072  
 Phone number : 022 - 28515606  
 Fax number : 022 - 28512885  
 Website : [www.sharexindia.com](http://www.sharexindia.com)  
 Email ID : [www.sharexindia@vsnl.com](mailto:www.sharexindia@vsnl.com)

## Corporate Governance Report (contd....)

### • Share Transfer System

Share Transfer cum Investors' Grievance Committee is authorised to approve transfer, transmission, etc of Company's equity shares. Share transfer requests, which are received in physical form are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47(c) of listing agreement and files a copy of the same with the Stock Exchanges.

### • Distribution of Shareholding as on 31<sup>st</sup> March, 2008

Number of shares	No of Shareholders	% of Shareholders	Total Amount	% of Amount
1-5000	3476	93.39	3354000	5.18
5001-10000	116	3.12	899355	1.39
10001-20000	58	1.56	827720	1.28
20001-30000	29	0.78	724525	1.12
30001-40000	6	0.16	213210	0.33
40001-50000	5	0.13	242925	0.37
50001-100000	11	0.30	891955	1.38
100001 and above	21	0.56	57633810	88.96
<b>Total</b>	<b>3722</b>	<b>100.00</b>	<b>64787500</b>	<b>100.00</b>

### • Shareholding Pattern by ownership as on 31<sup>st</sup> March, 2008

Category of Shareholder	No. of Shares	% of Shares
<b>I Promoter and promoter group</b>		
Promoter	64,49,802	49.78
Promoter group	31,90,428	24.62
<b>Total Promoter and promoter group</b>	<b>96,40,230</b>	<b>74.40</b>
<b>II Public Shareholding</b>		
Central Government / State Government(s)	4,42,535	3.42
Foreign Institutional Investors	20,000	0.15
Bodies Corporate	14,14,400	10.91
Individuals	12,60,509	9.73
NRIs	28,115	0.22
Clearing Member	1,51,711	1.17
<b>Total Public Shareholding</b>	<b>33,17,270</b>	<b>25.60</b>
<b>Total Shareholding (I+II)</b>	<b>1,29,57,500</b>	<b>100.00</b>

### • Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.02 % of the Company's share capital are dematerialized as on March 31, 2008.

The Company's shares are frequently traded at The National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. ISIN for the Company's shares is INE194B01029.

### • Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company does not have any Outstanding GDRs/ADRs/Warrants or any convertible instruments.

### • Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified Practising Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit, inter alia, confirms that the total listed and paid-up capital of the Company is in

## Corporate Governance Report (contd....)

agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

- **Software Location**

The Company's Software Division and Business Development Centre is located at 357, Kalyandas Udyog Bhavan, Near Century Bazar, Prabhadevi, Mumbai-400025.

- **Indian Hotel Locations**

Sai Sahavas	Shirdi, Maharashtra
Graciano Cottages	Colva Beach, Goa
Hotel Sagar Kinara	Malvan, Maharashtra.
Panoramic Resort	Panvel, Maharashtra

- **USA Hotel Locations**

The Georgian Resort	New York, USA.
Comfort Inn	North Carolina, USA.
Econo Lodge	North Carolina, USA.
United Inn	New York, USA.
Holiday Inn	Ohio, USA.

- **New Zealand Hotel Location**

Sai Motels	Auckland, New Zealand
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- **Address for Correspondence**

For all queries related to Share Transfer, Transmission, Issue of duplicate share certificates etc. and correspondence for change of name, bank mandates etc.	For any other queries
Sharex Dynamic (India) Pvt. Ltd. Unit no. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai 400 072 Tel. : 022 - 28515606 Fax : 022 - 28512885	<b>The Company Secretary</b> Panoramic Universal Ltd. Aman Chambers, 4 <sup>th</sup> Floor, Opp. New Passport Office, Veer Savarkar Road, Prabhadevi, Mumbai- 400 025. Tel no. – 022-66164000

### Declaration by the CEO of the Company under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct.

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2008.

Place: Mumbai

Date : August 30, 2008

**Viidyaa Moravekar**  
Managing Director

## Auditors' Certificate

### Auditors' Certificate on Compliance with the conditions of Corporate governance under Clause 49 of the Listing Agreement

To

**The Members of Panoramic Universal Limited**

We have examined the compliance of conditions of Corporate Governance by Panoramic Universal Limited (the Company) for the year ended 31<sup>st</sup> March, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of 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 compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 Clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrar of the Company and placed before the Investors' Grievance Committee, as on 31<sup>st</sup> March, 2008, there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For H.H. Topiwala & Co.**  
Chartered Accountants

**H.H. Topiwala**  
Proprietor  
Membership No. 38660  
Mumbai  
August 30, 2008

# Auditors' Report To the Members of Panoramic Universal Limited

We have audited the attached Balance Sheet of **Panoramic Universal Limited** ("the Company") as at March 31, 2008 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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.

We conducted our audit in accordance with generally accepted auditing standards 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 misstatements. An audit includes examining, on a test 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'order') issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we give in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the USA, UAE and New Zealand branches not visited by us;
- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) The Accountant's Review Report in respect of USA branch, *audited Receipts and Payments Statement in respect of* UAE branch and Audit Report in respect of New Zealand branch have been forwarded to us and have been dealt with by us in preparing this report;
- (vi) On the basis of written representations received from the directors, as on March 31, 2008, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956;
- (vii) 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 Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
  - b. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **H.H.Topiwala & Co.**  
Chartered Accountants

**H.H.Topiwala**  
Proprietor

Mumbai  
August 30, 2008

Membership No. 38660

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## Annexure to the Auditors' Report

1. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanation given to us, the management during the year has physically verified the fixed assets in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
  - (c) Substantial part of Fixed Assets has not been disposed off during the year as to affect the going concern.
2. In respect of its inventories:
  - (a) As explained to us, inventories were physically verified during the year by the management at regular intervals.
  - (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - (c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
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.

## Annexure to the Auditors' Report (contd...)

- (a) The Company has not taken or granted any loans, secured or unsecured, from/ to 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 also for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
  5. In our opinion and according to the information and explanations given to us, the Company has not entered into transactions for the purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 as aggregating during the year to Rs.500, 000 or more in respect of each party.
  6. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits in terms of the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
  7. In our opinion, the Company has an internal audit system, commensurate with its size and the nature of its business.
  8. The central government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
  9. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there are no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues were outstanding as at March 31, 2008 for a period of more than six months from the dates that they became payable.
  10. The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current year.
  11. Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions and 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 and other securities.
  13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the Company.
  14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. The Company in its own name has held all shares and other investments.
  15. The company has given guarantee for loan taken by its overseas wholly owned subsidiary. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prejudicial to the interests of the company.
  16. The Company has obtained Term Loan for acquiring office premises. The funds were applied for the said purpose only.
  17. On the basis of review of statements of accounts and as confirmed by the management, fund raised on short-term basis have not been used for long-term purpose.
  18. The Company has made preferential allotment of Preference Shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
  19. The Company has not issued any debentures.
  20. The company has raised fund by way of public issue of shares.
  21. In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **H.H.Topiwala & Co.**  
Chartered Accountants

**H.H.Topiwala**  
Proprietor

Mumbai  
August 30, 2008

Membership No. 38660

# Balance Sheet as at 31<sup>st</sup> March, 2008

(Amt. in Rs.)			
Particulars	Sch.	As at 31-03-2008	As at 31-03-2007
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	564,787,500	64,787,500
Reserves & Surplus	2	571,301,236	456,724,958
<b>Loan Funds</b>			
Secured Loan	3	62,153,736	72,500,014
Unsecured Loan	4	446,615,000	423,215,000
<b>Total</b>		<u><u>1,644,857,472</u></u>	<u><u>1,017,227,472</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	739,484,901	224,593,058
Less: Depreciation		24,296,024	17,557,233
Net Block		<u>715,188,877</u>	<u>207,035,825</u>
Capital Work-In-Progress		81,180	19,128,489
<b>Investments (At Cost)</b>	6	<b>694,692,260</b>	<b>554,235,550</b>
<b>Current Assets, Loans and Advances</b>			
Inventories	7	1,391,014	1,289,766
Sundry Debtors	8	80,847,513	121,864,293
Cash and Bank Balances	9	72,096,664	78,973,991
Loans & Advances	10	138,075,710	94,911,173
		<u>292,410,901</u>	<u>297,039,223</u>
<b>Current Liabilities and Provisions</b>			
Current Liabilities	11	13,842,668	50,245,481
Provisions		51,702,388	16,466,455
		<u>65,545,056</u>	<u>66,711,936</u>
Net Current Assets		<u>226,865,845</u>	<u>230,327,287</u>
<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)	12	8,029,310	6,500,321
<b>Total</b>		<u><u>1,644,857,472</u></u>	<u><u>1,017,227,472</u></u>
<b>Notes forming part of the Accounts &amp; Accounting Policies</b>	22		

As per our Report of even date  
For **H.H.Topiwala & Co.**  
*Chartered Accountants*

For and on behalf of the Board

(H.H.Topiwala)  
*Proprietor*  
Membership No.38660

(Viidyaa Moravekar)  
*Managing Director*

(Arun Tari)  
*Director*

(Chirag N. Shah)  
*Company Secretary*

Mumbai, August 30, 2008

Mumbai, August 30, 2008



## Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008

Particulars	Sch.	(Amt. in Rs.)	
		Year ended 31-03-2008	Year ended 31-03-2007
<b>INCOME</b>			
Income from Information Technology	13	309,189,923	257,954,814
Income from Hospitality	14	17,947,696	12,955,251
Other Income	15	17,233,758	11,150,710
<b>Total</b>		<b>344,371,377</b>	<b>282,060,775</b>
<b>EXPENDITURE</b>			
Materials Consumed	16	4,196,664	4,004,262
Personnel Expenditure	17	28,748,001	19,251,159
Software Development Expenses	18	101,321,800	100,597,927
General & Administrative Expenses	19	53,440,027	26,094,135
Depreciation & Amortisation	5	7,651,133	4,435,853
Interest and Finance Charges	20	7,715,775	4,978,805
Preliminary Expenses Written Off	21	2,090,853	1,556,051
Provision for the diminution in value of Investments		122,993	206,929
<b>Total</b>		<b>205,287,246</b>	<b>161,125,121</b>
<b>PROFIT BEFORE TAX</b>		<b>139,084,131</b>	<b>120,935,654</b>
Provision for Fringe Benefit Tax		420,155	220,077
Provision for Current Tax		14,693,370	-
<b>PROFIT AFTER TAX</b>		<b>123,970,606</b>	<b>120,715,577</b>
Less: Tax Paid for earlier year		-	58,764
Add: Profit brought forward from the previous year		253,954,258	158,457,071
Amount available for appropriation		<b>377,924,864</b>	<b>279,113,885</b>
<b>APPROPRIATIONS:</b>			
General Reserve		15,000,000	10,000,000
Proposed Dividend :			
On equity shares		16,196,875	12,957,500
On preference shares		8,054,795	-
Tax on Dividend including surcharge		4,121,572	2,202,127
Balance carried to Balance Sheet		<b>334,551,622</b>	<b>253,954,258</b>
<b>Total</b>		<b>377,924,864</b>	<b>279,113,885</b>
Earnings Per Share (Equity shares, par value of Rs.5/- each)		9.57	9.32
Notes forming part of the Accounts & Accounting Policies	22		

As per our Report of even date  
For **H.H.Topiwala & Co.**  
*Chartered Accountants*

For and on behalf of the Board

(**H.H.Topiwala**)  
*Proprietor*  
Membership No.38660

(**Viidyaa Moravekar**)  
*Managing Director*

(**Arun Tari**)  
*Director*

(**Chirag N. Shah**)  
*Company Secretary*

Mumbai, August 30, 2008

Mumbai, August 30, 2008

## Schedules forming part of the Balance Sheet

(Amt. in Rs.)

	As at 31-03-2008	As at 31-03-2007
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised:</b>		
50,000,000 Equity Shares of Rs.5 each	250,000,000	250,000,000
100,000,000 Preference Shares of Rs.5 each (Previous Year - Nil)	500,000,000	-
	<u>750,000,000</u>	<u>250,000,000</u>
<b>Issued, Subscribed and Paid Up:</b>		
12,957,500 (12,957,500) Equity Shares of Rs.5 each fully paid up (includes 1,400,000 equity shares of Rs. 5 each, allotted as fully paid up Bonus shares out of free reserves)	64,787,500	64,787,500
100,000,000 Cumulative Non Convertible Redeemable Preference Shares of Rs.5 each (Previous Year - Nil)	500,000,000	-
	<u>564,787,500</u>	<u>64,787,500</u>
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	103,051,500	103,051,500
Less:- Stamp Duty Paid during the year on Amalgamation	3,017,478	-
Add:- Amount Forfeited on Warrants	21,996,392	-
	<u>122,030,414</u>	<u>103,051,500</u>
<b>Securities Premium Account</b>		
As per last Balance Sheet	669,200	669,200
<b>General Reserve</b>		
As per last Balance Sheet	99,050,000	89,050,000
Transferred from Profit and Loss Account	15,000,000	10,000,000
	<u>114,050,000</u>	<u>99,050,000</u>
<b>Profit and Loss Account</b>		
Balance Carried Forward	334,551,622	253,954,258
	<u>571,301,236</u>	<u>456,724,958</u>
<b>SCHEDULE 3 : SECURED LOAN</b>		
From Banks (Against hypothecation of Motor Vehicles and mortgage of Office Premises.)	62,153,736	72,500,014
	<u>62,153,736</u>	<u>72,500,014</u>
<b>SCHEDULE 4 : UNSECURED LOAN</b>		
From Other Companies	446,615,000	423,215,000
	<u>446,615,000</u>	<u>423,215,000</u>

**SCHEDULE 5 : FIXED ASSETS**

(Amt. in Rs.)

DESCRIPTION	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at 01-04-2007	Additions during the year	Deductions during the year	As at 31-03-2008	As at 01-04-2007	For the year	Deduction during the year	As at 31-03-2008	As at 31-03-2008	As at 31-03-2007
Freehold Land	831,164	379,935,633	-	380,766,797	-	-	-	-	380,766,797	831,164
Building	34,367,388	47,653,581	-	82,020,969	2,788,570	533,408	-	3,321,978	78,698,991	31,578,818
Office Premises	137,072,283	54,209,048	-	191,281,331	136,258	2,047,349	-	2,183,607	189,097,724	136,936,025
Plant & Machinery	19,450,880	1,091,884	23,000	20,519,764	2,270,740	929,647	6,430	3,193,957	17,325,807	17,180,140
Computers	6,644,005	6,417,855	723,676	12,338,184	6,024,448	1,668,055	711,831	6,980,672	5,357,514	619,557
Furniture & Fixtures	10,026,903	8,822,156	157,582	18,691,477	3,429,014	800,443	29,091	4,200,366	14,491,110	6,597,889
Vehicles	10,771,463	10,861,125	880,000	20,752,588	1,842,984	1,215,382	92,532	2,965,834	17,786,754	8,928,479
Office Equipments	1,539,294	1,943,823	142,800	3,340,317	459,242	121,262	51,384	529,120	2,811,197	1,080,052
Air Conditioner	3,256,981	868,759	74,000	4,051,740	533,372	165,889	21,073	678,188	3,373,552	2,723,609
Electrical Installations	632,697	5,089,037	-	5,721,734	72,605	169,698	-	242,303	5,479,431	560,092
<b>Total</b>	<b>224,593,058</b>	<b>516,892,901</b>	<b>2,001,058</b>	<b>739,484,901</b>	<b>17,557,233</b>	<b>7,651,133</b>	<b>912,341</b>	<b>24,296,024</b>	<b>715,188,877</b>	<b>207,035,825</b>
<b>Previous Year</b>	<b>105,245,655</b>	<b>123,529,803</b>	<b>4,182,400</b>	<b>224,593,058</b>	<b>14,970,773</b>	<b>4,435,853</b>	<b>1,849,393</b>	<b>17,557,233</b>	<b>207,035,825</b>	<b>90,274,882</b>

Capital Work in Progress  
(Previous year : Rs.19,128,489/-)

81,180

# Schedules forming part of the Balance Sheet

## SCHEDULE 6 : INVESTMENTS (At Cost) - Long Term

### A) Investment in Equity Shares (Non-Trade-Quoted)

(Amt. in Rs.)

Sr. No.	Name of the Company	No. of Shares / Units 31-03-2008	No. of Shares 31-03-2007	Face Value Per Share (Rs.)	As At 31-03-2008	As At 31-03-2007
1	Himachal Fut. Comm.	53,600	53,600	10	1,501,802	1,501,802
2	Punjab Tractors Ltd.	300	300	10	62,133	62,133
3	Silverline	5,300	5,300	10	37,443	37,443
4	Tips Industries	5,000	5,000	10	197,837	197,837
5	Wellwin Industries Ltd.	3,500	3,500	10	53,350	53,350
6	Carol Infoservices Ltd.	1,900	1,900	10	60,115	60,115
	<b>Total</b>				<b>1,912,680</b>	<b>1,912,680</b>
	<b>Less : Provision for Diminution in Value of Long Term Investments</b>				539,432	416,439
	<b>Total Long Term Investments</b>				<b>1,373,248</b>	<b>1,496,241</b>
<b>B)</b>	<b>Investment in Equity Shares (Non - Trade - Unquoted)</b>					
	Panoramic Investment Advisors Pvt. Ltd.	2,400	-	10	24,000	-
<b>C)</b>	<b>Investment in Subsidiary Companies (Unquoted)</b>					
	Shares with no par value of Panoramic Ace Properties Inc., USA	4,704	4,204	-	522,716,060	473,528,560
	Shares with no par value of Sai Properties Inc., USA	220	220	-	24,084,000	24,084,000
	Shares @ NZ\$ 1 each of Sai Motel Ltd, New Zealand	1,258,665	1,258,665	-	27,710,073	27,710,073
	Shares of Panoramic Holidays Ltd (formerly known as Ambitious Infrastructure Pvt. Ltd.)	50,000	50,000	10	500,000	100,000
	Shares of Indo Pacific Hotels Ltd (formerly known as Enya Technologies Pvt. Ltd.)	50,000	50,000	10	500,000	100,000
	Shares of 'Hi' Flyers Travel Services Ltd.	195,175	-	10	8,899,980	-
<b>D)</b>	<b>Investment in Mutual Fund</b>					
	1) Kotak Flexi Debt Scheme - Growth (NAV as on 31-03-2008 Rs.1,03,068)	8,151,657	-	10	100,930	-
	2) ICICI Prudential Institutional Short Term Plan-Comm. Op. (NAV as on 31-03-2008 Rs.7,026,156)	447,186,904	-	10	6,989,326	-
	3) LIC Liquid Plus Fund - Growth Plan (NAV as on 31-03-2008 Rs.29,199,207)	2,722,714,488	-	10	29,136,145	-
	4) Reliance Floating Rate Fund -Growth Plan-Growth Option (NAV as on 31-03-2008 Rs.1,04,839)	8,277,392	-	10	100,000	-
	5) Reliance Natural Resource Fund Dividend Plan (NAV as on 31-03-2008 Rs.9,410,758)	977,995,110	-	10	10,000,000	-
	6) Sundaram BNP Paribus Growth Fund (NAV as on 31-03-2008 Rs.5,404,106)	424,124,184	-	10	10,000,000	-
<b>E)</b>	<b>National Savings Certificate</b>				6,000	6,000
<b>F)</b>	<b>Investment in Saraswat Co-Op Bank Ltd.</b>				43,580	43,580
<b>G)</b>	<b>Investment in Partnership Firms :-</b>					
	Graciano Cottages	-	-	-	19,095,917	16,319,981
	Grand View Restaurant, Hotel & Bar	-	-	-	17,808,752	10,847,115
<b>H)</b>	<b>Inter-Connected Stock Exchange of India Ltd.</b>	62,413	-	1	15,604,250	-
	<b>Grand Total</b>				<b>694,692,260</b>	<b>554,235,550</b>

Aggregate Book Value of Investments

Quoted - Market Value Rs.1,610,390/- (Previous Year - Rs.1,604,020/-)

## Schedules forming part of the Balance Sheet

(Amt. in Rs.)

	As at 31-03-2008	As at 31-03-2007
<b>SCHEDULE 7 : INVENTORIES (At Cost)</b>		
Raw Materials	1,391,014	1,289,766
(As taken, valued & certified by the management)	<u>1,391,014</u>	<u>1,289,766</u>
<b>SCHEDULE 8 : SUNDRY DEBTORS</b>		
(Unsecured, Considered good)		
Over six months	1,661,013	179,362
Others	79,186,500	121,684,931
	<u>80,847,513</u>	<u>121,864,293</u>
<b>SCHEDULE 9 : CASH AND BANK BALANCES</b>		
Cash in hand	2,411,850	1,097,206
<b>Bank balances</b>		
With Scheduled Banks	67,398,296	75,663,229
Commercial Bank of Dubai - UAE (Maximum balance during the year Rs.1,349,945/-)	966,518	528,544
ANZ Bank - New Zealand (Maximum balance during the year Rs.13,967,683/-)	-	15,572
Fixed Deposits with Scheduled Banks	1,320,000	1,320,000
Remittance in Transit	-	349,440
	<u>72,096,664</u>	<u>78,973,991</u>
<b>SCHEDULE 10 : LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Accrued Interest	143,184	68,426
Loan to Subsidiaries	32,666,476	3,336,226
Advances recoverable in cash or in kind or for value to be received	76,827,606	77,418,316
Advance for Technical Know How	10,112,387	10,112,387
Deposits	1,065,190	3,278,024
Advance Tax and TDS	16,781,609	664,624
Prepaid Expenses	479,258	33,170
	<u>138,075,710</u>	<u>94,911,173</u>

## Schedules forming part of the Balance Sheet

(Amt. in Rs.)

	As at 31-03-2008	As at 31-03-2007
<b>SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Advance Against Warrants	-	21,996,392
Duties & Taxes	1,092,618	507,242
Other Liabilities	8,334,920	3,077,720
Sundry Creditors	3,652,012	23,944,501
Unclaimed Dividend	763,118	719,626
	<u>13,842,668</u>	<u>50,245,481</u>
<b>PROVISIONS</b>		
Other Provision	7,919,421	1,010,628
Proposed Dividend	24,251,670	12,957,500
Provision for Dividend Tax	4,121,572	2,202,127
Provision for Fringe Benefit Tax	716,355	296,200
Provision for Taxation	14,693,370	-
	<u>51,702,388</u>	<u>16,466,455</u>
	<u>65,545,056</u>	<u>66,711,936</u>
<b>SCHEDULE 12 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
GDR Issue Expenses	3,433,754	3,292,154
Preliminary Expenses	75,118	150,242
Pre-operative Expenditure	1,720,438	2,753,925
Share Issue Expenses	2,800,000	304,000
	<u>8,029,310</u>	<u>6,500,321</u>

## Schedules forming part of the Profit and Loss Account

	Year ended 31-03-2008	Year ended 31-03-2007
(Amt. in Rs.)		
<b>SCHEDULE 13 : INCOME FROM INFORMATION TECHNOLOGY</b>		
Income from I T Export	309,134,663	255,570,442
Income from I T Activities Abroad	-	2,224,343
Income from DTA Sales	55,260	160,029
	<u>309,189,923</u>	<u>257,954,814</u>
<b>SCHEDULE 14 : INCOME FROM HOSPITALITY</b>		
Income from Lodging & Boarding	11,482,145	7,535,607
Income from sale of Food & Beverages	6,465,551	5,419,644
	<u>17,947,696</u>	<u>12,955,251</u>
<b>SCHEDULE 15 : OTHER INCOME</b>		
Dividend on Long Term Investments	2,763,678	-
Exchange Rate Fluctuations - Gain	-	1,804,586
Interest (TDS Amount Rs.9,444/-)	193,668	90,657
Other Income	729,979	3,177,181
Profit on sale of Investments	6,384,767	159,606
Share of Profit from Partnership Firms	7,161,666	5,918,680
	<u>17,233,758</u>	<u>11,150,710</u>
<b>SCHEDULE 16 : MATERIALS CONSUMED</b>		
Opening Stock	1,289,766	1,694,829
Add : Purchases during the year	4,297,912	3,599,198
	<u>5,587,678</u>	<u>5,294,027</u>
Less : Closing Stock	1,391,014	1,289,766
	<u>4,196,664</u>	<u>4,004,262</u>
<b>SCHEDULE 17 : PERSONNEL EXPENDITURE</b>		
<b>(Salaries including Overseas Staff Expenses)</b>		
Salaries & Allowances	19,793,536	13,130,492
Bonus & Ex-Gratia	125,541	19,327
Contribution to PF & ESIC	1,873,027	980,254
Director's Remuneration	3,780,890	3,362,240
Gratuity	1,059,602	84,462
Keyman Insurance	462,279	462,279
Leave Encashment	168,559	239,332
Medical Reimbursement	3,776	12,563
Staff Training & Development Exps.	358,717	528,732
Staff Welfare Expenses	1,122,074	431,478
	<u>28,748,001</u>	<u>19,251,159</u>
<b>SCHEDULE 18 : SOFTWARE DEVELOPMENT EXPENSES</b>		
Consultancy charges	101,321,800	100,597,927
	<u>101,321,800</u>	<u>100,597,927</u>

## Schedules forming part of the Profit and Loss Account

(Amt. in Rs.)

	Year ended 31-03-2008	Year ended 31-03-2007
<b>SCHEDULE 19 : GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
Accounting Fees	94,569	45,869
Advertisement & Sales Promotion	796,577	1,189,838
Audit Fees	247,767	203,530
Bad & Doubtful Debts Written Off.	534,610	-
Books & Periodicals	80,596	15,967
Commission / Discount Expenses	740,451	685,877
Communication Expenses	1,572,087	1,079,836
Computer Expenses	268,126	354,499
Donation & Gifts	140,251	113,317
Electricity & Water Charges	2,978,355	1,605,453
Entertainment Expenses	171,814	81,179
Exchange Rate Fluctuation Loss	23,149,268	799,169
Fuel	291,882	513,398
Housekeeping Expenses	558,229	663,860
Insurance Charges	334,591	199,563
Kitchen & Restaurant Expenses	120,791	-
License & Fees	319,687	802,090
Loss on Disposal / Sale of Fixed Assets	506,521	1,026,315
Membership & Subscription	342,057	743,722
Miscellaneous Expenses	105,954	436,867
Office Expenses	417,184	315,458
PF Administration Charges	185,001	107,409
Printing & Stationery	959,703	762,903
Professional Fees	6,365,823	6,295,816
Rent, Rates & Taxes	2,931,524	1,965,988
Repairs & Maintenance :		
Buildings	668,018	340,538
Machinery	363,569	241,682
Others	358,166	513,577
Right Issue Expenses	1,373,600	-
Sales Tax / VAT Expenses	751,971	600,402
Security Charges	1,864,614	1,375,600
Selling & Distribution Expenses	86,985	689,540
Transportation expenses	52,343	46,854
Travel & Conveyance Expenses	2,564,960	1,719,770
Vehicle Expenses	1,118,330	553,048
Wealth Tax	24,053	5,201
	<b>53,440,027</b>	<b>26,094,135</b>
<b>SCHEDULE 20 : INTEREST &amp; FINANCIAL CHARGES</b>		
Bank Charges	198,075	709,194
Foreign Bank Charges	159,069	133,336
Interest on Secured Loan	7,358,631	4,136,276
	<b>7,715,775</b>	<b>4,978,805</b>
<b>SCHEDULE 21 : PRELIMINARY EXPENSES WRITTEN OFF</b>		
Computer Software Expenditure	-	174,198
Merger & Acquisition Expenses	75,124	75,124
Miscellaneous Expenditures	728,308	720,308
Preliminary Expenses	283,421	283,421
Share Issue Expenses	1,004,000	303,000
	<b>2,090,853</b>	<b>1,556,051</b>



## SCHEDULE : 22 Notes on Balance Sheet and Profit and Loss Account

### 1 SIGNIFICANT ACCOUNTING POLICIES:

#### a) Convention:

The Financial Statements are prepared under Historical Cost Convention in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956.

#### b) Fixed Assets:

Fixed assets are stated at cost less depreciation along with taxes, duties, freights and any directly attributable cost of bringing the asset to its working condition for the intended use up to the date of commissioning for operation, attributable to acquisition / construction of the concerned assets.

Capital work-in-progress represents furniture and fixtures, advances etc.

#### c) Depreciation and Amortization:

Depreciation on fixed assets other than those situated in USA and New Zealand Branches has been provided on straight - line method as prescribed in the Schedule XIV to the Companies Act, 1956.

Depreciation in respect of the assets in the New Zealand Branch has been provided according to the provisions of the Taxation Laws prevailing in that country.

#### d) Investments:

Long term Investments are stated at cost. Provision for diminution in the value of long term investments are made in the accounts. Profit or loss on sale of investments are taken in to account at the time of sale of investments.

#### e) Inventories:

Inventories of food materials and beverages, stores and supplies are valued at cost on First-In, First-Out basis

#### f) Employees benefit:

##### Post - employment benefit plans

Contributions to defined contribution retirements benefits schemes are recognized as an expense when employees have rendered services entitling to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Project Unit Credit Method, with actuarial valuations at the balance sheet date, carried out by an independent actuary.

Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial gains and losses are charged to the profit and loss account

Leave encashment is another long term employee benefit and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company accrues for the expected cost of short term compensated absences in the period in which the employee renders services.

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the profit and loss account.

#### g) Sales and Services :

On time-and-materials contracts, revenue from software development is recognized as the related services are rendered and billed to clients as per the terms of specific contracts. On fixed -price contracts, revenue is recognized based on the milestones achieved as specified in the contracts on the basis of the work completed.

In respect of Hospitality business, sales comprise of sale of rooms, rentals ,food and beverages and allied services relating to hotel operations.

#### h) Taxation:

(i) Provision for current taxation is on account of Minimum Alternate Tax in accordance with the Income Tax Laws applicable to the assessment year and Wealth Tax for the year has been provided as per Wealth Tax Act and Rules, 1957

(ii) Provision for Fringe Benefit Tax has been made in accordance with the Income Tax Laws applicable to the assessment year.

## Notes on Balance Sheet and Profit and Loss Account (contd...)

(iii) Deferred Tax is recognized on timing difference: being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation, or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.

(iv) The Company has not provided for Deferred Taxation on its income in India as the income from IT business is exempted from Income Tax up to the year ending 31.3.2010 under Section 10A of the Income Tax Act, 1961 and due to loss in its Hospitality business.

### i) Impairment of assets:

There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.

### j) Foreign Currency Transactions:

Transactions arising from export of software, investment in overseas wholly-owned subsidiaries and remittances to overseas branches during the year have been translated into Indian Rupees at the exchange rate prevailing on the date of the particular transaction. Any gain or loss arising from exchange rate fluctuations has been taken to Profit & Loss Account.

In respect of income and expenditure at the overseas branches, month -end exchange rates have been adopted.

### k) Deferred Revenue Expenses:

Deferred Revenue Expenses have been deferred to be written off over a period of five years.

### l) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized in the financial statements

## 2 Secured Loans:

### a) Term Loans:

(i) Term Loan of Rs. 530.17 lakhs from Saraswat Co-op Bank Ltd. is secured by mortgage of Office Premises at 4th Floor , Aman Chambers, Prabhadevi, Mumbai 400025.

(ii) Term Loan of Rs.65.80 lakhs from Axis Bank Ltd. is secured by hypothecation of a vehicle

(iii) Term Loan of Rs.24.48 lakhs from Saraswat Co-op Bank Ltd. is secured by hypothecation of certain vehicles.

(iv) Term Loan of Rs.1.08 lakhs from ICICI Bank Ltd. is secured by hypothecation of a vehicle.

3 None of the suppliers had informed the Company that they are micro and small enterprises under the. Micro, Small and Medium Enterprises Development Act. Hence information regarding dues to micro and small enterprises could not be furnished.

### 4 Retirement benefit Plan:

The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March 2008

	As st 31-03-2008	As st 31-03-2007
<b>i) Change in Benefit Obligations:-</b>		*
<b>Projected Benefit Obligations ,beginning of the year (01-04-2007)</b>	604,906	-
Service Cost	609,566	-
Interest Cost	48,392	-
Actuarial (Gain)/Loss on obligations	401,644	-
Benefits Paid	(206,054)	-
<b>Projected Benefit Obligations , end of the year (31-03-2008)</b>	1,458,454	-

## Notes on Balance Sheet and Profit and Loss Account (contd...)

	As st 31-03-2008	As st 31-03-2007
<b>ii) Change in Plan assets:</b>	N.A	N.A
<b>iii) Net Gratuity and other cost for the year ended 31st March 2008</b>		
Service Cost	609,566	-
Interest on defined benefit obligation	48,392	-
Expected return on plan assets	N.A	-
Net actuarial loss recognized in the year	401,644	-
<b>Net gratuity and other cost</b>	<b>1,059,602</b>	<b>-</b>
<b>iv) Category of Assets as at 31st March 2008</b>	<b>N.A</b>	<b>N.A</b>
<b>v) Assumption used in accounting for the gratuity plan:</b>		
Discounting Rate (p.a)	8%	-
Increase in Compensation Level	5%	-
Expected rate of return on Plan assets	N.A	N.A

\* As the Accounting Standard -15 "Employee Benefits became " applicable from April 1, 2007 , Net Gratuity and other costs for the year ended 31st March 2007 is not furnished

	2007-08	2006-07
<b>5</b> Investment in Partnership Firms		
The details of Partnership Firms are follows:-		
<b>a) Graciano Cottages, Goa</b>		
Total Capital & Current Account		
Capital Account	83,000	83,000
Current Account	19,012,917	16,236,981
<b>Name of the Partners</b>	<b>Share of Profit / (Loss)</b>	
Panoramic Universal Ltd	95%	95%
Mrs. Usha Tari	5%	5%
<b>b) Grand View Hotel, Restaurant &amp; Bar, Pune</b>		
Total Capital & Current Account		
Capital Account	80,000	80,000
Current Account	17,728,752	10,767,115
<b>Name of the Partners</b>	<b>Share of Profit / (Loss)</b>	
Panoramic Universal Ltd	80%	80%
Mrs.Viidyaa S.Moravekar	15%	15%
Mrs.Usha Tari	5%	5%
<b>6</b> Contingent Liabilities not provided for :		
<b>I</b> Estimated amount of capital commitments not provided for:	Rs. Nil	Rs. Nil
<b>II</b> Contingent Liabilities not provided for:	Rs. Nil	Rs. Nil
<b>III</b> Guarantees given on behalf of wholly owned subsidiary	53,487,000	58,266,000
<b>7</b> Profit & Loss Account includes:		
Remuneration to Directors	3,780,890	3,362,240
Sitting Fees	Rs. Nil	Rs. Nil
Other Perquisites	Rs. Nil	Rs. Nil
<b>8</b> Payment to Auditors		
For Audit	242,767	198,530
For other services	5,000	5,000

## Notes on Balance Sheet and Profit and Loss Account (contd...)

### 9 Preferential issue of warrants:

The Company had issued warrants on preferential basis to foreign investors which were convertible into equity shares on 4th May, 2007 at the rate of 1 equity share for each warrant. As per the SEBI guidelines, the investors were required to convert the warrants into equity shares within a period of 18 months from the date of allotment. Since the investors failed to convert the same, the advance money received was forfeited pursuant to the said guideline.

- 10 The Company has issued 10,00,00,000 7% Cumulative Non Convertible Redeemable preference shares of Rs.5 each redeemable within 20 years
- 11 Remuneration to Directors of Rs.3,780,890/- includes Rs.1,404,890/- being commission payable to Managing Director
- 12 Disclosures of related parties for the year ended 31-03-2008

#### 1 Enterprises owned by directors / major shareholders of the Company

##### a) Subsidiaries:-

Panoramic Ace Properties Inc. USA  
 Sai Properties Inc. USA  
 Georgian Motel Corp. USA  
 Sai Living Hudson Inc. USA  
 Travel Universe Inc. USA  
 Sai Motels Limited-New Zealand  
 Indo Pacific Hotels Ltd. (formerly known as Enya Technologies Pvt. Ltd. )  
 Panoramic Holidays Ltd. (formerly known as Ambitious Infrastructure Pvt. Ltd.)  
 Hi- Flyers Travel Services Ltd.

##### b) Enterprises Controlled by directors/relatives:-

Panoramic Hotels Ltd., Pancard Clubs Ltd., Pan Product Impex Pvt.Ltd, Panoramic Land Developers Pvt. Ltd, Smooth Financial Pvt. Ltd, Panoramic Resorts (India) Ltd., Pan Herbbo Ltd., Herbo Effect (India) Ltd, Panoramic Investment Advisors Pvt. Ltd., Panoramic Structures Pvt. Ltd, Sai Nirmaan Properties Ltd., Pan Ad, Grand View Hotel, Restaurant & Bar, Graciano Cottages

#### 2 Key Management Personnel

- a) Viidyaa Moravekar Managing Director  
 b) Arun Tari Whole time Director

#### 3 Related party transactions

The Company entered into transactions with related parties during the year.

These transactions along with the relevant balances are set out as under:

<b>(i) Transactions with Director</b>	<b>2007-08</b>	<b>2006-07</b>
a) Remuneration		
Arun B. Tari	561,000	327,900
Viidyaa S. Moravekar	3,219,890	3,034,340
<b>(ii) Transactions with Associates &amp; Subsidiary Companies</b>		
a) <b>Rent paid</b>		
Pan Herbbo Ltd.	240,000	240,000
b) <b>Rent received</b>		
Pan Herbbo Ltd.	-	180,000
c) <b>Sale of Room Nights</b>		
Pan Herbbo Ltd.	800,800	-
d) <b>Traveling Expenses</b>		
Hi-Flyers Travel Services Ltd.	317,130	-
<b>(iii) Amount due to related parties</b>		
a) Pancard Clubs Ltd.	-	33,600
b) Hi-Flyers Travel Services Ltd.	39,538	

## Notes on Balance Sheet and Profit and Loss Account (contd...)

(iv) Amount due from related parties		
a) Panoramic Investment Advisors Pvt. Ltd..	50,000	-
(v) Amount due to Subsidiary		
a) Indo Pacific Hotels Ltd.	9,400,000	-
(vi) Dividend paid		
Pancard Clubs Ltd	2,937,500	1,762,500
Panoramic Resorts (India) Ltd.	81,228	48,737
Panoramic Land Developers Pvt. Ltd.	42,900	25,740
Manda Mohan Phatarphekar	117,400	70,440
Usha Tari	11,000	6,600
Deepashree Tari	400	240
Sudhir S Moravekar	6,449,802	3,869,881
4 Loans/Advances in the nature of Loans given to Subsidiaries and Associates (Pursuant to clause 32 of the Listing Agreement) :-		
a) Sai Motels Ltd. (NZ) Subsidiary (Maximum Balance during the year Rs. 32,616,476/-)	32,616,476	3,336,226
b) Indo Pacific Hotels Ltd. Subsidiary (Maximum Balance during the year Rs. 142,900,000/-)	-	20,000,000

Notes :-

- 1 Loans/Advances shown above, to subsidiary fall under the category of Loans/Advances in nature of Loans where there is no repayment schedule and re-payable on demand.
- 5 Investment by the loanee in the shares of the Company
- | Name of the Company         | No. of Shares |
|-----------------------------|---------------|
| a) Sai Motels Ltd (NZ)      | NIL           |
| b) Indo Pacific Hotels Ltd. | 50000         |

## 13 Segment Reporting

Segment Identification:

- a) The Company's operations are focused on Software Development and Hospitality activities. Accordingly, these two business divisions comprise the primary basis of the segment information set out in the financial statements:

(Amt. in Rs.)

Particulars	IT Business	Hospitality Business	Total
<b>REVENUE</b>			
External Revenue	309,260,092	35,111,285	344,371,377
Inter-Segment Revenue	-	-	-
<b>Total</b>	<b>309,260,092</b>	<b>35,111,285</b>	<b>344,371,377</b>
<b>RESULT</b>			
Profit before Depreciation, Interest & Tax	145,472,929	8,978,110	154,451,039
Depreciation	1,457,911	6,193,222	7,651,133
Interest	7,098,237	617,538	7,715,775
Taxation	15,113,525	-	15,113,525
<b>Net Profit</b>	<b>121,803,256</b>	<b>2,167,350</b>	<b>123,970,606</b>
<b>OTHER INFORMATION</b>			
Segment Assets	741,557,665	895,270,497	1,636,828,162
Segment Liabilities	124,657,725	384,111,011	508,768,736

- b) Secondary Segment Reporting is made on the basis of geographical regions. Revenues are segregated on the basis of the location of the customer who is invoiced or in relation to which the revenue is otherwise recognized.

(Amt. in Rs.)

	Asia	Rest of the World	Total
External Revenue	344,371,377	-	344,371,377

## Notes on Balance Sheet and Profit and Loss Account (contd...)

14 Additional information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956:

(Amt. in Rs.)

	31-03-2008	31-03-2007
<b>a) Value of Imports: (C.I.F. Value)</b>		
Raw Materials	NIL	NIL
Capital Goods	NIL	NIL
Components and Spares	NIL	NIL
<b>b) Expenditure in Foreign Currencies</b>		
Traveling Expenses	-	159,225
Foreign Bank Charges	159,069	133,335
Freight Charges	-	41,798
Listing Fee	141,600	-
Other Expenses	3,314,025	4,275,660
Investment in subsidiary	49,187,500	64,689,500
Loan to Subsidiary	29,280,250	5,396,926
<b>c) Earning in Foreign Currency</b>		
Software Export	309,134,663	255,570,442
Fund transfer from branch	13,524,908	-
Loan refund from Subsidiary	-	4,740,650

### d) Quantitative Details

The Company is engaged in the business of software development and hospitality. Both the development and export of software and hospitality business cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3, 4C 4D of part of Schedule VI to the Companies Act, 1956.

15 Earnings Per Share

	2007-08	2006-07
<b>I Profit Attributable to Equity Shareholders (Rs.)</b>	123,970,606	120,715,577
<b>II Number of Equity Shares</b>	12,957,500	12,957,500
<b>III Nominal Value of Equity Share</b>	Rs. 5	Rs. 5
<b>IV Basic Earnings Per Equity Share</b>	9.57	9.32

16 Corresponding figures for previous year presented have been regrouped, where necessary, to confirm to this year's classification.

As per our Report of even date  
For **H.H.Topiwala & Co.**  
*Chartered Accountants*

For and on behalf of the Board

**(H.H.Topiwala)**  
*Proprietor*  
Membership No.38660

**(Viidyaa Moravekar)**  
*Managing Director*

**(Arun Tari)**  
*Director*

**(Chirag N. Shah)**  
*Company Secretary*

Mumbai, August 30, 2008

Mumbai, August 30, 2008

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2008

	(Amt. in Rs.)	
	Year ended 31-03-2008	Year ended 31-03-2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax	139,084,131	120,935,654
Adjustments for :		
Depreciation and Amortisation	7,651,133	4,435,853
Dividend received	(2,763,678)	-
Interest received	(193,668)	(90,657)
Loss (Profit) on sale of Fixed Assets	506,521	1,026,315
Loss (Profit) on sale of investment	(6,384,767)	(159,606)
Interest and Finance Charges	7,715,775	4,136,276
Preliminary Expenditure written off	2,090,853	1,556,051
Stamp Duty paid on Amalgamation	(3,017,478)	-
	<u>5,604,691</u>	<u>10,904,232</u>
Operating profit before working capital changes	<u>144,688,822</u>	<u>131,839,886</u>
Movement in Working Capital :		
(Increase) / Decrease in Sundry Debtors	41,016,780	(63,875,050)
(Increase) / Decrease in Loans & Advances	(43,164,537)	(43,898,708)
(Increase) / Decrease in Raw Material	(101,248)	405,063
(Increase) / Decrease in Misc Expenditure	(3,619,843)	(3,292,154)
Increase / (Decrease) in Current Liabilities	(36,402,814)	24,886,194
Increase / (Decrease) in Provision	35,235,933	6,380,695
Increase / (Decrease) in Share Capital	500,000,000	-
	<u>492,964,273</u>	<u>(79,393,960)</u>
Cash generated from Operations	637,653,095	52,445,926
Direct Tax Paid	(15,113,525)	(278,841)
<b>Net Cash Flow from Operating Activities ( A)</b>	<u>622,539,570</u>	<u>52,167,085</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchases of Fixed Assets	(497,845,592)	(142,219,799)
Purchase of Investments	(1,153,330,311)	(70,329,085)
Sale of Investments	1,019,258,366	2,161,606
Sale of Fixed Assets	582,196	1,306,692
Dividend received	2,763,678	-
Interest received	193,668	90,657
<b>Net cash Flow from Investing Activities (B)</b>	<u>(628,377,994)</u>	<u>(208,989,929)</u>

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2008 (contd...)

(Amt. in Rs.)

	Year ended 31-03-2008	Year ended 31-03-2007
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Unsecured Loan	23,400,000	168,613,613
Secured Loan from Bank	(10,346,278)	72,156,673
Amount Forfeited on Warrants	21,996,392	
Dividends Paid	(24,251,670)	(12,957,500)
Additional Tax on Dividend	(4,121,572)	(2,202,127)
Interest Paid	(7,715,775)	(4,136,276)
<b>Net cash Flow from Financing Activities (C)</b>	<b>(1,038,903)</b>	<b>221,474,383</b>
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	(6,877,327)	64,651,540
Cash and Cash equivalents at the beginning of the year	78,973,991	14,322,451
<b>Cash and Cash equivalents at the end of the year</b>	<b>72,096,664</b>	<b>78,973,991</b>

As per our Report of even date  
For **H.H.Topiwala & Co.**  
*Chartered Accountants*

For and on behalf of the Board

**(H.H.Topiwala)**  
*Proprietor*  
Membership No.38660

**(Vidya Moravekar)**  
*Managing Director*

**(Arun Tari)**  
*Director*

**(Chirag N. Shah)**  
*Company Secretary*

Mumbai, August 30, 2008

Mumbai, August 30, 2008



## Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

### Balance Sheet Abstract And Company's General Business Profile

#### 1 Registration Details:

Registration No.	66856
State Code	11
Balance Sheet Date	31st March 2008

#### 2 Capital raised during the year

(Amount in Rs. Thousands)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	5,000,000

#### 3 Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities	1,644,857
Total Assets	1,644,857

##### Sources of Funds

Paid-up Capital	564,787
Reserves & Surplus	571,301
Secured Loans	62,154
Unsecured Loans	446,615

##### Application of Funds

Net Fixed Assets	715,270
Investments	694,692
Net Current Assets	226,866
Miscellaneous Expenditure	8,029
Accumulated Loss	NIL

#### 4 Performance of Company (Amount in Rs. Thousands)

Turnover	344,371
Total Expenditure	205,287
Profit Before Tax	139,084
Profit After Tax	123,971
Earnings Per Share (Rs./Share)	9.57
Dividend (%)	25

#### 5 Name of Principal Service of Company

Item Code No.	85
Service Description	Software Development
Item Code No.	34
Service Description	Hotel & Tourism Related Industry

# **Auditors' Report**

## **To the Board of Directors of Panoramic Universal Limited on the Consolidated Financial Statements**

We have audited the attached consolidated Balance Sheet of **Panoramic Universal Limited** (the Company) and its subsidiaries as at March 31, 2008 and also the consolidated Profit and Loss Account for the year ended on that date annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework generally accepted in India, and are free of material misstatements. An audit includes examining, on a test 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 statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements except that the

standalone financial statements of Panoramic Universal Limited do not include amounts expressed in foreign currency, as such disclosure is not warranted by Schedule VI to the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us and on consideration of the separate audit reports of individual audited financial statements of the Company and its subsidiaries, and subject to the matter referred to in above paragraphs, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at March 31, 2008;
- b. in the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date; and
- c. in the case of consolidated Cash Flow statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

**For H.H.Topiwala & Co.**  
Chartered Accountants

Mumbai  
August 30, 2008

**H.H.Topiwala**  
Proprietor  
Membership No.38660

**Consolidated Balance Sheet as at 31<sup>st</sup> March, 2008**

(Amt. in Rs.)			
Particulars	Sch.	As at 31-03-2008	As at 31-03-2007
<b>SOURCES OF FUNDS</b>			
Share Capital	1	564,787,500	64,787,500
Reserves & Surplus	2	955,483,683	683,772,792
<b>Loan Funds</b>			
Secured Loan	3	663,673,629	774,207,545
Unsecured Loan	4	807,383,898	490,789,020
Deferred Tax Liability		5,093,191	5,548,261
<b>Total</b>		<b>2,996,421,901</b>	<b>2,019,105,118</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	2,341,343,092	1,780,283,880
Less: Depreciation		401,792,267	378,143,548
Net Block		<b>1,939,550,825</b>	<b>1,402,140,332</b>
Capital Work-In-Progress		61,721,158	19,128,489
<b>Investments (At Cost)</b>	6	138,983,404	2,112,691
<b>Current Assets, Loans and Advances</b>			
Raw Materials	7	6,083,613	6,646,463
Sundry Debtors	8	263,235,438	320,435,825
Cash and Bank Balances	9	256,948,266	248,001,769
Loans & Advances	10	511,102,189	375,937,829
Minority Interest		(4,590,391)	(2,235,822)
		<b>1,032,779,115</b>	<b>948,786,064</b>
<b>Current Liabilities and Provisions</b>			
Current Liabilities	11	131,262,174	252,915,697
Provisions		57,324,701	106,710,302
		<b>188,586,875</b>	<b>359,625,999</b>
Net Current Assets		<b>844,192,240</b>	<b>589,160,065</b>
<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)	12	11,974,274	6,563,541
<b>Total</b>		<b>2,996,421,901</b>	<b>2,019,105,118</b>
<b>Notes forming part of the Accounts &amp; Accounting Policies</b>	<b>23</b>		

As per our Report of even date  
For **H.H.Topiwala & Co.**  
Chartered Accountants

For and on behalf of the Board

**(H.H.Topiwala)**  
Proprietor  
Membership No.38660

**(Viidyaa Moravekar)**  
Managing Director

**(Arun Tari)**  
Director

**(Chirag N. Shah)**  
Company Secretary

Mumbai, August 30, 2008

Mumbai, August 30, 2008

NOTE: Figures pertaining to Foreign Subsidiaries have been translated at exchange rates prevailing as on 31-03-2008

# Consolidated Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008

(Amt. in Rs.)

Particulars	Sch.	Year ended 31-03-2008	Year ended 31-03-2007
<b>INCOME</b>			
Income from Information Technology	13	309,189,923	257,954,814
Income from Hospitality	14	489,678,188	547,949,210
Income from Travel Agency	15	15,065,159	-
Other Income	16	534,460,840	525,995,191
		<u>1,348,394,110</u>	<u>1,331,899,215</u>
<b>EXPENDITURE</b>			
Materials Consumed	17	73,244,772	100,373,403
Personnel Expenditure	18	224,324,313	233,353,211
Software Development Expenses	19	101,321,800	100,597,927
General & Administrative Expenses	20	329,188,270	293,905,049
Depreciation & Amortisation	5	53,209,471	50,631,320
Interest and Finance Charges	21	69,708,772	88,747,536
Preliminary Expenses Written Off	22	2,090,853	1,556,051
Provision for the diminution in value of investments		122,993	206,929
Minority Interest		1,779,203	1,330,787
		<u>854,990,447</u>	<u>870,702,213</u>
<b>PROFIT BEFORE TAX</b>		<u>493,403,663</u>	<u>461,197,002</u>
Less : Provision for Fringe Benefit Tax		491,377	214,213
Less: Tax for the Current Year		153,156,332	132,705,645
<b>PROFIT AFTER TAX</b>		<u>339,755,954</u>	<u>328,277,144</u>
Add: Provision for Taxation Written Back		77,023	(58,764)
Add: Prior Period Adjustments		-	1,230,562
Add: Profit / (Loss) brought forward from the previous year		505,308,533	201,019,218
<b>Amount available for appropriation</b>		<u>845,141,510</u>	<u>530,468,160</u>
<b>APPROPRIATIONS:</b>			
General Reserve		15,000,000	10,000,000
Proposed Dividend			
On equity shares		16,196,875	12,957,500
On preference shares		8,054,795	-
Tax on Dividend including surcharge		4,121,572	2,202,127
<b>Balance carried to Balance Sheet</b>		<u>801,768,268</u>	<u>505,308,533</u>
<b>Total</b>		<u>845,141,510</u>	<u>530,468,160</u>
Earnings Per Share (Equity shares, par value of Rs.5/- each)		26.22	25.33
<b>Notes forming part of the Accounts &amp; Accounting Policies</b>	<b>23</b>		

As per our Report of even date  
For **H.H.Topiwala & Co.**  
*Chartered Accountants*

For and on behalf of the Board

**(H.H.Topiwala)**  
*Proprietor*  
Membership No.38660

**(Viidyaa Moravekar)**  
*Managing Director*

**(Arun Tari)**  
*Director*

**(Chirag N. Shah)**  
*Company Secretary*

Mumbai, August 30, 2008

Mumbai, August 30, 2008

NOTE: Figures pertaining to Foreign Subsidiaries have been translated at exchange rates prevailing as on 31-03-2008

## Schedules forming part of the Consolidated Balance Sheet

	(Amt. in Rs.)	
	As at 31-03-2008	As at 31-03-2007
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised:</b>	250,000,000	250,000,000
50,000,000 Equity Shares of Rs.5 each		
100,000,000 Preference Shares of Rs.5 each (Previous Year - Nil)	500,000,000	-
	<u>750,000,000</u>	<u>250,000,000</u>
<b>Issued, Subscribed and Paid Up:</b>		
12,957,500 Equity Shares of Rs.5 each fully paid up (includes 1,400,000 equity shares of Rs. 5 each, allotted as fully paid up Bonus shares out of free reserves)	64,787,500	64,787,500
100,000,000 Cumulative Non Convertible Redeemable Preference Shares of Rs.5 each (Previous Year - Nil)	500,000,000	-
	<u>564,787,500</u>	<u>64,787,500</u>
<b>SCHEDULE 2: RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	103,051,500	103,051,500
Less:- Stamp Duty paid on Amalgamation	3,017,478	-
Add:- Amount Forfeited on Warrants	21,996,392	-
	<u>122,030,414</u>	<u>103,051,500</u>
<b>Securities Premium Account</b>		
As per last Balance Sheet	669,200	669,200
<b>General Reserve</b>		
As per last Balance Sheet	99,050,000	89,050,000
Transferred from Profit and Loss Account	15,000,000	10,000,000
	<u>114,050,000</u>	<u>99,050,000</u>
<b>Profit and Loss Account</b>		
Balance Carried Forward	801,768,268	505,308,533
Currency Translation Reserve	(83,034,199)	(24,306,441)
	<u>955,483,683</u>	<u>683,772,792</u>
<b>SCHEDULE 3 : SECURED LOAN</b>		
From Banks	663,673,629	774,207,545
(Against hypothecation of Motor Vehicle and mortgage of Office Premises.)	<u>663,673,629</u>	<u>774,207,545</u>
<b>SCHEDULE 4 : UNSECURED LOAN</b>		
From Other Companies	807,383,898	490,789,020
	<u>807,383,898</u>	<u>490,789,020</u>

## SCHEDULE 5 : FIXED ASSETS

(Amt. in Rs.)

DESCRIPTION	GROSS BLOCK (At Cost)					DEPRECIATION					NET BLOCK		
	As at 01-04-2007	Additions during the year	Deductions during the year	Translation Adjustment	As at 31-03-2008	As at 01-04-2007	Additions during the year	For the year	Deduction during the year	Translation Adjustment	As at 31-03-2008	As at 31-03-2008	As at 31-03-2007
Land	258,846,402	498,656,879	-	(32,022,617)	705,480,665	-	-	-	-	-	-	705,480,665	238,846,402
Building	1,077,638,273	54,060,781	-	(80,764,285)	1,050,934,769	214,476,121	-	19,861,894	-	(16,343,930)	217,994,085	832,940,684	863,162,150
Office Premises	137,072,282	54,209,048	-	-	191,281,330	136,258	-	2,047,349	-	-	2,183,607	189,097,723	136,936,024
Plant & Machinery	132,650,350	3,949,341	23,000	(8,934,359)	127,642,332	96,544,425	-	3,126,554	6,430	(7,645,138)	92,019,411	35,622,921	36,105,925
Computers	6,738,464	6,674,060	955,881	-	12,456,643	6,066,321	216,217	1,696,727	937,615	-	7,041,650	5,414,993	672,143
Furniture & Fixtures	89,460,713	13,363,851	413,562	(6,385,040)	96,025,962	28,894,900	124,971	14,950,557	177,710	(2,149,555)	41,643,163	54,382,799	60,565,813
Motor Vehicle	17,661,257	11,930,991	880,000	(430,801)	28,281,447	7,335,632	-	1,796,542	92,532	(439,585)	8,600,057	19,681,390	10,325,625
Office Equipments	36,370,618	15,089,547	465,054	(2,773,813)	48,221,318	20,809,327	157,717	6,230,078	240,978	(1,676,564)	25,279,580	22,941,738	15,561,291
Air Conditioner	3,766,707	1,310,627	331,688	-	4,745,647	666,306	71,208	203,672	132,088	-	809,098	3,936,549	3,100,401
Electrical Installations	632,697	5,117,037	28,000	-	5,721,734	72,605	1,681	173,349	5,332	-	242,303	5,479,431	560,092
Goodwill	12,970,823	28,815,625	-	(1,307,295)	40,479,153	-	-	-	-	-	-	40,479,153	12,970,823
Borrowing Cost	1,992,740	-	-	(163,445)	1,829,295	596,428	-	145,366	-	(50,195)	691,599	1,137,696	1,396,312
Capital Improvement	24,482,553	5,768,312	-	(2,008,069)	28,242,797	2,545,225	-	2,977,383	-	(234,894)	5,287,714	22,955,083	21,937,328
<b>Total</b>	<b>1,780,283,880</b>	<b>698,946,100</b>	<b>3,097,165</b>	<b>(134,789,723)</b>	<b>2,341,343,092</b>	<b>378,143,548</b>	<b>571,794</b>	<b>53,209,471</b>	<b>1,592,685</b>	<b>(28,539,861)</b>	<b>401,792,267</b>	<b>1,939,550,825</b>	<b>1,402,140,332</b>
<b>Previous Year</b>	<b>1,631,328,605</b>	<b>186,434,625</b>	<b>4,252,600</b>	<b>(33,226,750)</b>	<b>1,780,283,880</b>	<b>339,231,188</b>	<b>-</b>	<b>50,631,320</b>	<b>1,849,393</b>	<b>(9,869,567)</b>	<b>378,143,548</b>	<b>1,402,140,332</b>	<b>1,292,097,417</b>

Capital Work in Progress  
(Previous year : Rs.19,128,489/-)

61,721,158

## Schedules forming part of the Consolidated Balance Sheet

### SCHEDULE 6 : INVESTMENTS (At Cost) - Long Term

#### A) Investment in Equity Shares (Non-Trade-Quoted)

(Amt. in Rs.)

Sr. No.	Name of the Company	No. of Shares / Units 31-03-2008	No. of Shares 31-03-2007	Face Value Per Share (Rs.)	As At 31-03-2008	As At 31-03-2007
1	Himachal Fut. Comm.	53,600	53,600	10	1,501,802	1,501,802
2	Punjab Tractors Ltd.	300	300	10	62,133	62,133
3	Silverline	5,300	5,300	10	37,443	37,443
4	Tips Industries	5,000	5,000	10	197,837	197,837
5	Wellwin Industries Ltd.	3,500	3,500	10	53,350	53,350
6	Carol Infoservices Ltd.	1,900	1,900	10	60,115	60,115
	<b>Total</b>				<b>1,912,680</b>	<b>1,912,680</b>
	<b>Less : Provision for Diminution in Value of Long Term Investments</b>				<b>539,432</b>	<b>416,439</b>
	<b>Total Long Term Investments</b>				<b>1,373,248</b>	<b>1,496,241</b>
	<b>B) Investment in Equity Shares (Non - Trade - Unquoted)</b>					
	<b>Panoramic Investment Advisors Pvt. Ltd.</b>	2,400	-	10	24,000	-
	<b>C) Investment in Mutual Fund</b>					
1)	Kotak Flexi Debt Scheme - Growth (NAV as on 31-03-2008 Rs.1,03,068)	8,151.657	-	10	100,930	-
2)	ICICI Prudential Institutional Short Term Plan-Comm. Op. (NAV as on 31-03-2008 Rs.7,026,156)	447,186.904	-	10	6,989,326	-
3)	LIC Liquid Plus Fund - Growth Plan (NAV as on 31-03-2008 Rs.29,199,207)	2,722,714.488	-	10	29,136,144	-
4)	Reliance Floating Rate Fund-Growth Plan-Growth Option (NAV as on 31-03-2008 Rs.1,04,839)	8,277.392	-	10	100,000	-
5)	Reliance Natural Resource Fund Dividend Plan (NAV as on 31-03-2008 Rs.9,410,758)	977,995.110	-	10	10,000,000	-
6)	Sundaram BNP Paribus Growth Fund (NAV as on 31-03-2008 Rs.5,404,106)	424,124.184	-	10	10,000,000	-
7)	Franklin Templeton Mutual Fund (NAV as on 31-03-2008 Rs.605,926)	60,296.530	-	10	605,926	566,870
8)	LIC Liquid Plus Fund - Growth Plan (NAV as on 31-03-2008 Rs.65,119,621)	6,072,155.896	-	10	65,000,000	-
	<b>D) National Savings Certificate</b>				6,000	6,000
	<b>E) Investment in Saraswat Co-Op Bank Ltd.</b>				43,580	43,580
	<b>F) Inter-Connected Stock Exchange of India Ltd.</b>	62,413	-	1	15,604,250	-
	<b>Grand Total</b>				<b>138,983,404</b>	<b>2,112,691</b>

Aggregate Book Value of Investments

Quoted - Market Value Rs.1,610,390/- (Previous Year - Rs.1,604,020/-)

### SCHEDULE 7 : INVENTORIES (At Cost)

Raw Materials

6,083,613

6,646,463

**6,083,613****6,646,463**

### SCHEDULE 8 : SUNDRY DEBTORS

(Unsecured, considered good)

Over six months

1,691,623

179,362

Others

261,543,815

320,256,463

**263,235,438****320,435,825**

## Schedules forming part of the Consolidated Balance Sheet

(Amt. in Rs.)

	As at 31-03-2008	As at 31-03-2007
<b>SCHEDULE 9 : CASH AND BANK BALANCES</b>		
Cash in hand	8,376,205	4,375,528
Bank balances		
With Scheduled Banks	77,503,288	101,625,536
Commercial Bank of Dubai - UAE	966,518	528,544
(Maximum balance during the year Rs.1,349,945/-)		
ANZ Bank - New Zealand	-	15,572
(Maximum balance during the year Rs.13,967,683/-)		
ANZ Banking Group (NZ) Ltd -Current account	2,330,784	558,267
(Max. balance during the year Rs.19,395,497/-)		
First Union Wachovia-check A/c	-	1,525,982
First Union Wachovia-HIM A/C	-	863
M & T Bank-Syracuse A/c.8890764262	368,573	234,376
(Maximum balance during the year Rs.2,256,756/-)		
Wachovia - M M S A/c No.9304	515	537
(Maximum balance during the year Rs.515/-)		
ANZ Banking Group (NZ) Ltd - Term Deposit Account	1,652,478	-
Wachovia Money Market Account A/c.3134	21,967,306	44,107,623
(Maximum balance during the year Rs.170,903,700/-)		
First Union -Comfort Inn- CK	-	820
Merchant Account - Chase Merchant	8,951,150	7,906,472
Wachovia Bank - M M S A/c No.9359	1,406,410	11,026,747
(Maximum balance during the year Rs.9,921,347/-)		
Bank of America A/c No.0740	2,545,704	798,039
(Maximum balance during the year Rs.24,335,880/-)		
TD Banknorth	2,291,660	3,309,997
(Maximum balance during the year Rs.8,032,204/-)		
Bank of America A/c No.640	715,800	5,055,732
(Maximum balance during the year Rs.1,534,491/-)		
First Union Wachovia - Check 1590	3,873,563	-
(Maximum balance during the year Rs.27,192,612/-)		
Wachovia Bank MMI - No.3755	240,463	-
(Maximum balance during the year Rs.60,525,000/-)		
Belmax Inc	39,168,332	60,424,000
(Maximum balance during the year Rs.39,168,332/-)		
Wachovia Bank - A/c 8097	1,057,814	2,860,087
(Maximum balance during the year Rs.4,827,285/-)		
Wachovia Bank - Cash Manager A/c.0140	39,620	-
(Maximum balance during the year Rs.39,620/-)		
Wachovia Bank A/c No. 8385	86,490	545,316
(Maximum balance during the year Rs.953,027/-)		
First Merit Bank A/c No. 3895	1,589,000	1,105,074
(Maximum balance during the year Rs.3,403,168/-)		
First Merit Bank A/c No. 3900	212,165	327,217
(Maximum balance during the year Rs.581,281/-)		
Bank of America	18,740	-
(Maximum balance during the year Rs.987,634/-)		
Bank of America - IT	4,595,920	-
(Maximum balance during the year Rs.4,595,920/-)		
Wachovia Bank - 3134	633,920	-
(Maximum balance during the year Rs.633,920/-)		
Wachovia Bank - 3121	237,720	-
(Maximum balance during the year Rs.633,920/-)		
Wachovia - Account 1084	(1,790,089)	-
(Maximum balance during the year Rs.1,996,044/-)		
Commerce Bank - A/c7925188844	1,715,348	-
(Maximum balance during the year Rs.14,108,639/-)		
Wachovia Bank A/c No. 324741	745,648	-
(Maximum balance during the year Rs.2,339,105/-)		
Commerce Bank - A/c.7923075035	72,267	-
(Maximum balance during the year Rs.435,160/-)		
Bank of Baroda - Current Depos Account (USA)	15,649,900	-
Fixed Deposits with Scheduled Banks	1,320,000	1,320,000
Remittance in Transits	-	349,440
Demand Draft in Hand	58,405,054	-
	<b>256,948,266</b>	<b>248,001,769</b>



## Schedules forming part of the Consolidated Balance Sheet

	(Amt. in Rs.)	
	As at 31-03-2008	As at 31-03-2007
<b>SCHEDULE 10 : LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Accrued Interest	143,184	68,426
Loan to Subsidiaries	50,000	3,336,226
Advances recoverable in cash or in kind or for value to be received	471,283,791	349,119,329
Advance for Technical Know How	10,112,387	10,112,387
Deposits	3,050,364	5,536,743
Advance Tax and TDS	22,463,751	4,223,096
Prepaid Expenses	3,998,712	3,541,622
	<u>511,102,189</u>	<u>375,937,829</u>
<b>SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Advance Against Warrants	-	21,996,392
Advances	13,408,031	141,377,796
Deferred Tax Liability	196,302	-
Duties & Taxes	57,931,672	18,079,674
Other Liabilities	14,407,785	22,364,891
Overdrawn Bank Balances	-	1,266,087
Sundry Creditors	44,555,267	47,111,231
Unclaimed Dividend	763,118	719,626
	<u>131,262,174</u>	<u>252,915,697</u>
<b>PROVISIONS</b>		
Other Provisions	8,467,203	1,117,043
Proposed Dividend	24,251,670	12,957,500
Provision for Dividend Tax	4,121,572	2,202,127
Provision for Fringe Benefit Tax	727,577	296,200
Provision for Taxation	19,756,679	90,137,432
	<u>57,324,701</u>	<u>106,710,302</u>
<b>Total</b>	<u>188,586,875</u>	<u>359,625,999</u>
<b>SCHEDULE 12 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
GDR Issue Expenses	3,433,754	3,292,154
Merger & Amalgamation Expenses	75,118	-
Preliminary Expenses	3,650,391	213,462
Pre-operative Expenditure	1,963,011	-
Right Issue Expenses	-	304,000
Share Issue Expenses	2,852,000	2,753,925
	<u>11,974,274</u>	<u>6,563,541</u>

## Schedules forming part of the Consolidated Profit and Loss Account

(Amt. in Rs.)

	Year ended 31-03-2008	Year ended 31-03-2007
<b>SCHEDULE 13 : INCOME FROM INFORMATION TECHNOLOGY</b>		
Income from I T Export	309,134,663	255,570,442
Income from I T Activities Abroad	-	2,224,343
Income from DTA Sales	55,260	160,029
	<b>309,189,923</b>	<b>257,954,814</b>
<b>SCHEDULE 14 : INCOME FROM HOSPITALITY</b>		
Income from Lodging & Boarding	438,834,417	390,738,066
Income from sale of Food & Beverages	50,843,771	157,211,144
	<b>489,678,188</b>	<b>547,949,210</b>
<b>SCHEDULE 15 : INCOME FROM TRAVEL AGENCY</b>		
Income from Foreign Currency	88,182	-
Income from Commission on Tickets & Other Services	14,976,977	-
	<b>15,065,159</b>	-
<b>SCHEDULE 16 : OTHER INCOME</b>		
Consultancy Income	512,825,792	507,723,717
Dividend on Long Term Investments	2,802,734	28,910
Exchange Rate Fluctuations - Gain	-	1,804,586
Interest (TDS Amount Rs.9,444/-)	184,068	90,657
Other Income	12,263,479	16,187,715
Profit on sale of Investments	6,384,767	159,606
	<b>534,460,840</b>	<b>525,995,191</b>
<b>SCHEDULE 17 : MATERIALS CONSUMED</b>		
Opening Stock	4,923,434	5,541,072
Add : Purchases during the year	72,287,885	99,711,839
Add : Freight Inward	219,120	43,926
	<b>77,430,439</b>	<b>105,296,837</b>
Less : Closing Stock	4,185,667	4,923,434
	<b>73,244,772</b>	<b>100,373,403</b>
<b>SCHEDULE 18 : PERSONNEL EXPENDITURE</b>		
<b>(Salaries including overseas staff expenses)</b>		
Salaries & Allowances	213,472,200	224,648,827
Bonus & Ex-Gratia	243,717	19,327
Contribution to PF & ESIC	2,334,463	1,146,959
Directors' Remuneration	3,990,890	3,362,240
Gratuity	1,231,775	143,030
Keyman Insurance	462,279	462,279
Leave Encashment	190,915	288,898
Medical Reimbursement	3,776	12,563
Partners' Remuneration	60,000	60,000
Staff Training & Development Exps.	470,995	528,732
Staff Welfare Expenses	1,863,303	2,680,356
	<b>224,324,313</b>	<b>233,353,211</b>
<b>SCHEDULE 19 : SOFTWARE DEVELOPMENT EXPENSES</b>		
Consultancy charges	101,321,800	100,597,927
	<b>101,321,800</b>	<b>100,597,927</b>

## Schedules forming part of the Consolidated Profit and Loss Account

	(Amt. in Rs.)	
	Year ended 31-03-2008	Year ended 31-03-2007
<b>SCHEDULE 20 : GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
Accounting Fees	869,162	387,801
Advertisement & Sales Promotion	25,787,001	18,383,752
Audit Fees	620,451	483,666
Sundry Balance W/ Off.	791,526	-
Books & Periodicals	105,549	55,545
Cleaning & Sanitation	2,987,606	1,857,110
Commission / Discount Expenses	7,780,343	5,287,129
Communication Expenses	8,744,648	6,925,720
Computer Expenses	304,819	391,530
Consumable Stores	488,789	482,707
Donations & Gifts	150,752	130,071
Electricity & Water Charges	4,721,803	2,798,017
Entertainment Expenses	660,653	82,497
Exchange Rate Fluctuation Loss	23,149,268	799,169
Franchise Fees	25,522,678	27,871,839
Fuel	23,120,805	14,845,046
Housekeeping Charges	31,632,559	61,663,923
Insurance Charges	25,037,240	20,909,811
Kitchen & Restaurant Expenses	199,125	65,283
Labour Charges	3,564,469	5,515,448
License & Fees	1,537,826	1,775,042
Loss on Discarding / Sale of Fixed Assets	886,485	1,076,515
Membership & Subscription	2,639,199	3,886,485
Miscellaneous Expenses	4,174,502	4,021,880
Office Expenses	460,887	668,696
PF Administration Charges	201,054	111,176
Printing & Stationery	1,397,501	1,094,783
Professional Fees	41,995,789	42,206,513
Rent, Rates & Taxes	27,238,064	23,392,872
Repairs & Maintenance :		
Buildings	8,312,770	328,424
Machinery	6,145,229	4,380,402
Others	18,637,479	16,364,477
Right Issue Expenses	1,373,600	-
Sales Tax / VAT Expenses	5,017,488	4,227,753
Security Charges	2,346,721	1,723,575
Selling & Distribution Expenses	116,798	689,540
Transportation expenses	58,606	279,595
Travel & Conveyance Expenses	14,284,515	12,710,883
Vehicle Expenses	6,100,458	6,025,173
Wealth Tax	24,053	5,201
	<b>329,188,270</b>	<b>293,905,049</b>
<b>SCHEDULE 21 : INTEREST &amp; FINANCIAL CHARGES</b>		
Bank Charges	3,988,343	5,543,651
Foreign Bank Charges	159,069	133,335
Interest Charges - Others	31,302	-
Interest on Secured Loan	65,530,058	83,070,550
	<b>69,708,772</b>	<b>88,747,536</b>
<b>SCHEDULE 22 : PRELIMINARY EXPENSES WRITTEN OFF</b>		
Computer Software Expenditure	-	174,198
Merger & Acquisition Expenses	75,124	75,124
Miscellaneous Expenditure	728,308	720,308
Preliminary Expenses	283,421	283,421
Share Issue Expenses	1,004,000	303,000
	<b>2,090,853</b>	<b>1,556,051</b>

# Schedule : 23 Notes on Consolidated Balance Sheet and Profit and Loss Account

## 1 SIGNIFICANT ACCOUNTING POLICIES :

a) The consolidated financial statements comprise Panoramic Universal Ltd. and its subsidiary companies. The consolidated financial statement have been prepared on following basis:

- i) The financial statement of the Company and its subsidiary companies are combined line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21-"Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is taken to cumulative currency translation reserve as shown separately.
- iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

b) Other significant accounting policies

i) **Convention:**

The Financial Statements are prepared under Historical Cost Convention in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the presentational requirements laid down by the Companies Act, 1956.

ii) **Fixed Assets:**

Fixed assets are stated at their original cost along with taxes, duties, freights and any directly attributable cost of bringing the asset to its working condition for the intended use up to the date of commissioning for operation, attributable to acquisition / construction of the concerned assets except where fixed assets are taken over at consolidated price . Fixed Assets acquired on business purchase at consolidated price have been stated at replacement cost except for land which is stated at fair value. Capital work-in-progress represents furniture and fixtures , advances etc.

iii) **Depreciation and Amortization:**

Depreciation on assets other than those situated in the New Zealand has been provided at the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956 on the straight line basis. Depreciation in respect of the assets in the USA and New Zealand has been provided according to the provisions of the Taxation Laws prevailing in the respective countries.

iv) **Investments:**

Long term Investments are stated at cost. Provision for diminution in the value of long term investments are made into the account. Profit or loss on sale of investments are taken in to account at the time of sale of investments.

v) **Inventories:**

Inventories of food materials and beverages, stores and supplies are valued at cost on First-In, First-Out basis

vi) **Employees benefit:**

### **Post - employment benefit plans-India**

Contributions to defined contribution retirements benefits schemes are recognized as an expenses when employees have rendered services entitling to contributions. For defined benefit schemes, the cost of providing benefits is determined using the Project Unit Credit Method, with actuarial valuations at the balance sheet date, carried out by an independent actuary.

Gratuity is a defined benefit scheme and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial gains and losses are charged to the profit and loss account

Leave encashment is another long term employee benefit and is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. The Company accrues for the expected cost of short term compensated absences in the period in which the employee renders services.

## Notes on Consolidated Balance Sheet and Profit and Loss Account (Contd...)

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are charged to the profit and loss account. In respect of employees in Partnership firm provision for gratuity and leave encashment has been made on an estimated basis.

### vii) Sales and Services:

On time-and-materials contracts, revenue from software development is recognized as the related services are rendered and billed to clients as per the terms of specific contracts. On fixed -price contracts, revenue is recognized based on the milestones achieved as specified in the contracts on the basis of the work completed.

In respect of Hospitality business, sales comprise of sale of rooms, rentals ,food and beverages and allied services relating to hotel operations.

In respect of Travel Agency business, income comprise Travel and ticketing, foreign exchange etc.

### viii) Taxation:

- (i) Provision for current taxation is on account of Minimum Alternate Tax in accordance with the Income Tax Laws applicable to the assessment year and Wealth Tax for the year has been provided as per Wealth Tax Act and Rules, 1957
- (ii) Provision for Fringe Benefit Tax has been made in accordance with the Income Tax Laws applicable to the assessment year.
- (iii) Deferred Tax is recognized on timing difference: being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation, or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.
- (iv) The Company has not provided for Deferred Taxation on its income in India as the income from IT business is exempted from Income Tax up to the year ending 31.3.2010 under Section 10A of the Income Tax Act, 1961 and due to loss in its Hospitality business.
- (v) Provision for current tax and deferred tax in respect overseas subsidiaries has made as per Taxation Laws in the respective countries.

### ix) Impairment of assets:

There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.

### x) Foreign Currency Transactions

Transaction in foreign currency (currency other than companies' functional currency) are booked at the exchange rate prevailing on the date of the particular transaction. Any gain or loss arising from exchange rate fluctuations has been taken to Profit & Loss Account. All monetary items denominated in foreign currencies at the end of the period have been translated at the period end rates. In respect of income and expenditure at the overseas branches, month-end exchange rates have been adopted. Foreign currency translation treatment in respect of foreign subsidiaries is described in 1 (a) (ii).

### xi) Deferred Revenue Expenses:

Deferred Revenue Expenses have been deferred to be written off over a period of five years.

### xii) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates. Contingent Liabilities are not recognized in the financial statements

### xiii) Borrowing Costs

Borrowing Costs incurred on acquisition of fixed assets has been classified under "Fixed Assets".

## Notes on Consolidated Balance Sheet and Profit and Loss Account (Contd...)

### 2 The subsidiary companies considered in the consolidated financial statements are:

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest
Panoramic Ace Properties Inc. USA	U.S.A.	100%
Sai Properties Inc., USA	U.S.A.	100%
Sai Motels Limited, NZ	New Zealand	100%
Georgian Motel Corp. USA (Georgian Motel Corp is a wholly owned subsidiary of Panoramic Ace Properties Inc .)	U.S.A.	100%
Sai Living Hudson Inc. USA (Sai Living Hudson Inc. is a wholly owned subsidiary of Panoramic Ace Properties Inc Sai Living Hudson Inc. was acquired on 15th October , 2005 .)	U.S.A	100%
Travel Universe Inc. (Travel Universe Inc. is a wholly owned subsidiary of Panoramic Ace Properties Inc. acquired on 9.11.2007.)	USA	100.00%
Indo Pacific Hotels Ltd (formerly known as Enya Technologies Pvt. Ltd.)	India	100.00%
Panoramic Holidays Ltd. (formerly known as Ambitious Infrastructure Pvt. Ltd)	India	100.00%
Hi-Flyers Travel Services Ltd	India	78.07%

### 3 Secured Loans:

#### a) Term Loans: -India :

- (i) Term Loan of Rs. 530.17 lakhs from Saraswat Co-op bank Ltd. is secured by mortgage of Office Premises at 4th Floor, Aman Chambers, Prabhadevi, Mumbai 400025.
- (ii) Term Loan of Rs.65.80 lakhs from Axis Bank Ltd. is secured by hypothecation of a vehicle
- (iii) Term Loan of Rs.24.48 lakhs from Saraswat Co-op Bank Ltd. is secured by hypothecation of certain vehicles.
- (iv) Term Loan of Rs.1.08 lakhs from ICICI Bank Ltd. is secured by hypothecation of a vehicle.

#### b) Term Loans - Outside India :

- (i) Term Loan of Rs.486.03 lakhs from Zion's Bank. is secured by mortgage of Econolodge Quality Inn property in USA
- (ii) Term Loan of Rs.1140.29 lakhs from H-P Capital LLC. is secured by mortgage of Econolodge Quality Inn property in USA
- (iii) Term Loan of Rs.1058.22 lakhs from Wachovia Securities is secured by mortgage of Comfort Inn property in USA.
- (iv) Term Loan of Rs.1393.84 lakhs from Bank of West is secured by mortgage of Holiday Inn Hudson property in USA
- (v) Term Loan of Rs.1456.19 lakhs from Zion's Bank is secured by mortgage of The Georgian property in USA
- (vi) Term Loan of Rs.106.68 lakhs from Fallbrook Capital Inc. is secured by mortgage of The Georgian property in USA
- (vii) Term Loan of Rs.373.93 lakhs from Mission Oaks National Bank is secured by mortgage of The Georgian property in USA

4 None of the suppliers had informed the Company that they are micro and small enterprises under the. Micro, Small and Medium Enterprises Development Act. Hence information regarding dues to micro and small enterprises could not be furnished.

5 Retirement benefit Plan: (For Employees in India)

The present value of the defined benefit obligation and current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

## Notes on Consolidated Balance Sheet and Profit and Loss Account (Contd...)

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March, 2008

	As at 31-03-2008	As at 31-03-2007
<b>i) Change in Benefit Obligations:-</b>		*
<b>Projected Benefit Obligations ,beginning of the year (1.4.2007)</b>	604,906	-
Service Cost	609,566	-
Interest Cost	48,392	-
Actuarial (Gain)/Loss on obligations	401,644	-
Benefits Paid	(206,054)	-
<b>Projected Benefit Obligations , end of the year (31-03-2008)</b>	1,458,454	-
<b>ii) Change in Plan assets:</b>	N.A	N.A
<b>iii) Net Gratuity and other cost for the year ended 31st March 2008</b>		
Service Cost	609,566	-
Interest on defined benefit obligation	48,392	-
Expected return on plan assets	N.A	-
Net actuarial loss recognized in the year	401,644	-
Net gratuity and other cost	1,059,602	-
<b>iv) Category of Assets as at 31st March 2008</b>	N.A	N.A
<b>vi) Assumption used in accounting for the gratuity plan:</b>		
Discounting Rate (p.a)	8%	-
Increase in Compensation Level	5%	-
<b>Expected rate of return on Plan assets</b>	N.A	N.A

\* As the Accounting Standard -15 "Employee Benefits" became applicable from April 1, 2007 , Net Gratuity and other costs for the year ended 31st March 2007 has not furnished

	2007-08	(Amt. in Rs.) 2006-07
<b>6 Contingent Liabilities</b>		
<b>I</b> Estimated amount of capital commitments not provided for:	113,500,000	Rs. Nil
<b>II</b> Contingent Liabilities not provided for:	Rs. Nil	Rs. Nil
<b>III</b> Guarantees given on behalf of wholly owned subsidiary	53,487,000	58,266,000
<b>7 Profit &amp; Loss Account includes:</b>	2007-08	2006-07
Remuneration to Directors	3,990,890	3,362,240
Sitting Fees	Rs. Nil	Rs. Nil
Other Perquisites	Rs. Nil	Rs. Nil

### 8 Preferential issue of warrants:

The Company had issued warrants on preferential basis to foreign investors which were convertible into equity shares on 4th May, 2007 at the rate of 1 equity share for each warrant. As per the SEBI guidelines, the investors were required to convert the warrants into equity shares within a period of 18 months from the date of allotment. Since the investors failed to convert the same , the advance money received was forfeited pursuant to the said guideline.

### 9 Acquisition

Travel Universe Inc. is a New York Corporation organized under the laws of the State of New York on November 9, 2007. The Company has acquired business of Futures Tours and Travels. Travel Universe Inc. is a wholly owned subsidiary of Panoramic Ace Properties Inc. USA. During the year the Company acquired substantial stake in Hi Flyers Travel Services Ltd in India.

10 The Company has issued 10,00,00,000 7% Cumulative Non Convertible Redeemable preference shares of Rs.5 each redeemable within 20 years

# Notes on Consolidated Balance Sheet and Profit and Loss Account (Contd...)

11 Remuneration to Directors of Rs.3,990,890/- includes Rs.1,404,890/- being commission payable to Managing Director

## 12 Disclosures of related parties for the year ended 31-03-2008

### 1 Enterprises owned by directors / major shareholders of the Company

Panoramic Hotels Ltd., Pancard Clubs Ltd., Pan Product Impex Pvt.Ltd, Panoramic Land Developers Pvt. Ltd, Smooth Financial Pvt. Ltd, Panoramic Resorts (India) Ltd., Pan Herbbo Ltd., Herbo Effect (India) Ltd, Panoramic Investment Advisors Pvt. Ltd., Panoramic Structures Pvt. Ltd, Sai Nirmaan Properties Ltd., Indo Pacific Hotels Ltd. (formerly known as Enya Technologies Pvt.Ltd.) Panoramic Holidays Ltd. (formerly known as Ambitious Infrastructure Pvt .Ltd.) Hi- Flyers Travel Services Ltd., Pan Ad, Grand View Hotel, Restaurant & Bar, Graciano Cottages.

### 2 Key Management Personnel

- a) Viidyaa S. Moravekar Managing Director  
b) Arun B. Tari Whole time Director

### 3 Related party transactions

The Company has entered into the following transactions with related parties during the period. These transactions along with the relevant balances are set out as under:

	2007-08	2006-07
	(Amt. in Rs.)	(Amt. in Rs.)
<b>(i) Transactions with Director</b>		
<b>a) Remuneration</b>		
Arun B. Tari	561,000	327,900
Viidyaa S. Moravekar	3,279,890	3,094,340
Haresh Zaveri	105,000	-
Sujata Zaveri	105,000	-
<b>b) Interest to partners</b>		
Viidyaa S. Moravekar	1,800	1,800
Usha Tari	600	600
<b>(ii) Transactions with Associate Companies</b>		
<b>a) Rent paid</b>		
Pan Herbbo Ltd.	240,000	240,000
<b>b) Rent received</b>		
Pan Herbbo Ltd.	-	180,000
<b>c) Sale of Room Nights</b>		
Pan Herbbo Ltd.	1,164,800	-
<b>(iii) Amount due to related party</b>		
Pancard Clubs Ltd.	-	33,600
<b>(iv) Amount due from related party</b>		
Panoramic Investment Advisors Pvt. Ltd.	50,000	-
<b>(v) Amount due to related party</b>		
Pancard Clubs Ltd.	335,000,000	-
<b>(iv) Dividend paid</b>		
Pancard Clubs Ltd	2,937,500	1,762,500
Panoramic Resorts (India) Ltd	81,228	48,737
Panoramic Land Developers Pvt. Ltd	42,900	25,740
Mrs.Manda Mohan Phatarphekar	117,400	70,440
Mrs Usha Tari	11,000	6,600
Mrs Deepashree Tari	400	240
Mr.Sudhir S. Moravekar	6,449,802	3,869,881



## Notes on Consolidated Balance Sheet and Profit and Loss Account (Contd...)

### 4 Loans/Advances in the nature of Loans given to Subsidiaries and Associates (Pursuant to Clause 32 of the Listing Agreement):-

Name of the Company		(Amt. in Rs.)	
		As at 31-03-2008	As at 31-03-2007
a)	Sai Motels Ltd. (NZ) Subsidiary Maximum Balance during the year Rs. 32,616,476/-	32,616,476	3,336,226
b)	Indo Pacific Hotels Ltd. Subsidiary (Maximum Balance during the year Rs. 142,900,000/-)	-	20,000,000

Notes:-

1 Loans/Advances shown above, to associates fall under the category of Loans & Advances in nature of Loans where there is no repayment schedule and re-payable on demand.

### 5 Investment by the loanee in the shares of the Company

Name of the Company	No. of Shares
a) Sai Motels Ltd.(NZ)	NIL
b) Indo Pacific Hotels Ltd. (formerly known as Enya Technologies Pvt. Ltd.)	50,000

### 13 Segment Reporting :

a) The Company's operations are focused on Software Development, Hospitality Business and Travel Business. Accordingly, these three business divisions comprise the primary basis of the segment information set out in the financial statements:

Particulars	(Amt. in Rs.)			
	IT Business	Hospitality Business	Travel Business	Total
<b>REVENUE</b>				
External Revenue	309,260,092	1,034,406,610	16,257,674	1,348,394,110
Inter-Segment Revenue	-	-	-	-
<b>Total</b>	<b>309,260,092</b>	<b>1,034,406,610</b>	<b>16,257,674</b>	<b>1,348,394,110</b>
<b>RESULT</b>				
Profit before Depreciation, Int. & Tax	145,472,929	466,317,952	9,502,638	616,321,906
Depreciation	1,457,911	51,688,772	311,327	53,209,471
Interest	7,098,237	62,549,494	278,027	69,708,772
Taxation	15,113,525	138,534,184	1,542,634	153,647,709
<b>Net Profit</b>	<b>121,803,256</b>	<b>213,545,502</b>	<b>7,370,650</b>	<b>339,755,954</b>
<b>OTHER INFORMATION</b>				
Segment Assets	161,641,125	2,526,239,413	35,888,129	2,723,768,668
Segment Liabilities	124,657,725	1,350,991,595	501,398	1,476,150,718

b) Secondary Segment Reporting is made on the basis of geographical regions. Revenues are segregated on the basis of the location of the customer who is invoiced or in relation to which the revenue is otherwise recognized.

	(Amt. in Rs.)		
	Asia	Rest of the World	Total
External Revenue	389,757,481	958,636,629	1,348,394,110
		<b>2007-08</b>	<b>2006-07</b>
<b>I</b> Profit Attributable to Equity Shareholders (Rs.)		339,755,954	328,277,144
<b>II</b> Number of Equity Shares		12,957,500	12,957,500
<b>III</b> Nominal Value of Equity Share		Rs. 5	Rs. 5
<b>IV</b> Basic Earnings Per Equity Share		26.22	25.33

15 Corresponding figures for previous years presented have been regrouped, where necessary, to confirm to this year's classification.

As per our Report of even date  
For **H.H.Topiwala & Co.**  
Chartered Accountants

**(H.H.Topiwala)**  
Proprietor  
Membership No.38660  
Mumbai, August 30, 2008

For and on behalf of the Board

**(Viidyaa Moravekar)**  
Managing Director

**(Arun Tari)**  
Director

**(Chirag N. Shah)**  
Company Secretary

Mumbai, August 30, 2008

## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2008

(Amt. in Rs.)

	Year ended 31-03-2008	Year ended 31-03-2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax	493,403,663	461,197,002
Adjustments for :		
Depreciation and Amortisation	53,209,471	50,631,320
Dividend received	(2,802,734)	(28,910)
Interest received	(184,068)	(90,657)
Profit on sale of investment	(6,384,767)	(159,606)
Loss on sale of fixed assets	886,485	1,076,515
Interest paid	69,708,772	83,070,550
Provision for diminution in value of investments	122,993	206,929
Preliminary Expenditure written off	2,090,853	1,556,051
Stamp duty paid on amalgamation	(3,017,478)	-
	<b>113,629,527</b>	<b>136,262,192</b>
Operating Profit before working capital changes	<b>607,033,190</b>	<b>597,459,194</b>
Movement in Working Capital :		
(Increase) / Decrease in Sundry Debtors	57,200,387	(161,181,548)
(Increase) / Decrease in Inventory	562,851	1,487,566
(Increase) / Decrease in Loans & Advances	(135,164,360)	(159,700,077)
(Increase) / Decrease in Minority Interest	575,366	615,253
(Increase) / Decrease in Misc. Expenditure	(7,501,586)	(3,228,934)
Increase / (Decrease) in Current Liabilities	(121,653,523)	124,520,013
Increase / (Decrease) in Share Capital	500,000,000	-
Increase / (Decrease) in Provision	(49,385,601)	93,434,594
	<b>244,633,535</b>	<b>(104,053,133)</b>
Cash generated from Operations	851,666,725	493,406,061
Direct Tax Paid	(154,102,779)	(105,213,615)
Prior Period Items	77,023	(1,230,562)
<b>Net Cash Flow from Operating Activities ( A)</b>	<b>697,640,969</b>	<b>386,961,884</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchases of Fixed Assets	(634,717,113)	(205,124,621)
Purchase of Investments	(1,149,744,313)	(72,490)
Sale of Investments	1,019,135,373	1,635,465
Sale of Fixed Assets	617,995	(1,326,692)
Dividend received	2,802,734	28,910
Interest received	184,068	90,657
<b>Net cash Flow from Investing Activities (B)</b>	<b>(761,721,255)</b>	<b>(204,768,771)</b>

## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2008 (Contd...)

	(Amt. in Rs.)	
	Year ended 31-03-2008	Year ended 31-03-2007
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Secured Loan from Bank	(110,533,916)	(21,297,721)
Unsecured Loan	316,594,878	114,996,239
Amount Forfeited on warrants	21,996,392	-
Dividends Paid	(24,251,670)	(12,957,500)
Additional Tax on Dividend	(4,121,572)	(2,202,127)
Minority Interest	1,779,203	1,330,787
Interest Paid	(69,708,772)	(83,070,550)
<b>Net cash Flow from Financing Activities ( C )</b>	<b>131,754,543</b>	<b>(3,200,872)</b>
<b>Adjustment on account of exchange rate</b>	<b>(58,727,760)</b>	<b>(13,653,083)</b>
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	8,946,497	165,339,158
Cash and Cash equivalents at the beginning of the year	248,001,769	82,662,611
<b>Cash and Cash equivalents at the end of the year</b>	<b>256,948,266</b>	<b>248,001,769</b>

As per our Report of even date  
For **H.H.Topiwala & Co.**  
*Chartered Accountants*

For and on behalf of the Board

**(H.H.Topiwala)**  
*Proprietor*  
Membership No.38660

Mumbai, August 30, 2008

**(Viidyaa Moravekar)**  
*Managing Director*

Mumbai, August 30, 2008

**(Arun Tari)**  
*Director*

**(Chirag N. Shah)**  
*Company Secretary*

# Statement pursuant to Section 212 of the Companies Act, 1956

1	Name of the subsidiary	Panoramic Ace Properties Inc. USA	Sai Properties Inc.- USA	Sai Motels Ltd. - New Zealand	Georgian Motel Corp.- USA	Sai Living Hudson- USA	Travel Universal Inc.	Indo Pacific Hotels Ltd (formerly known as Enya Technologies Private Limited)	Panoramic Holidays Ltd. (formerly known as Ambitious Infrastructure Private Limited)	Hi- Flyers Travel Services Ltd.
2	Financial year ended	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08
3	Holding company's interest	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares	100% in equity shares	78.07% in equity shares
4	Shares held by the holding company in the subsidiary	4704 equity shares of USD 2500 each fully paid up amounting to Rs. 522,716,060	220 equity shares of USD 2500 each fully paid up amounting to Rs. 24,084,000	1258665 equity shares of NZD 1 amounting to Rs. 27,710,073	200 equity shares of no par value held by Panoramic Ace Properties Inc. amounting to USD 1,00,000/-	22 equity shares of no par value held by Panoramic Ace Properties Inc amounting to USD 20,22,430/-	1 equity shares of no par value held by Panoramic Ace Properties Inc amounting to USD 7,70,000/-	50,000 equity shares of Rs. 10/ each amounting to Rs. 5,00,000/-	50,000 equity shares of Rs. 10/ each amounting to Rs. 5,00,000/-	1,95,175 equity shares of Rs. 10/ each amounting to Rs. 19,51,750/-
5	The net aggregate of profits or losses for the current period of the subsidiary so far as it concerns the members of the holding company a) dealt with or provided for in the accounts of the holding company b) not dealt with or provided for in the accounts of the holding company.	NIL Profit Rs. 5,13,09,708/-	NIL Profit Rs. 4,69,02,249/-	NIL Loss Rs. (7,46,045) /-	NIL Profit Rs. 6,26,84,619/-	NIL Profit Rs. 5,26,81,679 /-	NIL Profit Rs. 29,63,456/-	NIL * NIL *	NIL * NIL *	NIL Profit Rs. 85,450/-
6	The net aggregate of the profits or losses for previous financial years of the subsidiary so far as it concerns the members of the holding company. a) dealt with or provided for in the accounts of the holding company b) not dealt with or provided for in the accounts of the holding company.	NIL Rs. 8,17,54,980/-	NIL Rs. 53,716,123/-	NIL Rs. (8,227,333) /-	NIL Rs. 7,84,00,564/-	NIL Rs. 5,14,16,660/-	NIL NIL	NIL * NIL *	NIL * NIL *	NIL NIL

\* Not applicable since the Companies has not commenced its operations during the year.

For and on behalf of the Board

(Viidyaa Moravekar)  
Managing Director

(Arun Tari)  
Director

(Chirag N. Shah)  
Company Secretary

Mumbai, August 30, 2008

## Statement pursuant to exemption received under section 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2008

(Amt. in Rs.)

Sr. No	Name of the subsidiary	Country of origin	Capital	Reserves	Total assets	Total Liabilities	Investment other than investment in subsidiary	Turnover	Profit before taxation	Provision for Taxation	Profit after Taxation
1	Panoramic Ace Properties Inc.	USA	465,931,200	133,064,688	938,541,750	339,545,862	-	252,095,726	86,213,319	34,903,611	51,309,708
2	Sai Properties Inc.	USA	21,791,000	100,618,372	249,018,015	126,608,643	-	134,502,128	75,976,833	29,074,584	46,902,249
3	Sai Living Hudson Inc.	USA	80,128,677	104,098,339	361,942,404	177,715,388	-	295,310,552	81,237,602	28,555,923	52,681,679
4	Sai Motels Ltd.	New Zealand	40,063,307	(14,679,915)	67,268,394	41,885,002	-	10,203,464	(746,045)	-	(746,045)
5	Georgian Motel Corp.	USA	3,962,000	219,642,530	444,253,301	220,648,772	-	254,994,491	102,235,399	39,550,780	62,684,619
6	Travel Universe Inc.	USA	30,507,400	2,963,456	52,997,692	19,526,836	-	11,530,266	4,506,090	1,542,634	2,963,456
7	Panoramic Holidays Ltd. (formerly known as Ambitious Infrastructure Private Limited)	INDIA	500,000	-	505,200	5,200	-	*	*	*	*
8	Indo Pacific Hotels Ltd (formerly known as Enya Technologies Private Limited)	INDIA	500,000	-	270,515,000	335,015,000	65,000,000	*	*	*	*
9	Hi-Flyers Travel Services Ltd.	INDIA	2,500,000	(12,405)	6,715,043	4,227,448	-	4,727,408	338,950	253,500	85,450

\* Not applicable since the Companies has not commenced its operations during the year.



## FORWARD LOOKING STATEMENT

In our report we have disclosed forward-looking information so that investors can better understand a Company's future prospects and make informed investment decisions. This annual report and other written and oral statements that we make from time to time contain such forward-looking statements that set out anticipated results based on management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes, and words and terms of similar substance in connection with any discussion of future operating or financial performance.

We cannot guarantee that any forward-looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

