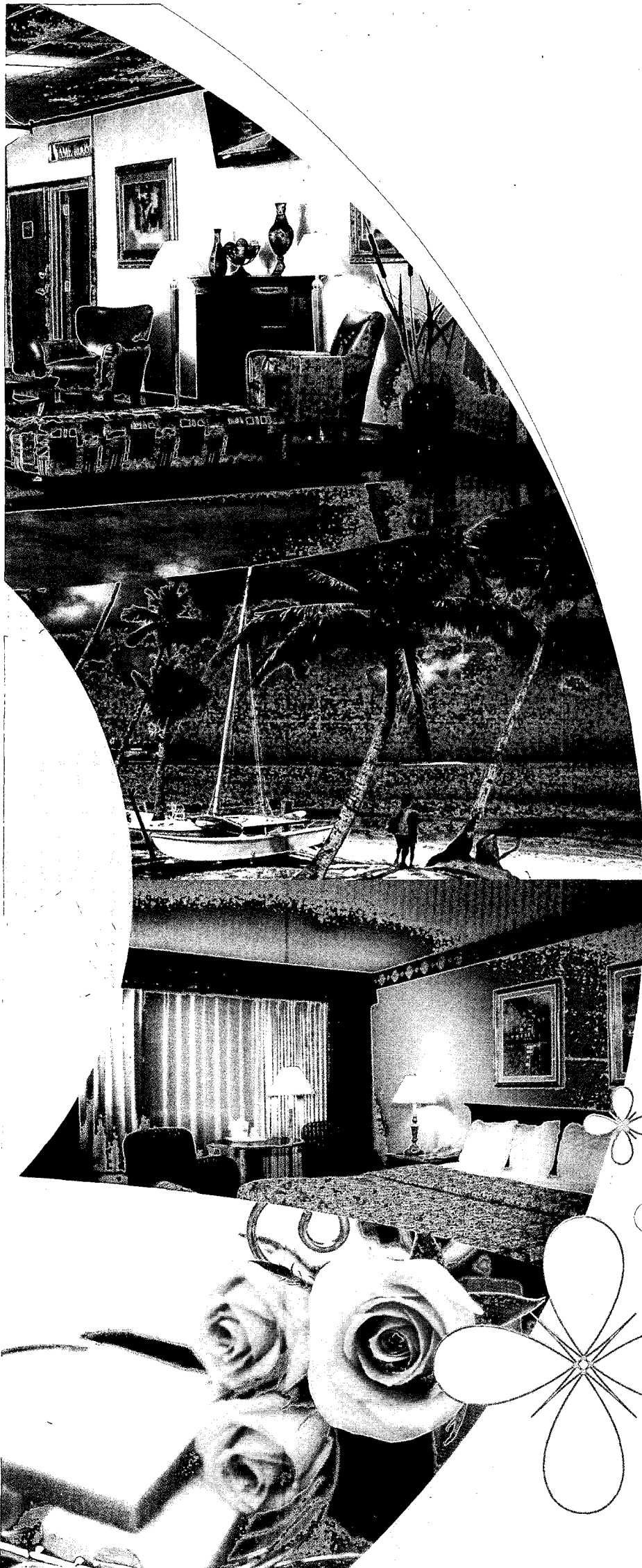




**PANORAMIC**  
**UNIVERSAL LIMITED**



## About Us

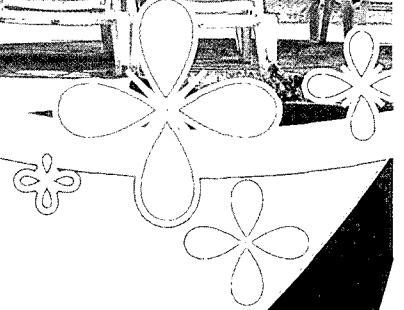
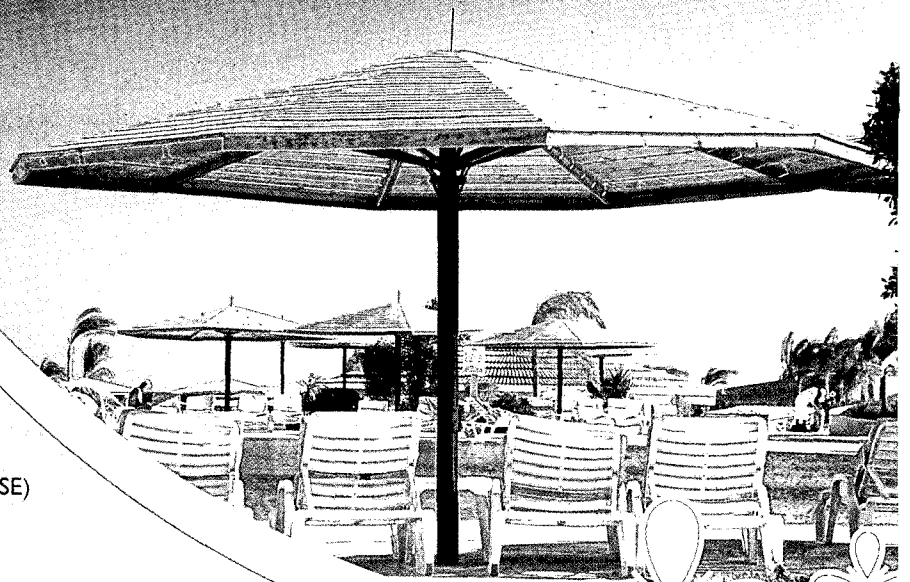
Panoramic Universal Limited is a holistically managed Company with three strategic business divisions – Hospitality, Travel & Tourism and Information Technology (IT). Headquartered in Mumbai, the Company has offices in major cities of India, USA, UK and New Zealand and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

## FY 09 at a glance

+ **Total Revenue: Rs. 1510.50 million**

+ **PAT: Rs. 391.08 million**

+ **EPS: Rs. 30.03**



## Contents

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*Elegant, warm & gracious,  
Personalized, comfortable & soothing,  
Committed to exceed expectations,*



The Panoramic story continues...

Led by the excellent services across our diversified mix of hotels  
at different locations,

Boosted by being present in mid and budget segments in  
overseas market,

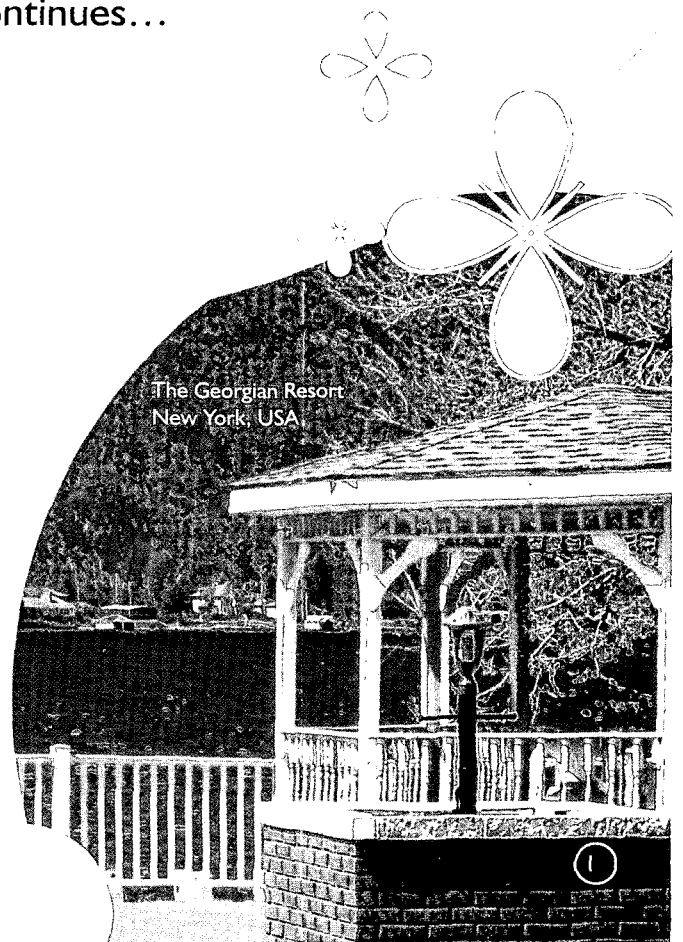
Aided by the launch of unique concepts in hospitality industry

Backed by the opportunity potential across the Indian hospitality  
and tourism sector,

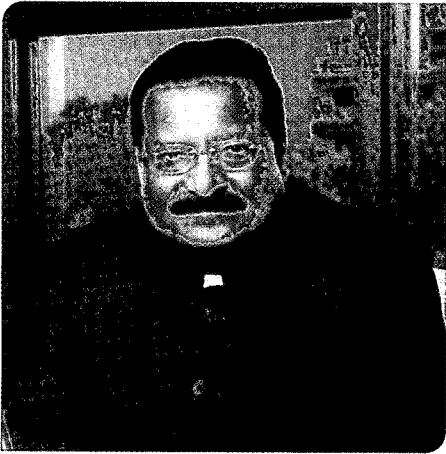
Propelled by the focused expansion & initiatives, strategic  
acquisitions, partnerships and alliances,

Pushed by integrated software solutions in the IT domain,

The Panoramic story continues...



## Letter from the Chairman's Desk



In the year under review, your Company featured amongst the “Top 20 Wealth Creators” (rated by Money Life in January 2009) for the period 1998-2008. The year also marks your Company’s entry into the small cap index on the BSE. Panoramic is now an important entity in the small cap space.



Dear Shareholders,

I am delighted to report another year of continued business progress against a backdrop of adverse global economic conditions. While extreme conditions in USA impacted our operations and occupancy, your Company has not witnessed any dramatic vertical slide, thanks to being present in mid and budget segment and at locations which witness frequent business travelers stopping over. In the domestic market, I am pleased to report that occupancy continued to remain stable across all our key locations.

The consolidated revenues for the year ended 31st March 2009, stood at Rs. 1510.50 million, as compared to Rs. 1348.39 million for the same period in the previous fiscal. Similarly, your Company's operating profit stood at Rs. 665.86 million.

#### Stand alone financials

Particulars	(Rs. million)	
	FY 09	FY 08
Total Revenue	454.10	344.67
Operating Profit	239.29	154.45
PAT	190.43	123.97
Earning per Share (Rs.)	14.70	9.57

#### Consolidated financials

Particulars	(Rs. million)	
	FY 09	FY 08
Total Revenue	1510.50	1348.39
Operating Profit	665.86	617.21
PAT	391.08	340.64
Earning per Share (Rs.)	30.03	26.22

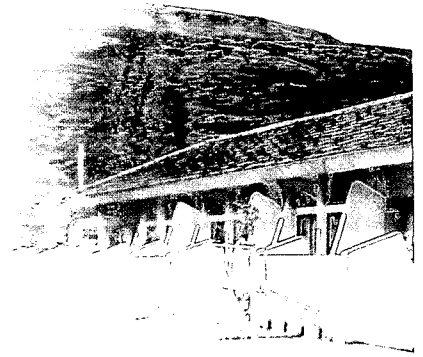
#### External endorsement

In the year under review, your Company featured amongst the "Top 20 Wealth Creators" (rated by Money Life in January 2009) for the period 1998-2008. The year also marks your Company's entry into the small cap index on the BSE. Panoramic is now an important entity in the small cap space. These external endorsements reflect your Company's commitment to growth.

#### Moving ahead

While no business or industry has remained isolated from the economic downturn that swept the globe, we remain confident of the industry's fundamentals and the long term opportunity horizon prevailing especially





in the domestic hospitality market and improving overseas economic scenario. As many say the worst is behind us now. Your Company has initiated and undertaken long term expansion programs in the domestic market. These continue to remain on track. Looking at the vast potential in the sector, even in the tough economic scenario, Panoramic has undertaken all the right measures to ensure that the planned expansion continues with the same passion and vigour. Let me explain the rationale behind our continued optimism.

Over the past few years, India's hospitality sector has already moved up the ladder led by the buoyancy in the domestic economy since 2005-06. The Government's open sky policy, liberalized Foreign Direct Investment (FDI) policies and the Tourism Ministry's efforts to promote tourism have all boosted growth and prosperity across the sector. Research indicates that visitor arrivals into India registered an unprecedented growth rate - a Compounded Annual Growth Rate (CAGR) of 8.6% over last 10 years. Even today, the fundamental appeal of India as a tourism sector continues to attract tourists to the country. The demand from domestic travelers also continues to generate healthy demand in the hospitality sector across cities in India especially for affordable and quality hotels.

#### **Opportunity potential**

India still continues to remain one of the world's fastest growing hotel markets. Occupancy rates for hotels in India are among the highest in the world. Average Room Rate (ARR) for Delhi and Mumbai are comparable to that of global cities such as New York, Singapore and Hong Kong. ARR in India had doubled in the period between 2003-07. In contrast to market fears, it is estimated by many in the industry that the growth rate in ARR's will remain firm in the range of 11-14% during 2008-09 across all segments.

Thus, from a growth driver perspective, India's inherent potential and appeal as a tourist, medical and heritage destination remains unaffected. The sector is actively leveraging its rich historical background and

diversified culture to graduate from being a relatively smaller player to a higher position in the global hospitality arena. India is ranked as the world's fifth most popular tourist destination according to the World Travel and Tourism Council (WTTC). According to WTTC estimates, India's tourism demand is likely to grow at an average rate of 8.8% till 2013 (as against 4% growth globally) which will make it the third fastest growing tourism market in the world.

Additionally, the Government's move to declare hotel and tourism industry as a high priority sector with a provision for 100% FDI through the automatic route has made this industry further lucrative for parking funds. It is estimated that the hospitality sector could see an infusion of USD 11.41 billion by 2011. Also, being a very key sector (tourism industry directly contributes around 2% towards the national GDP), approximately USD 150 billion are expected to be spent over the next five years on tourism related infrastructure by the Government.

#### **Demand supply mismatch**

The Indian hospitality sector has not kept pace with the increasing tourist inflows, resulting in high room rates and low availability of quality rooms across major Indian cities. Although oversupply concerns in the industry persist, incumbent players are expected to benefit in the medium-term from a supply shortfall, more so on account of expected delays in the announced projects. It is estimated that the number of required hotel rooms is around 250,000, the current availability is just about 110,000, leaving a shortfall of 140,000 rooms to be provided. According to joint study of FHRAI (the hospitality association of India) and HVS International (global hospitality consultants) only 58% of the announced 102,000 rooms are under active development and are expected to be completed over the next five years.

Thus, new room additions are unlikely to create an oversupply, given the demand-supply mismatch. Moreover, many proposed projects have not gone ahead of the drawing board stage while a few have diverted their plans in favour of commercial or residential buildings due to



liquidity crunch, higher land prices leading to a longer breakeven period. However, Panoramic is relentless in its pursuit of expansion, thus where required with due precaution has revisited its plans (such as not going ahead with acquisition planned at Ahmedabad). At Panoramic, we did not face adverse problems associated with external funding of our expansion plans as majority of them are managed through internal accruals. Your Company plans to further raise funds for expansion through various means of finance.

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

Post acquisition of land in Jaipur (Rajasthan) & Usgaon (Goa), the project has moved to the next stage of development and the plans have been submitted for approvals to various authorities. The process of acquiring land in Vechoor, Munnar and Kumarakoum (Kerala) was successfully completed during the year.

The Group had acquired land at Pune and Durgapur (West Bengal) for development of Star Hotels. The development work for these green field hotel properties has moved on to the next phase of planning. In next couple of months, the Group shall launch its first mixed use project which is a 4 Star Hotel-cum-Lifestyle club at Thane, which would be managed by the Company. It shall have 46 rooms including 8 suites, banquet and conference rooms and 3 different types of restaurants.

Thus, at Panoramic, we are confident of benefiting from the continued demand-supply mismatch in India in the years to come.

Looking at the contracting demand potential in the overseas market, we focused mainly on consolidating operations overseas. During the year, the Company has successfully completed the consolidation of the Group projects, under the 'United 21' Hotels, Resorts and Clubs brand.

#### **Travel & Tourism sector**

Your Company's foray into the travel & tourism segment last year was

marked by two important acquisitions – one each in the domestic and international markets. In India, your Company acquired the controlling stake in a well-established travel agency - Hi-Flyers Travel Services Limited (Panoramic Tour & Travels Limited). Your Company also acquired 100% stake in Future Travels (Travel Universe) – a 30 year old travel agency based in the heart of New York City. Panoramic has received excellent response for its services from its valued customers and in the coming year your Company is confident of consolidating these services leading to the sector contributing significantly to the top line.

Your Company, aims to provide hassle-free travel and hospitality options to business and leisure travelers through a comprehensive one-stop travel portal i.e. [www.travelhot.com](http://www.travelhot.com) which is near completion and would be launched shortly.

Thus, your Company plans to consolidate synergistically its hotel, timeshare and travel businesses and provide a one-window service to its customers in the future.

#### **On a concluding note**

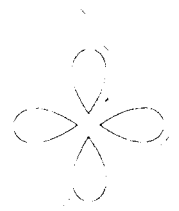
Your Company's plans are in sync with the future potential opportunities arising in niche businesses in years to come. We are confident of surging ahead and scaling bigger heights in future.

I take this opportunity to express my deep felt gratitude to our patrons, shareholders, financiers, bankers, stake holders, employees and place on record appreciation for the co-operation extended by the Central & State Government, other statutory authorities and others associated with your Company.

#### **Mr. Sudhir Moravekar**

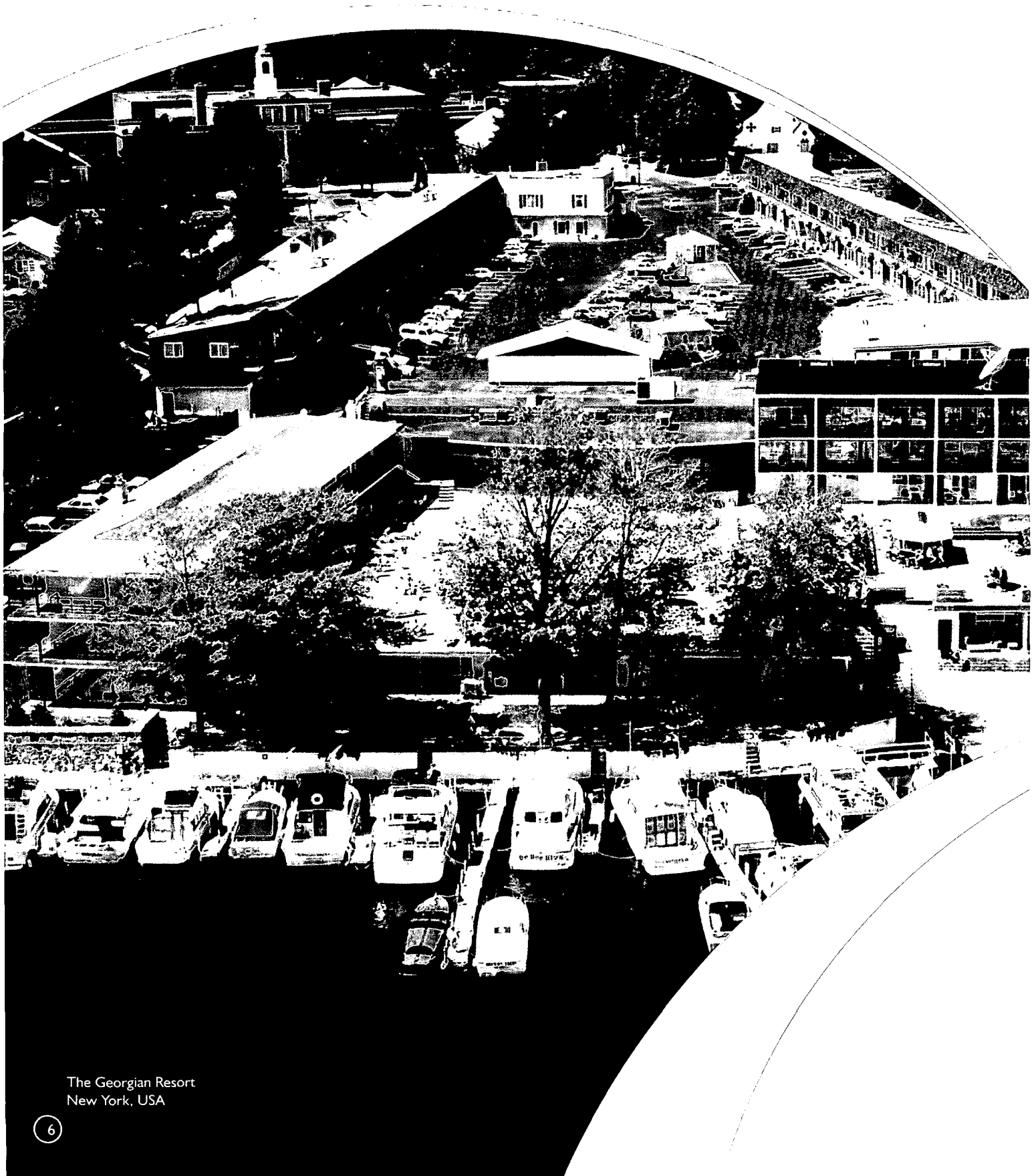
*Chairman*

Panoramic Universal Limited



# The Panoramic Story Continues....

Backed by a robust business model



The Georgian Resort  
New York, USA



## Hospitality

### I. HOTELS & RESORTS

+ Own, run, manage Star category hotels in India, USA & New Zealand

+ Consolidation of United 21 brand

### II. TIMESHARE & CONDOMINIUMS

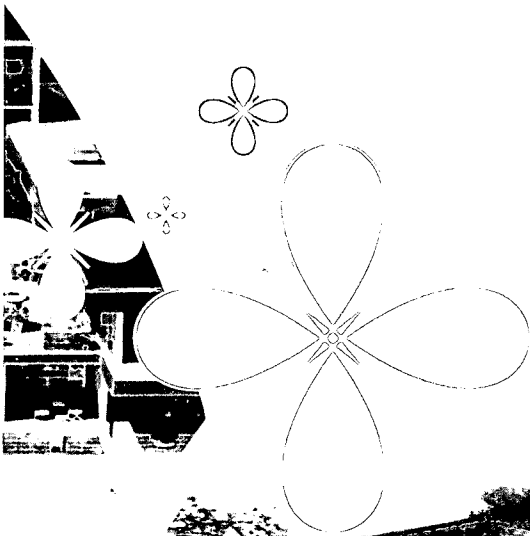
## Travel & Tourism

+ Travel agencies in USA & India

+ Travel portal [www.travelhot.com](http://www.travelhot.com) to be launched shortly

## Information Technology

+ Software products & development

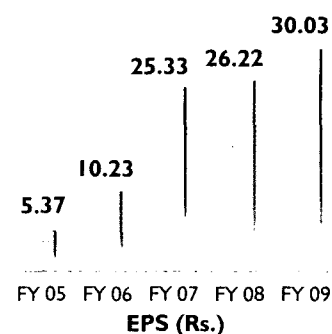
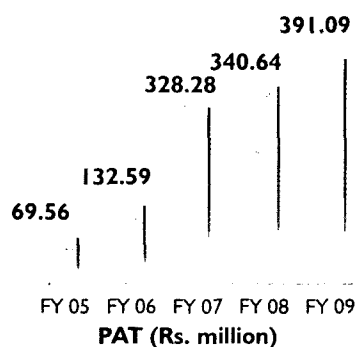
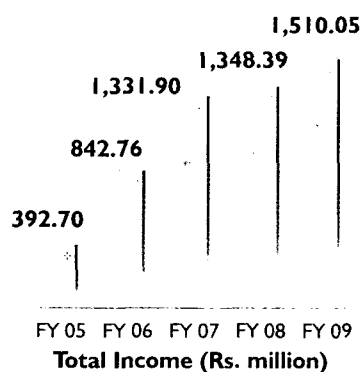


# Financial Highlights

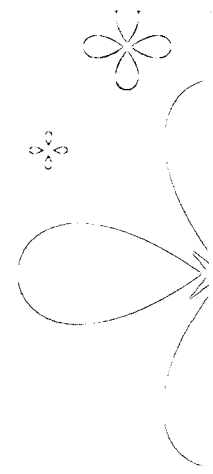
## Consolidated

(Rs. million)

PARTICULARS	FY. 2008-09	FY. 2007-08	FY. 2006-07	FY. 2005-06	FY. 2004-05
<b>Earnings Data</b>					
Total Income	1,510.05	1,348.39	1,331.90	842.76	392.70
EBIDTA	665.87	617.21	598.00	280.80	114.28
EBIT	605.17	563.99	544.27	213.95	93.96
Profit Before Tax	542.66	494.29	461.20	160.61	71.41
Profit After Tax	391.09	340.64	328.28	132.59	69.56
<b>Balance Sheet Data</b>					
Equity Shares	64.79	64.79	64.79	64.79	64.79
Preference Shares	500.00	500.00	-	-	-
Reserves & surpluses	1,536.76	955.48	683.77	383.14	270.45
Secured Loan	729.21	663.67	774.20	795.50	662.39
Net Worth	2,074.59	1,508.30	741.99	443.16	327.38
Capital Employed	3,613.48	2,984.45	2,012.54	1,620.17	1,197.67
<b>Stock Exchange Data</b>					
Dividend per share (in Rs.)	2.50	1.25	1.00	0.60	0.50
Dividend Declared (%)	50%	25%	20%	12%	10%
Earnings Per Share (in Rs.)	30.03	26.22	25.33	10.23	5.37
Book Value Per Share (Rs.)	160.11	116.40	57.26	34.20	25.27
<b>Ratios &amp; Margins</b>					
EBIDTA margin (in %)	44.10	45.77	44.90	33.32	29.10
PAT margin (in %)	25.90	25.26	24.65	15.73	17.71
ROCE (in %)	18.34	22.57	29.96	15.19	21.01
RONW (in %)	21.83	30.28	55.4	34.41	28.43



# Hospitality Presence



## Presence in India

- + Total No. of hotels – 5
- + Rooms inventory – 184
- + Aggregate value of hotel properties in India\* - Rs. 500 million (USD 9.83 million)

### Owned and managed

Hotel	Location	Market Value* (Rs. million)	Market Value * (USD million)
Sai Sahavas	Shirdi, Maharashtra	100	1.97
Sagar Kinara	Malvan, Maharashtra	65	1.28
Graciano Cottages	Colva Beach, Goa	85	1.67
Panoramic Resort & Water Park	Panvel, Maharashtra	250	4.91
<b>Total</b>		<b>500</b>	<b>9.83</b>

### On management contract basis

Hotel	Location
United 21	Thane

## Presence Overseas

- + Total no. of hotels - 6
- + Room inventory - 818
- + Aggregate value of hotel properties overseas\* - Rs. 1557.80 million (USD 30.63 million)

Hotel	Location	Market Value* (Rs. million)	Market Value * (USD million)
The Georgian Resort	Lake George, New York	465.35	9.15
Clarion Inn	Hudson, Ohio	322.90	6.35
Econo Lodge	Burlington, North Carolina	144.95	2.85
United Inn	Syracuse, New York	211.10	4.15
Baymont Inn and Suites	Greensboro, North Carolina	208.55	4.10
Sai Motels	Auckland, New Zealand	204.95	4.03
<b>Total</b>		<b>1557.80</b>	<b>30.63</b>

(\*Management estimates)



Panoramic Resort & Water Park  
Panvel, Maharashtra



# Hospitality: Hotels & Resorts

The Panoramic growth story continues boosted by servicing excellence and the right combination of properties, at the right locations. Panoramic owns and operates eleven reputed hotels in India, USA and New Zealand. The Company also manages the country's largest revolving lounge, 'Area 51' in Pune.

## OWNED AND MANAGED

### Hotel Sai Sahavas - Shirdi, Maharashtra

A divine place where people come to seek peace and blessings of 'Shri Sai Baba'. 'Sai Sahavas' - a 3 Star Hotel offers excellent service and promises you a pleasant stay. This hotel in Maharashtra is at a walking distance from the 'Shri Sai Baba Temple' and enables the devotees to conveniently access the temple.

Room inventory: 46  
Asset cost: USD 1.69 million



### Hotel Sagar Kinara - Malvan, Maharashtra

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

Room inventory: 32  
Asset cost: USD 0.78 million



### Graciano Cottages - Colva Beach, Goa

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 0.84 million



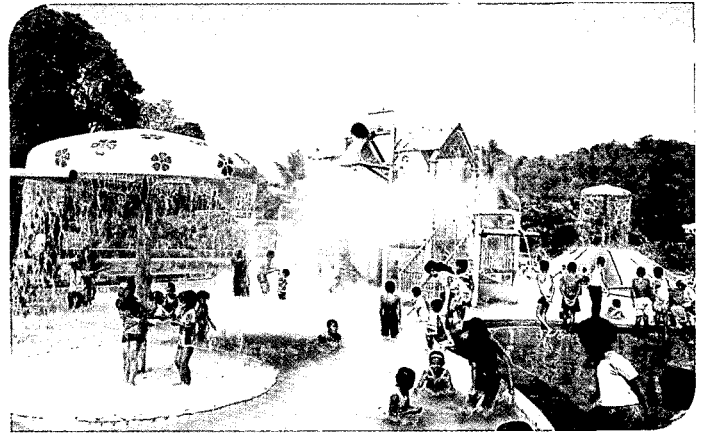
### **Panoramic Resort & Water Park**

– Panvel, Maharashtra

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, 13 porta cabins and a conference hall. It has been a favourite destination for MICE, corporate picnics 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.

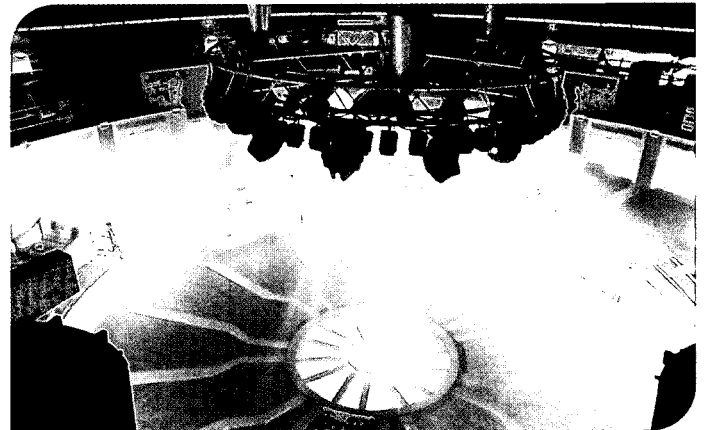
Room inventory: 38

Asset cost: USD 4.91 million



### **Area 51 – Pune, Maharashtra**

Panoramic manages India's largest revolving entertainment lounge, 'Area 51' owned by the Group. It is the ideal place for parties, wedding receptions, conferences, private events and social gatherings. Contemporary and futuristically 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.

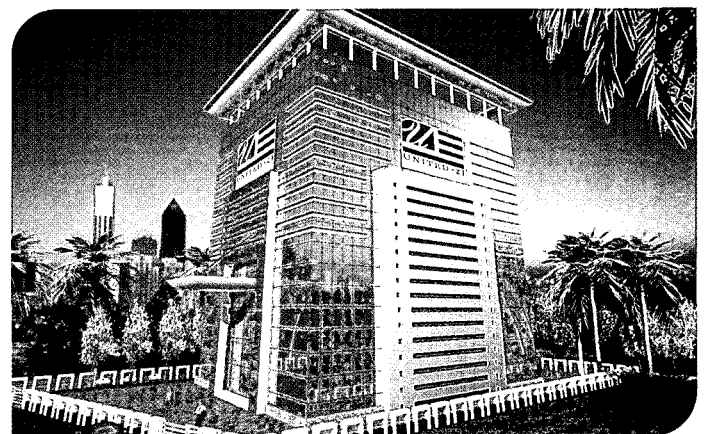


ON MANAGEMENT CONTRACT BASIS

### **United 21 - Thane, Maharashtra**

Sprawled over spacious 35,000 sq. ft. of fabulous design, décor and ambience, this 46 room hotel encompassing 8 suites and 38 luxury rooms is expected to be operational soon. Elegant and luxurious rooms, spacious banquet hall, fully equipped with world class facilities like gymnasium, health club, table tennis, squash, billiard, discotheque, multi-cuisine restaurant, specialty restaurant, 24 hours coffee shop and bar, and a roof top swimming pool with a terrace cafe.

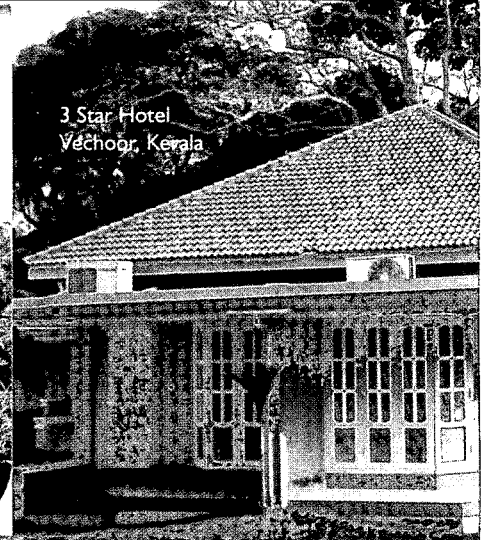
Room inventory: 46



Baymont Inn and Suites  
North Carolina, USA



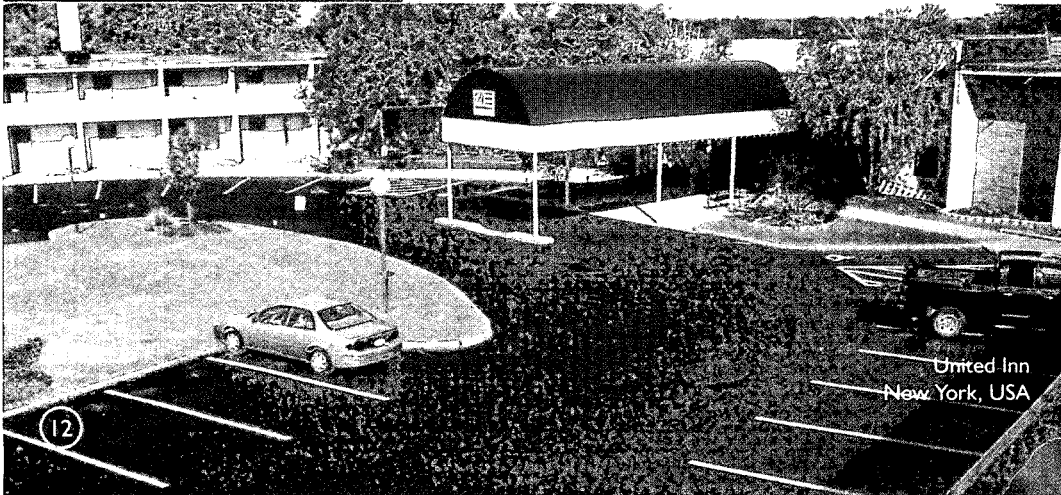
3 Star Hotel  
Véchoor, Kerala



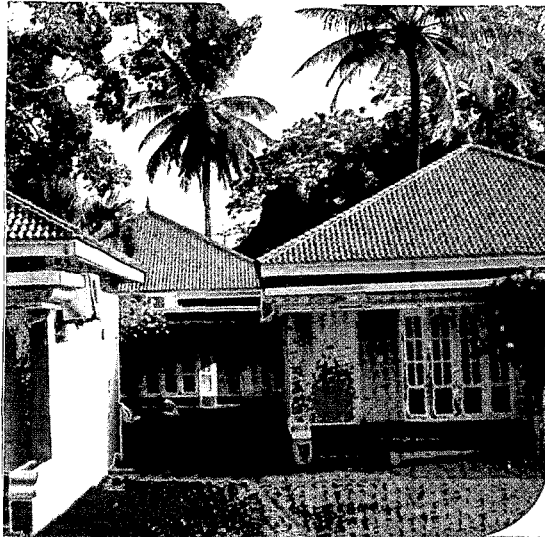
The Georgian Resort  
New York, USA



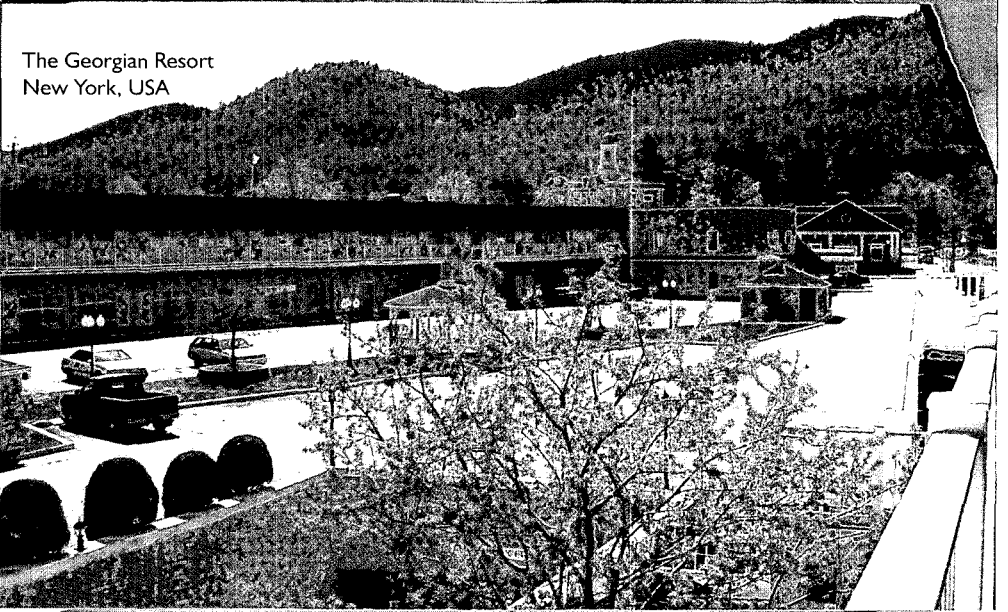
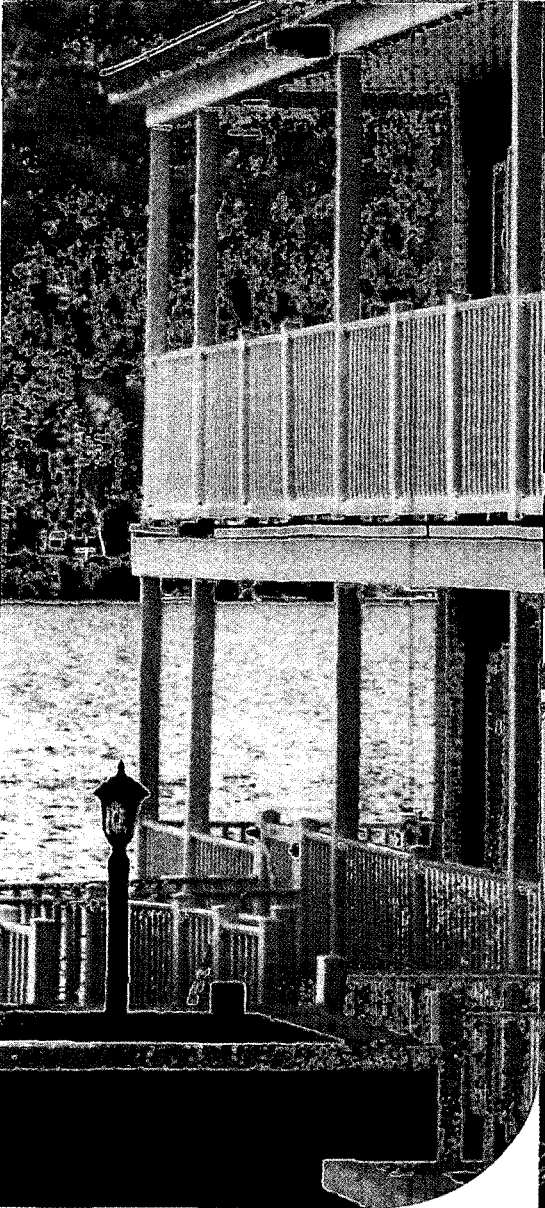
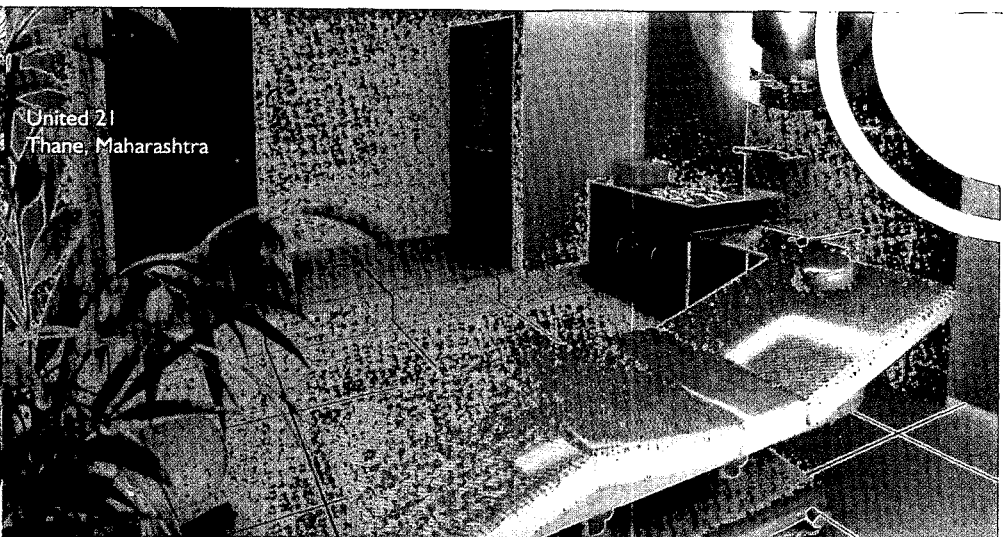
The Georgian Resort  
New York, USA



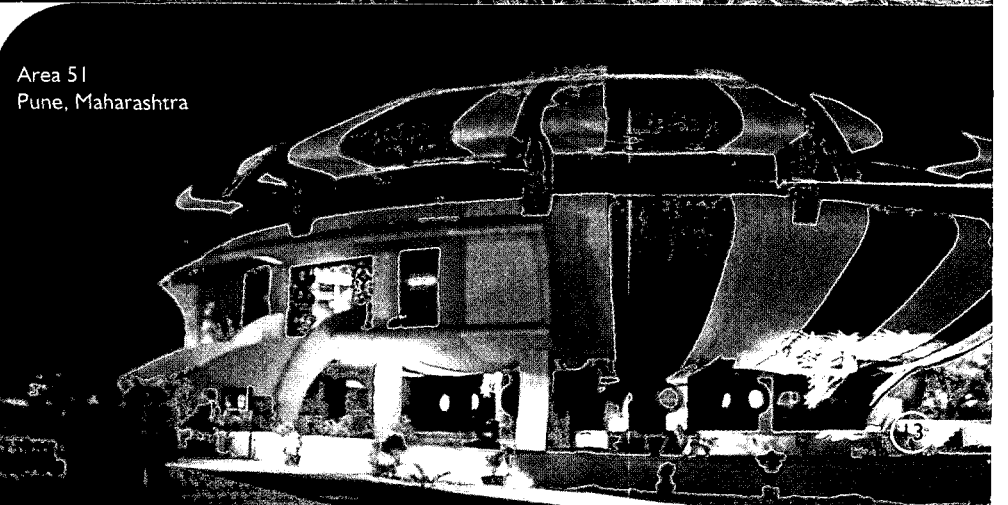
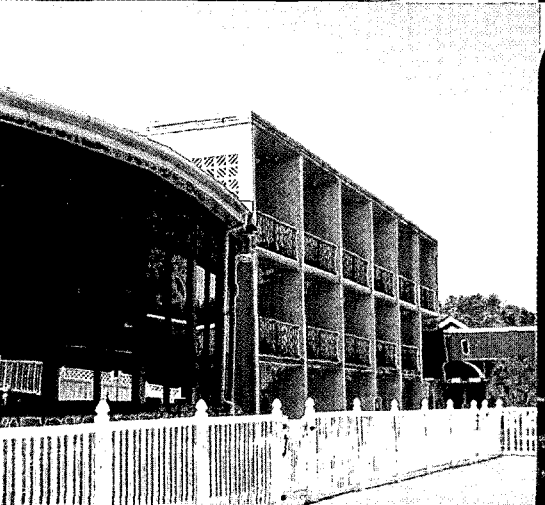
United Inn  
New York, USA



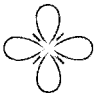
United 21  
Thane, Maharashtra



The Georgian Resort  
New York, USA



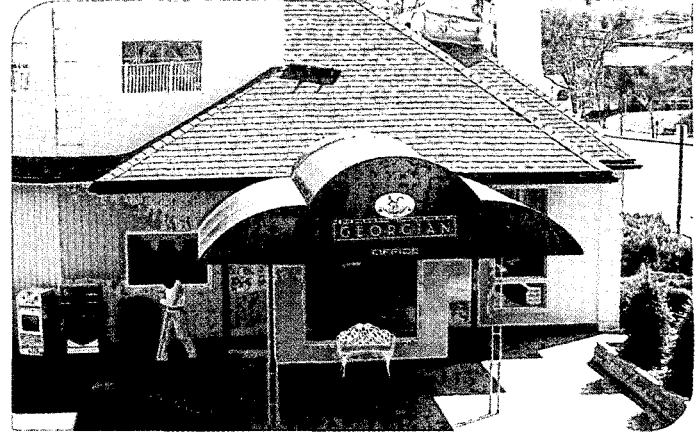
Area 51  
Pune, Maharashtra



**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 packaging all the amenities for a memorable stay.

Room inventory: 164  
Asset cost: USD 6.34 million



**Clarion 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 course and close to 30 minutes from Wildwater Kingdom and Geauga Lake.

Room inventory: 239  
Asset cost: USD 5.50 million

**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 2.37 million



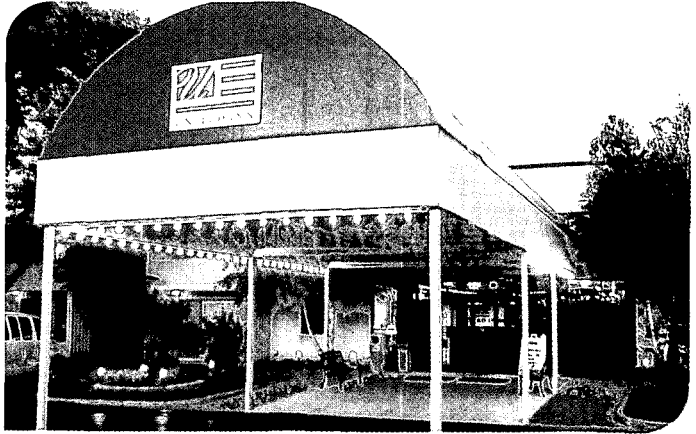


**United Inn - New York, USA**

Situated in central New York, 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 3.59 million



**Baymont Inn and Suites - North Carolina, USA**

Situated at a central location, the Piedmont Triad International airport and local Amtrak station are minutes away. There are many tourist locations nearby such as Wet 'n Wild Emerald Pointe, Guilford Courthouse National Military Park and Celebration Station. Additional leisure activities include golfing, hiking, horse riding and tennis.

Room inventory: 126

Asset cost: USD 3.34 million

**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: 22

Asset cost: USD 2.93 million





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## Upcoming Projects

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Looking at the steady demand flow, Panoramic's expansion plan continues to be on track with several upcoming hotel projects on the anvil.

The Company has plans to develop, own, manage and operate the upcoming hospitality projects at various locations, directly and / or through Special Purpose Vehicles (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 918 hotel rooms to its existing room inventory of 1002 with the completion / acquisition of the following projects:

### Owned and managed

Project	Location in India	Room Inventory
3 Star Hotel & Commercial Complex	Jaipur, Rajasthan	83
4 Star Hotel	Hyderabad, Andhra Pradesh	90
Jungle Resort	Usgaon, Goa	150
5 Star Hotel & Ayurvedic Spa	Kumarakoum, Kerala	125
3 Star Hotel	Munnar, Kerala	90
3 Star Hotel	Vechoor, Kerala	75
		<b>Total: 613</b>

3 Star Hotel & Commercial Complex  
Jaipur, Rajasthan



### On management contract basis

Project	Location in India	Room Inventory
5 Star Hotel	Pune, Maharashtra	185
3 Star Hotel, Club & Service Apartment	Durgapur, West Bengal	120
		<b>Total: 305</b>

### OWNED AND MANAGED

#### Jaipur: 3 Star Hotel & Commercial Complex

Rooms: 83

Jaipur, the capital city of Rajasthan is one of the preferred destinations of urban living in India and ranks amongst one of the fastest growing cities in the country. Strategically located opposite the railway station, the site is ideally suited for the Company's star category hotel and a commercial complex. The Company intends to develop a 83 room 3 Star Hotel along with a commercial complex of 14,000 sq. ft.

#### 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 has acquired a company owning a semi-finished structure to be converted into a 4 Star Hotel. This 90 room hotel comprising of 11 suites and 79 deluxe rooms spread over 6 floors 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.



**Goa: Jungle Resort**

Rooms: 150

Panoramic has acquired 35 acres of land at Usgoan 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 Madgaon 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 timeshare programs.

**Kumarakoum: 5 Star Hotel & Ayurvedic Spa**

Rooms: 125

Kumarakoum offers a backwater experience that can be cherished for a lifetime. Panoramic is acquiring 13 acres of prime land for this 125 room, 5 Star, deluxe resort aims to be with one of the finest spas in the country. Situated on the shore of the 205 sq. km. Vembanad Lake this location offers exotic sightseeing, boating and fishing experiences. 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.



**Munnar: 3 Star Hotel**

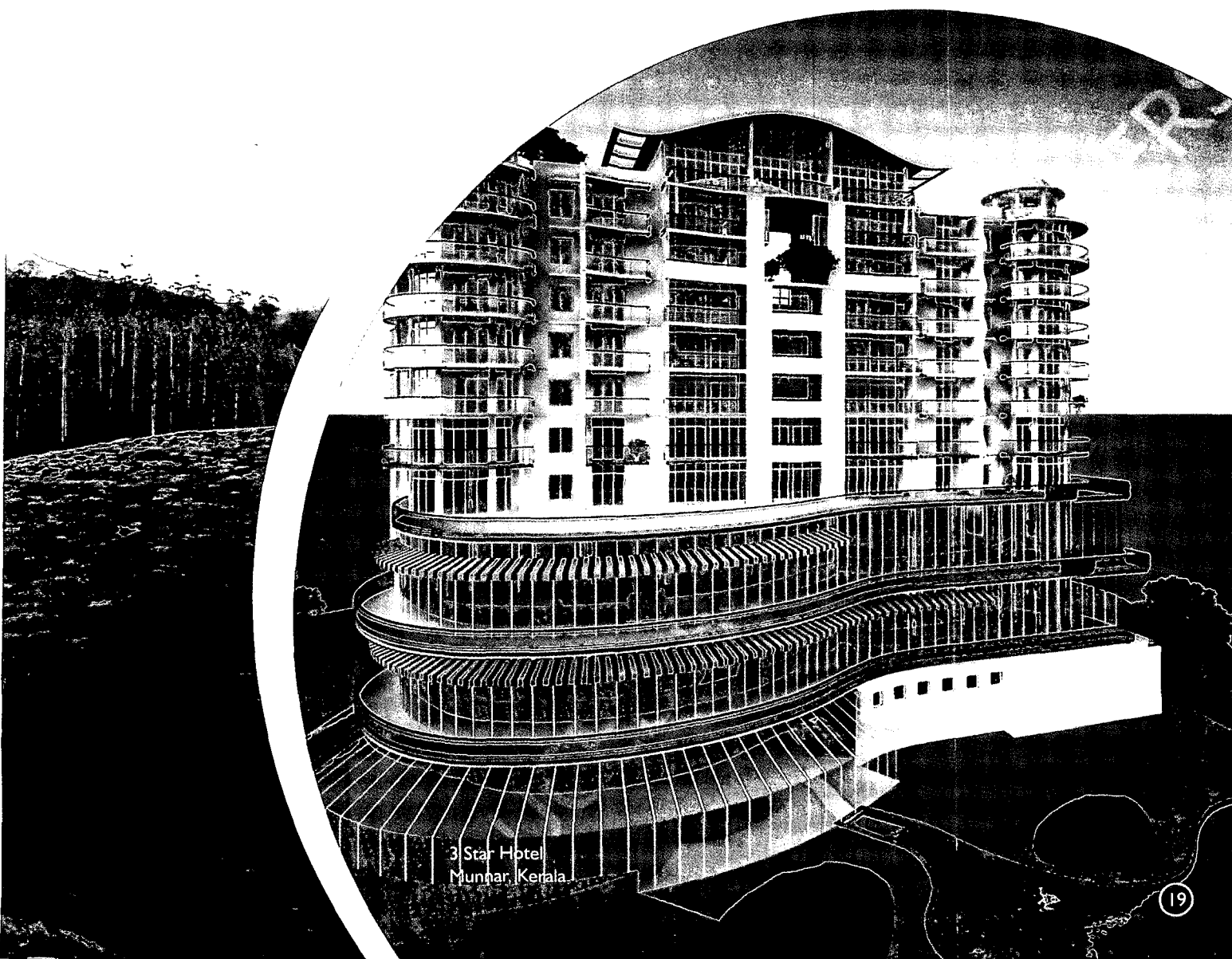
Rooms: 90

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 meters above sea level, this was once the summer resort of the erstwhile British Government in South India. Sprawling tea plantations, picturesque towns, long winding lanes plus trekking and holiday facilities make Munnar a unique experience. Panoramic would be constructing 90 rooms, 3 Star Hotel in this tea town. The Company also plans to promote this hotel through its timeshare programs.

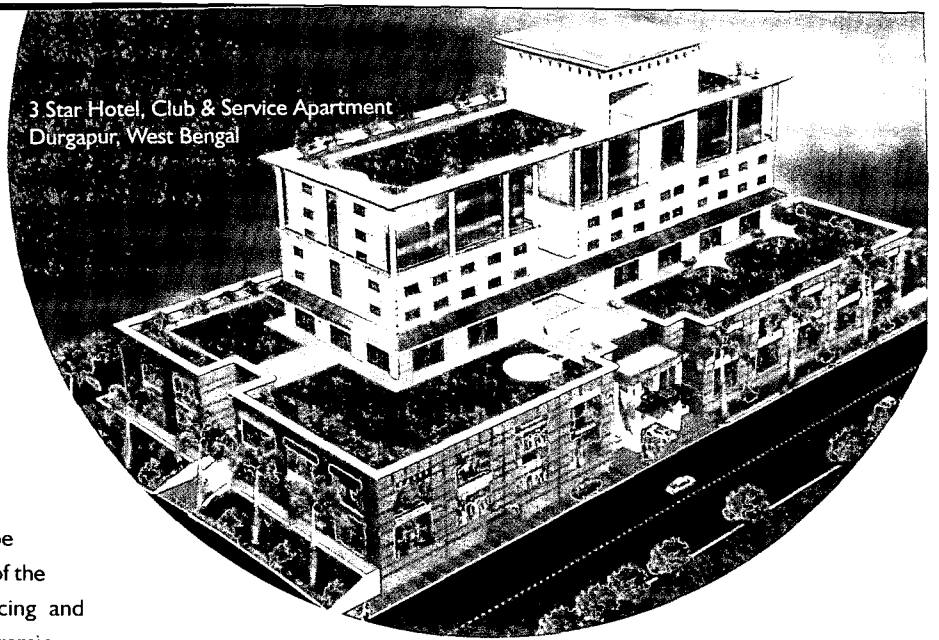
**Vechoor: 3 Star Hotel**

Rooms: 75

Vechoor is an important commercial center of Kerala. The backwater stretches, lush paddy fields, highlands, hills and hillocks, extensive rubber plantations and places associated with many legends in close proximity. In addition a totally literate population has 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 timeshare programs.



3 Star Hotel, Club & Service Apartment  
Durgapur, West Bengal



#### ON MANAGEMENT CONTRACT BASIS

##### **Pune: 5 Star Hotel**

Rooms: 185

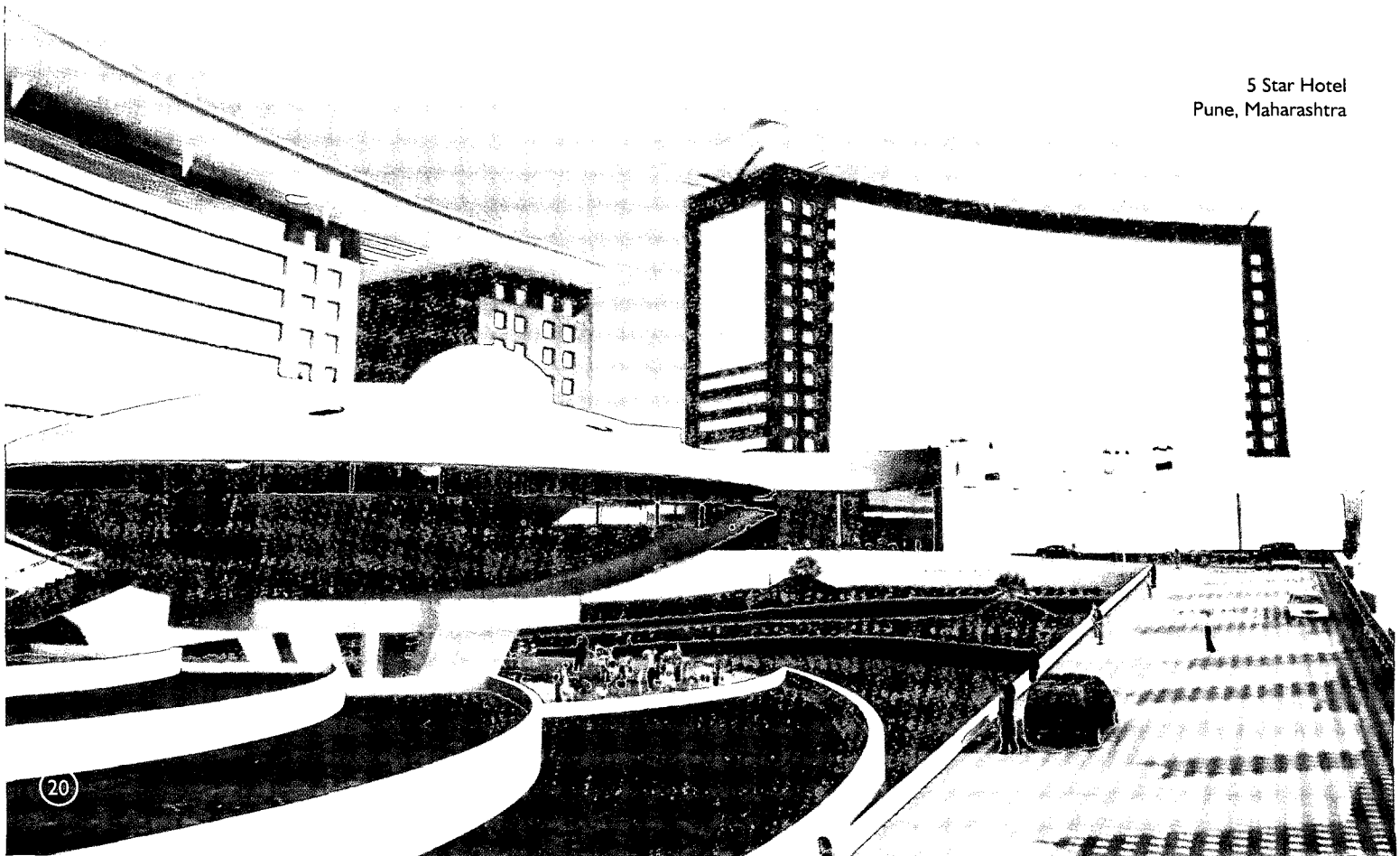
The Group is constructing a 185 room, 5 Star property in Baner at Pune and this hotel is slated to be amongst the best state-of-the-art hospitality projects of the city. Offering the best of stay, cuisine, conferencing and wellness facilities, the hotel will be managed by Panoramic.

##### **Durgapur: 3 Star Hotel, Club & Service Apartment**

Rooms: 120

The first upcoming, proposed family club in Durgapur branded as 'United 21' ushers in new standards in international hospitality. Sprawled over spacious 50,000 sq. ft. the Company's hotel has a total of 120 rooms, 50% of which are 60 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. Hence Panoramic through this facility will target business customers.

5 Star Hotel  
Pune, Maharashtra





## Hospitality: Timeshare & Condominiums

Timeshares have been gaining popularity as an investment in future vacations. The popularity of the timeshare concept can be judged from the estimated number of members worldwide – nearly six million members are estimated to have invested in timeshare properties. The timeshare industry in India is expected to grow at the rate of 18 to 20 % year-on-year. While the growth rate has witnessed contraction particularly in the last two quarters of the year 2008-09 due to the poor economic sentiments, the Company is confident of growth reviving and expanding its offerings in this sector.

Realizing the growing popularity of timeshare, condominiums and fractional ownerships Panoramic plans to foray into this lucrative business in future. In fractional ownerships 3-4 people instead of an individual purchase a bungalow/residential holiday home together. The Company is also considering entering into affiliations with large, timeshare vacation networks and this will give a big boost to the proposed timeshare business. The interesting mix of properties being developed will further boost its presence in this novel and fast growing business segment.



Panoramic Resort & Water Park  
Panvel, Maharashtra



# Travel & Tourism

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## Travel agency

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### **Panoramic Tour & Travels Ltd. - a full service domestic travel agency**

Panoramic's entry into the domestic travel and tourism segments was marked by acquisition of controlling stake in an IATA approved agency, Hi-Flyers Travel Services Ltd. (now called Panoramic Tour & Travels Ltd.)

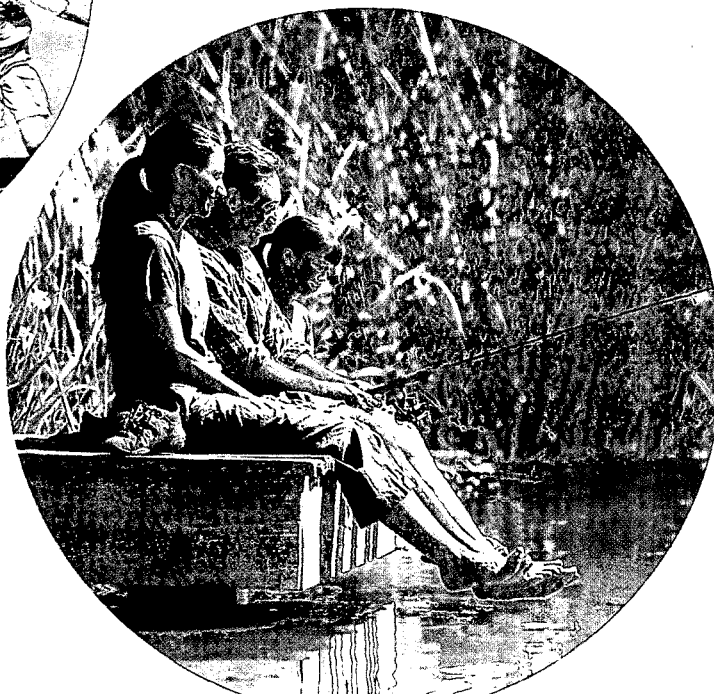
After expanding services like outbound tours the Company is now focusing on developing inbound tours. For developing inbound tours, the Company is seeking active support from its New York based agency.

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. Panoramic's services cater to the requirements of premium corporate and HNI clients like IDFC-SSKI, Jain Irrigation, Akroti Foundation to name a few.

### **Future Travels - a travel agency based in the heart of New York City**

To consolidate its travel foray in the international travel and tourism business, the Company acquired 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 serves 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.





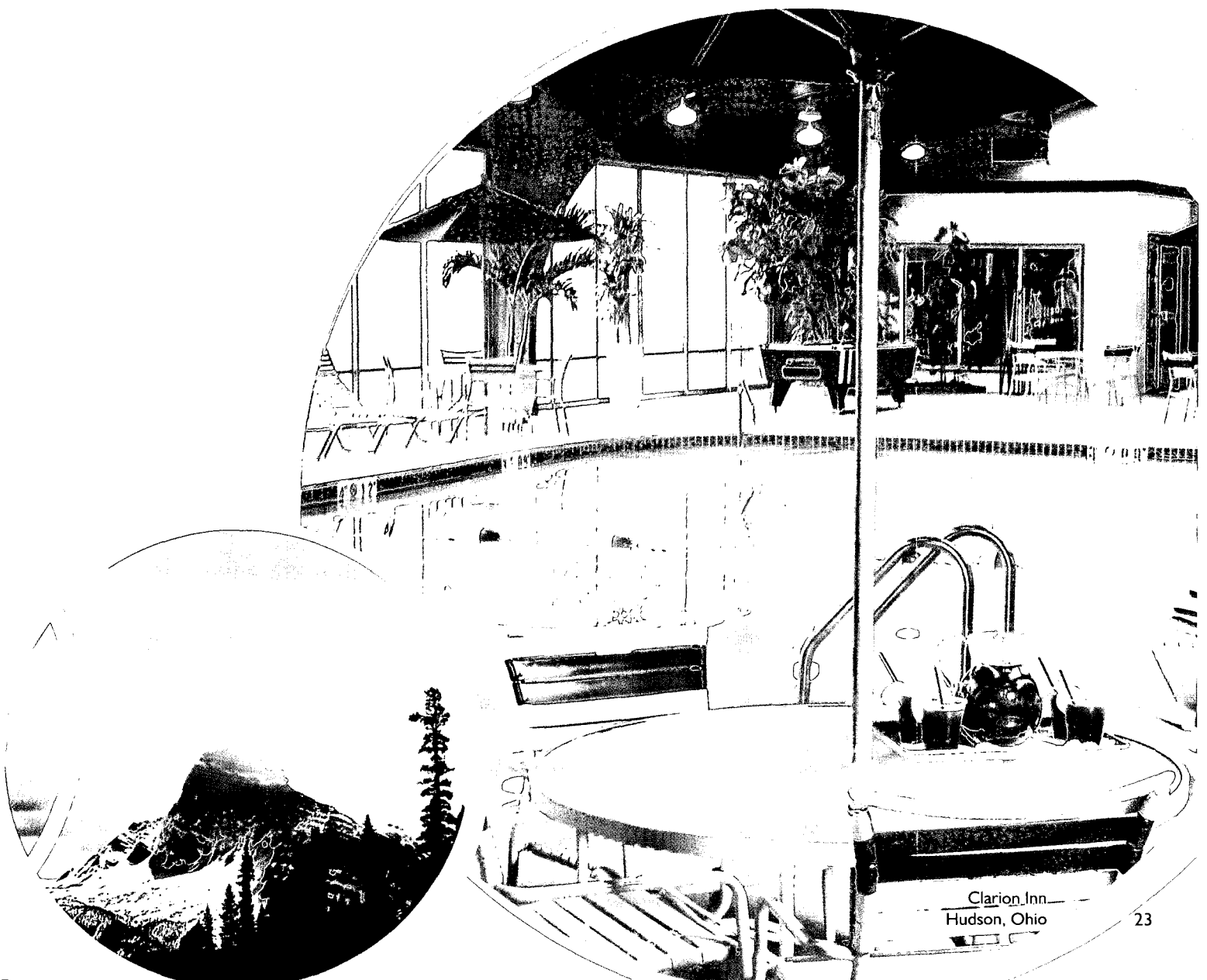
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## Travel portal

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During the year, the work on the travel portal - 'www.travelhot.com' continued at brisk pace and the portal is expected to be launched soon. The portal aims to offer comprehensive travel solutions 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.

This one-stop travel portal will go a long way in enhancing 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 various travel options with the Company's ever-expanding hospitality options in India and abroad, Panoramic is confident of providing a relaxed travel experience to its valued customers through this portal.





# Information Technology

Set up in the midst of the IT boom in the 1990's the Company's IT division continues to steadily progress. Panoramic continues to offer a wide range of products and services that help clients lower their costs and increase their speed of innovation.

The Company specializes in customized software application development, e-business applications, supply chain management solutions, ERP solutions, IT education & training, data processing services, customer relationship management and web site design, development & hosting services.

To further enhance its market share, the Company continued to initiate development plans for several important software products focused on the construction, HR, production & materials and hotel management sectors.

The development of these customized product software will enable the division and Company to scale to higher levels.



## Corporate Information

### Board of Directors

Mr. Sudhir Moravekar	.....	Chairman
Ms. Viidyaa 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

### Audit Committee

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

### Remuneration cum Compensation Committee

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

### Share Transfer and Investor 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 (East),  
Mumbai – 400 072.

### Stock Exchange

The Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

### Branches

USA,  
New Zealand,  
United Arab Emirates

### Statutory 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 Eighteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2009.

## FINANCIAL RESULTS

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2009 is summarized below:

(Rupees in Lacs)

Particulars	2008-09	2007-08
Total Revenue	4,541	3,443
Profit Before Depreciation, Interest & Taxes	2,393	1,544
Less: Depreciation	109	76
Less: Interest	134	77
Profit Before Tax	2,150	1,391
Less: Current Tax	241	147
Less: Fringe Benefit Tax	5	4
Profit After Tax	1,904	1,240
Dividend on Preference Shares	350	81
Dividend on Equity Shares	324	162
Dividend Tax	115	41
Transfer to General Reserves	150	150
Profit After Appropriations	965	806
Balance Brought forward from previous year	3,346	2,540
Add: Profit After Appropriations	965	806
Balance Carried to Balance Sheet	4,312	3,346

## OPERATIONS / PERFORMANCE

During the year 2008-09, the global economy and business has witnessed adverse economic conditions with all-round recession affecting almost all industries and the country in general. In spite of the same, your Company has achieved continuous business growth thanks due to its presence in the budget and mid segments of the hotel industry. The rate of economic growth came down in 2008-09 to 6.7% from the average of 8.8% achieved during 2003-04 to 2007-08, yet, looking at the plight of most countries of the world, it is quite impressive. Despite this deceleration, investment continues to be buoyant as is indicated by the fact that the ratio of fixed investment to GDP consequently increased to 32.2% of GDP in 2008-09 from 31.6% in 2007-08. Your Company has achieved a turnover of Rs. 4,541 lacs, an increase of 32% over the last year. Profits of the current year stood at Rs. 1,904 lacs from Rs. 1,240 lacs in the last year, registering an increase of approximately 54% over the last year and the trend is likely to be witnessed in the current year as well.

## HIGHLIGHTS OF THE YEAR

### a) Acquisition of Sri Vatsa Hotels Limited, Hyderabad

During the year, your Company acquired 51% stake in Sri Vatsa Hotels Limited (SVHL) situated at Hyderabad for a part consideration of Rs. 8,16,00,000/- (Rupees Eight Crore Sixteen Lacs only). The said acquisition was made pursuant to Memorandum of Understanding (MoU) followed by Share Purchase Agreement entered into between the shareholders of SVHL and the Company and is strategic, considering the fact that SVHL owns a multi-storied structure on an undivided piece of land to be constructed into 88 room 4 star hotel which is conveniently located near Secunderabad railway station. The proposed hotel will also have 11 suites. All basic facilities like Multicuisine Restaurant, Bar, Banquet Hall, and Conference Hall would also be provided. The construction at the SVHL site is in full swing and the proposed 4 star hotel is expected to become operational very soon.

### b) Purchase of Land at Vechoor, Kerala

In accordance with its expansion plans, during the year, your Company has purchased around 15 acres plot of land and proposes to construct a 3 Star Hotel consisting of 75 rooms. The company also plans to promote this hotel through its time share programs.

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 have given Vechoor the enviable title: The land of legends, latex and lakes.

### c) Acquisition of balance stake in Panoramic Tour and Travels Ltd. (formerly Hi-Flyers Travel Services Ltd.)

During the year, your Company acquired the balance 21.93% stake in Panoramic Tour and Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.) in terms of Share Purchase and Escrow Agreements entered into between the parties. With the balance acquisition, Panoramic Tour and Travels Ltd. is now a wholly-owned subsidiary of the Company. The change in management control has also been effected and the same has also been communicated to IATA.

## DIVIDEND

### Cumulative Non-convertible Redeemable Preference Shares

The Board has recommended a dividend @ 7% aggregating to Rs. 3,50,00,000/- for the year on the 10,00,00,000 Cumulative Non-convertible Redeemable Preference Shares of Rs. 5/- each.

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

### Equity Shares

The Board has further recommended a dividend @ Rs. 2.50/- per equity share, i.e. 50% on 1,29,57,500 Equity Shares of Rs. 5/- each of the Company for the financial year 2008-09. The outflow on account of the dividend would be Rs. 3,78,99,068/- including tax on dividend.

### DIRECTORS

Mr. Sudhir Moravekar and Mr. Abeezar Faizullahoy, Directors, retire by rotation and being eligible have offered themselves for re-appointment.

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

On account of his continuing ill health and surgical operation, Dr. Arun Pradhan has resigned from the Board of Directors with effect from 20th April, 2009. Your Board places its sincere appreciation for the valuable contributions made by Dr. Arun Pradhan during his association with the Company.

### EMPLOYEE STOCK OPTION SCHEME (ESOS)

In terms of SEBI (ESOS and ESPS) Guidelines, 1999, your Company proposed to issue stock options to the employees to reward their loyalty and longstanding relationship with the Company coupled with brilliant performance, and accordingly obtained shareholders approval through postal ballot mechanism. Subsequently in-principle approvals have also been obtained from the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Options shall be issued to eligible employees at an opportune time.

### STATUTORY AUDITORS

M/s. H. H. Topiwala & Co., Chartered Accountants, Mumbai, who are the Statutory Auditors of the Company, hold office, in accordance with the provisions of the Act upto the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

### FIXED DEPOSITS

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on date of the Balance Sheet.

### PARTICULARS OF EMPLOYEES

Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in Annexure B forming part of this report.

### 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 Operations 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 has 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 31st March 2009 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.

### ENERGY CONSERVATION, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out as Annexure A to this report.

### CORPORATE GOVERNANCE

Your Company firmly believes and adopts the highest standards of practice under 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 Corporate Governance, a separate section on Corporate Governance is attached to this report.

### MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on the Management discussion and analysis of the financial condition and the results of operations of the Company for the year under review is annexed to this report as required under Clause 49 of the listing agreement with the Stock Exchanges.

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

### SUBSIDIARIES

As on March 31, 2009, your Company has a total of 10 subsidiary companies 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 (ix) Panoramic Tour and Travels Limited (formerly known as Hi-Flyers Travel Services Limited) and (x) Sri Vatsa Hotels Limited.

In terms of section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheets, Profit and Loss Account of its subsidiary companies to its Annual Report. The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its letter No. 47/385/2009-CL-III dated 19th May, 2009 has granted exemption to your Company from attaching the above documents of subsidiaries along with the Annual Report of the Company for the financial year 2008-09.

Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. The company will make available the audited annual accounts and related detailed information of the subsidiary companies upon written request by any member of the Company. However, the consolidated financial statements 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 this Annual Report. These documents will also be available for inspection during business hours at the registered office of the Company.

### ACKNOWLEDGMENTS

On behalf of the Board of Directors of the Company, your Directors would like to place on record their deep appreciation to all the Central and State Government Authorities, Regulatory Bodies, Banks, Financial Institutions and every stakeholder of the Company.

Your Board appreciates and places on record the sincere services rendered by all the employees at all levels for placing the Company on the path of success and growth.

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

sd/-

Place: Mumbai

Date: 25<sup>th</sup> August, 2009

**Sudhir Moravekar**  
**Chairman**

### Registered Office:

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

## 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 activity of the Company is not covered under the list of specified industries in the Schedule to the Rules as stated above.

**d. Foreign Exchange Earnings and Outgo:**

The details on foreign exchange earnings and outgo are furnished in Notes on Accounts (Refer note no. 14 of Schedule 22).

## Annexures To The Directors' Report (contd.....)

### ANNEXURE B

Statement pursuant to 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, 2009.

Name	Designation/ Nature of duties	Remuneration Rs.	Qualification	Total Experience (years)	Age (years)	Commencement of Employment	Previous Employment
Ms. Viidyaa Moravekar	Managing Director	47,76,000	B.A.	24	52	December 12, 2004	Reserve Bank of India

#### Notes:

1. Remuneration comprises of 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. The Nature of employment of Ms. Viidyaa Moravekar is contractual.
3. The appointment is subject to the rules and regulations of the Company in force from time to time.
4. Ms. Viidyaa Moravekar is related to Mr. Sudhir Moravekar and Mr. Siddhartha Moravekar, Directors of the Company.



# Management Discussion and Analysis Report

## Economic Overview

The financial year beginning April 2008 started off on a much positive note. Strong fundamentals of the economy as perceived by industry experts and economists coupled with bullish markets instilled lot of courage and confidence for medium and long-term projects of the country. The economy was expected to slowdown marginally from the three years of 9% plus growth in real Gross Domestic Product (GDP), and expectations were that growth would be in the range of 7.5% to 8%. High oil prices and domestic inflation were definite areas of concern, as was the possibility of a worsening of the international financial crisis which had surfaced in 2008. As was expected, the global situation deteriorated massively after mid September 2008 following the collapse of several leading financial institutions in the US leading to a credit crunch, exchange rate fluctuations and a global downfall of markets. The slowdown that was expected in the global economy became much worse with the US, Europe and Japan moving into recession which has adversely affected the markets and economies world over. The stock markets in India reacted very sharply due to the Satyam debacle and the alleged fraud by its Promoter Mr. B. Ramalinga Raju. In sum, the Indian economy experienced some loss of growth momentum with major drivers of growth witnessing moderation. In particular, the broadbased industrial slowdown, dampened service sector growth, deceleration in private consumption and investment demand along with declining export demand are some of the major concerns facing the Indian economy in the wake of the global recession at the present juncture. The fiscal stimulus packages of the Government and the monetary easing of the Reserve Bank will, however, arrest the moderation in growth and revive consumption and investment demand, though with some lag, in the months ahead. Furthermore, prospects of the agricultural sector also remain bright, and this will continue to support the rural demand. Notwithstanding widened current account deficit in 2008-09, the balance of payments position remains sustainable in the context of the present level of foreign exchange reserves and external debt. Finally, in the wake of expected improvement in agricultural production as well as low international commodity prices, inflationary pressures are also anticipated to remain at a low level through the greater part of 2009-10.

## Hospitality and Tourism Industry Overview

The year 2008-09 was a difficult year for the Tourism and Hospitality industry. After having four years of robust growth, global tourism slowed down during the global economic downturn. The global economic downturn which started in early 2008 impacted your Company's business and performance, as also the hospitality industry and is likely to continue to impact the sector in the near term. The terrorist attack on the Company's iconic property Taj Mahal Palace & Tower and the city of Mumbai in November 2008 further impacted the tourist inflow in the country and the hospitality industry in general. Travel & Tourism growth in 2008 slowed down to just 1% and is likely to contract further by 3.3% in 2009 only to expand

by 0.3% in 2010. The global economic downturn has had its impact on Indian Tourism and Hospitality industry which saw a decline in the foreign tourist arrivals to India from 5.27 million in FY 2007-08 to 5.13 million in FY 2008-09, a decrease of 3%.

While the economic slowdown has reduced the number of tourists, brought down the room rates, the cost of land has not reduced to such an extent as to make it viable for setting up new hotels. The other challenges faced by the hospitality sector are high rate of luxury tax levied on card tariff rather than on actual tariff charged, high import duty, shortage of manpower and high cost of debt. Domestic air travel in the first three months of this year also witnessed a sharp fall with the number of passengers carried declining by almost 12% over the same period last year.

However looking beyond the current crisis, Travel & Tourism is expected to resume its leading, dynamic role in global growth. World travel & tourism is expected to contribute nearly USD 5,474 billion to global GDP in 2009, rising to approximately USD 10,478 billion over the next ten years, according to the latest tourism satellite counting research from the World Travel & Tourism Council (WTTC). In terms of regional performance, Africa, Asia Pacific and the Middle East are experiencing higher growth rates than the world average, in terms of total Travel & Tourism Demand, while the matured markets most notably the America and Europe are falling below the world average.

Initial estimates by the UN World Tourism Organisation (UNWTO) has indicated that with the Summer Olympics set to commence in July, expectations were high that growth would easily surpass the 4% growth target set for 2008.

Moreover, while the estimated number of required hotel rooms is around 240,000, the current availability is only around 90,000 rooms leaving a shortfall of 150,000 rooms to be provided. In other words, tremendous growth opportunity for hotel management companies.

## Measures adopted by India.

The slowing tourism industry has had a cascading effect on the hospitality sector with a decrease in the occupancy ratio and average room rates. The Government of India has taken a number of initiatives to support the Tourism Industry some of which are as under:

- Launch of Incredible India campaign to promote tourism both in domestic and international markets.
- Recognition of spare rooms available with various house owners thereby developing "homestay" concept.
- A new category of visa, "Medical Visa" ('M'-Visa), has been introduced which can be given for specific purpose to foreign tourists coming into India. Foreign medical tourists will be offered one additional treatment for free. Guidelines

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

have been formulated by Department of AYUSH prescribing minimum requirements for Ayurveda and Panchkarma Centres.

- A number of reasonably priced wellness centres and health spas are coming up in several destinations.
- Ministry of tourism has tied up with United Nations Development Programme (UNDP) to promote rural tourism.
- India has been elected to head the UN World Tourism Organisation (UNWTO), the highest policy making world tourism body represented by 150 countries.
- India is ranked 7th in terms of number of World Heritage cultural sites, according to a UNESCO report 2008.
- The world's leading travel and tourism journal, "Conde Nast Traveller", ranked India as the numero uno travel destination in the world.
- The Association of British Travel Agents (ABTA) has ranked India as No.1 amongst the top 50 places.
- The "Incredible India" campaign has been ranked as the Highest Recall Advertisement worldwide by "Travel and Leisure".
- India was adjudged Asia's leading destination at the regional World Travel Awards (WTA).
- India's Taj Mahal continues to figure in the Seven Wonders of the World. Every year, more than 3 million tourist visit Taj Mahal in Agra.

## Opportunities in the Sector

According to a report, Hotel Industry in India currently has supply of approximately 90,000 rooms and there is a shortage of 150,000 rooms fueling hotel room rates across India. According to estimates demand is going to exceed supply by at least 100% over the next 2 years. Five-star hotels in metro cities allot same room, more than once a day to different guests, receiving almost 24-hour rates from both guests against 6-8 hours usage. With demand-supply disparity, hotel rates in India are likely to rise by 25% annually and occupancy by 80%, over the next two years. This will affect the competitiveness of India as a cost-effective tourist destination.

## Health tourism

India is gradually gathering popularity as a health tourist destination. At its current pace of growth, healthcare tourism alone can rake over USD 1.7 billion additional revenues by 2012. Medical tourism is now a USD 299 million industry, as

about 100,000 patients come each year. The country needs to exploit the cost advantage it can offer to a health tourist. The biggest driver for healthcare tourism is the disparity in costs.

- A heart surgery in the US costs USD 30,000 as compared to USD 6,000 in India.
- A bone marrow transplant in the US costs USD 250,000 and USD 26,000 in India.

With yoga, meditation, ayurveda, allopathy, and other systems of medicine, India offers a unique basket of services to an individual that is difficult to match by other countries. Clinical outcomes in India are at par with the world's best centres since India has internationally qualified and experienced specialists.

## Medical Tourism

A number of reasonably priced wellness centres are coming up in several destinations increasing patient arrivals. The country ranks second in medical tourism. A two-year study by healthcare researchers Deloitte revealed that there's a significant rise in patients to India from the US, UK and Europe apart from the usual inflow of patients from neighboring countries and West Asia. Healthcare majors in the eastern region too are wooing international patients with special offerings.

## Critical Success Factors

The key success factors for the Hotel Industry are mentioned as follows:

### • Site and Location

This can be considered the most critical factor in determining the success of a hotel property. In addition to identifying a city, the site location within the city also assumes significance and issues like distance from the Central Business District (for metro hotels) and connectivity (access to roads, proximity to airports) assume importance.

### • Positioning

Equally important is the positioning of the hotel according to the target guest segment. For example, business hotels set up to cater to the high yielding corporate clientele in metro cities would have a distinct competitive advantage over facilities targeted towards leisure travellers in the same city for attracting business travellers.

### • Financial Flexibility

Development of hotels is a highly capital intensive activity and new hotel properties, typically, have a high break-even point. Therefore, financial flexibility is essential, especially during early years of operations.

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

### • Brand Equity

Branded hotels can be further classified into chain hotels and independent hotels. Chain hotels would typically be affiliated to one of the large national or international hotel chains. Association with a hotel chains allows the property to be branded with one of the chain brands. In such cases the property benefits from the equity of the chain brand and promotion and advertising efforts made by the chain not only in India but also overseas. This way the property is able to attract tourists from areas where independent hotels may not be able to reach effectively.

### Challenges

India's poor domestic tourism infrastructure is leading to a threat of losing foreign tourists to other competing countries. India is highly prone to prevailing socio-economic and political conditions like terrorist strikes, riots, epidemics, political uncertainty, slowdown in reforms etc. The growth in the Indian tourism sector is accompanied by the imminent destruction of local ecology and an increase in pollution, which, in the long run, is going to negatively impact the tourism industry of India.

The biggest challenge in the Indian tourism sector is that of entry of new players. The country's growing economy has attracted a host of new players, the number of which is expected to increase further. Aman Resorts, Shangri-la Hotels, Four Seasons Hotels and The Hilton group are some of the international players that are at various stages of establishing presence in India. As the number of player increases, the competitive intensity in the sector is likely to increase. Remarkably, unlike earlier, many new entrants are reportedly considering entry into the mid-market segment, which is currently dominated by non-chain properties.

### Outlook

The Global economy is in the midst of severe recession. Governments across the globe have followed extremely aggressive fiscal and monetary policies to prevent a severe economic depression. As a result, confidence seems to be returning and the global economy is showing some signs of revival. However, the impact of the crisis is still unfolding and economic prospects remain uncertain. International Monetary Fund (IMF) projects that world output would contract by 1.4% in 2009 with gradual recovery to growth of 2.5% by 2010. As advanced economies deal with strained financial sector, emerging economies including India are vulnerable to trade and financial spillovers. IMF projects that India's economy will grow by 5.4% in 2009 and 6.5% in 2010. Tourism revenues are expected to rise by 42% from 2007 to 2017, according to a report of Indian Brand Equity Foundation on Tourism and Hospitality. Certain major events like the Commonwealth Games planned in Delhi in 2010 would require addition to the inventory of rooms which would again help the hotel

industry. Despite economic slowdown, your Company would aggressively pursue its strategy both in the domestic as well as the international market at different price points from the smart basic hotels to the luxury segments. With its leadership position in most markets in the mid and budget segments, your Company expects to achieve sustainable and profitable growth in the coming years.

### Risks and concerns

#### General economic conditions:

As is typical in the hotel industry, your Company faces the risks from socio-political environment from both natural and political factors. Natural calamities, cross border terrorism which affect the travel, affects the business.

The hotel sector is also unfavourably affected by factors such as changes in the global and domestic economies, local market conditions, excess hotel supply or reduced international or local demand for hotel rooms and associated services, competition in the industry, changes in interest rates, the availability of finance and other natural and social factors. Since demand for hotels is affected by world economic growth, a global recession could lead to a downturn in the hotel industry.

#### Company Specific Risks:

The Company specific risks remain by and large the same as enumerated last year. These are:

- **Heavy Dependence on India**

A significant portion of your Company's revenues are realised from its Indian operations, making it susceptible to domestic sociopolitical and economic conditions. Moreover, within India, the operations and earnings are primarily concentrated in hotel properties in Pune, Kerala, Shirdi, Malvan, Goa and Panvel (Mumbai).

- **Risk of wage inflation**

The hotel industry needs employees with aptitude and skills and with demand for the same improving across the industry, the Company is of the opinion that wage inflation is a critical factor in determining costs for the Company. Thus, your Company will continue to focus on improving manpower efficiencies and creating a lean organisation, while maximizing effectiveness in terms of customer service and satisfaction, as an area of great importance for the management of your Company.

- **Increased outbound travel**

Recent competitiveness in international airfares has resulted in destinations like Europe, South East Asia and Australia becoming more affordable to the average Indian

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

traveller. This has increased outbound travel and presents a risk to the domestic segment for leisure resorts

## **Risk mitigation initiatives:**

To successfully counter the risk from growing competition and new properties, your Company is renovating and upgrading its properties and improving its service standards.

Operating and financial leverage, by expansion through management contracts and leveraging the strengths of its associates and subsidiary companies.

Entering into Joint ventures, forming Limited Liability Partnerships, Business Management agreements for generating additional revenues would also assist the Company in mitigating foreseeable risk.

Acquiring and constructing newer projects/ hotels and mixed use projects will certainly add to the top line and bottom-line of the company and will give competition to other industry players.

## **Internal control systems and their adequacy:**

Corporate governance being an area of continuous focus, internal controls and its effectiveness are being reviewed through the internal audit process. Internal audits were being undertaken for every operational unit and all major corporate functions under the direction of the Group Internal Audit department. The thrust of the reviews were as follows:

- 1) Identify weaknesses and areas of improvement.
- 2) Management of Business and operational risks
- 3) Safeguarding tangible and intangible assets
- 4) Compliance with defined policies and processes.
- 5) Compliance with applicable statutes.
- 6) Compliance with the Panoramic Universal's Code of Conduct.

The Audit Committee of the Board has reviewed the adequacy of the internal control environment through continuous review of the audit findings and monitoring the implementation of the Internal Audit recommendations through the compliance reports submitted by the management.

As in the earlier years, the Company continued its practice of implementing the ethical standards as defined in the Panoramic Universal's Code of Conduct.

## **Analysis of financial performance with respect to operational performance**

### **Financial Performance Summary (stand-alone):**

#### **Revenues:**

Your company has earned total revenue of Rs. 4,541 Lacs as against the previous year's revenue of Rs. 3,443 Lacs, an increase by 32 % over the last year.

The income from information technology increased by 18% to Rs. 3,634 Lacs from Rs.3,091 Lacs in the previous year.

The income from hospitality business increased by 92% to Rs. 345 Lacs from Rs. 179 Lacs in the previous year and other income increased by a whopping 226% to Rs. 561 Lacs from Rs. 172 Lacs in the previous year.

#### **Expenditure:**

The total expenditure increased by 16% to Rs.2,390 Lacs from Rs. 2,053 Lacs in the previous year. The increase of Rs. 337 Lacs is largely on account of increase in payroll costs, raw material costs, depreciation & amortisation and interest and financial charges.

#### **Profit Before Tax (PBT):**

The PBT grew by 55% to Rs. 2,150 Lacs from Rs. 1,391 Lacs in the previous year.

#### **Profit After Tax (PAT):**

The PAT rose by 54% to Rs.1,904 Lacs from Rs.1,240 Lacs in the previous year.

### **Financial Performance Summary (consolidated):**

#### **Revenues:**

Your company has earned total revenue of Rs. 15,105 Lacs as against the previous year's revenue of Rs. 13,484 Lacs, an increase by 12 % over the last year.

#### **Expenditure:**

The total expenditure increased by 13% to Rs.9,678 Lacs from Rs. 8,541 Lacs in the previous year.

#### **Profit Before Tax (PBT):**

The PBT grew by 10% to Rs. 5,426 Lacs from Rs. 4,943 Lacs in the previous year.

#### **Profit After Tax (PAT):**

The PAT rose by 15% to Rs.3,911 Lacs from Rs.3,406 Lacs in the previous year.

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

The Company has been on an augmentation lane and the constant efforts by the Company to improve its efficiency, productivity and profitability will perk up overall returns in the coming years.

### Human Resources and Industrial Relations

Panoramic Universal employees continue to play an involved role in the various activities in the Company. The manpower employed by the Company for the year 2008 - 2009 included executives, bargainable staff, probationers, apprentices and contract employees.

Your Company seeks regular feedback from its employees to ascertain their levels of satisfaction and to ensure that employees' morale and motivation are constantly improved. Critical human resource issues are analysed, corrective action initiated and results monitored regularly.

The Company's mission is to achieve and sustain leadership in the Hospitality industry and to deliver value to its customers by rewarding and recognizing quality customer care based upon individual and team performance. The Company provides

opportunities for continuous learning and development and abides by fair policies to ensure the well beings of its employees, their family, the community and the environment.

Industrial relations throughout the year were cordial at all hotels and operating units of your Company.

### 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

## I. COMPANY'S PHILOSOPHY

The Company adheres to high standards of good business ethics and commitment to corporate social responsibility would help the Company achieve its goal of maximizing value for all its stakeholders.

Corporate Governance systems have evolved over centuries, often in response to corporate failures or systemic crisis. Each crisis or major corporate failure-often a result of incompetence, fraud or abuse-was met by new elements of an improved system of corporate governance. Through this process of continuous change, countries have established a complex mosaic of laws, regulations and implementation capacity in the Government and the private sector. The objective is not to shackle corporations but rather to balance the promotion of enterprise with greater accountability. The systematic enforcement of laws and regulations has created a culture of compliance that has shaped business culture and the management ethos of companies, spurring them to improve as a means of attracting human and financial resources on the best possible terms.

In addition to its staunch adherence to its philosophy and values, your Company has also complied with all the mandatory requirements stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which

deals with the compliance of Corporate Governance requirements.

## 2. BOARD OF DIRECTORS

### (i) Composition of the Board:

As at 31<sup>st</sup> March, 2009 the composition of the Board comprises of nine directors, out of which seven 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 five Independent directors. The aforesaid composition of the Board is in conformity with the revised Clause 49 of Listing Agreements entered into with the Stock Exchanges. *Details about Board of Directors are given in Table I below.*

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

### (ii) Number of Board meetings:

During the period under review, five Board meetings were held viz: 29<sup>th</sup> April, 2008; 31<sup>st</sup> July, 2008; 30<sup>th</sup> August, 2008; 27<sup>th</sup> October, 2008 and 31<sup>st</sup> January, 2009. As required under Clause 49 of the Listing Agreement, the maximum time gap between two Board Meetings did not exceed four months.

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

Table I:-

Name of Director	Category	Attendance		No. of Directorship in other Companies #	Committee Positions \$	
		Board	Last AGM		Chairman	Member
Mr. Sudhir Moravekar	Promoter, Non-Executive Chairman	1	Yes	5	None	None
Ms. Viidyaa Moravekar	Managing Director	5	Yes	10	None	None
Mr. Arun Tari	Whole-Time Director	3	Yes	2	None	1
Mr. Siddhartha Moravekar	Non-Executive	1	No	2	None	1
Mr. Mehul Parekh	Non-Executive, Independent	1	No	None	2	None
Ms. Hemlata Sawant	Non-Executive, Independent	5	Yes	1	None	1
Mr. Vilas Mitbawkar	Non-Executive, Independent	4	No	1	None	1
Mr. Abeezer Faizullabhoj	Non-Executive, Independent	2	No	1	None	2
Dr. Arun Pradhan @	Non-Executive, Independent	0	No	None	None	None

Mr. Sudhir Moravekar, Ms. Viidyaa 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 does not include alternate directorships, directorships of private companies, companies incorporated under Section 25 of the Companies Act, 1956 and of companies incorporated outside India.

@ Dr. Arun Pradhan ceased to be a Director of the Company with effect from 20th April, 2009.

\$ In counting the number of Committees of which a Director is a Member or Chairman, Audit Committee and Share Transfer cum Investor Grievance Committee have been considered.

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

### (iv) 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 the Managing Director and is required to be reported to the Board of Directors of the Company for necessary action.

A declaration signed by the Managing Director regarding affirmation of the compliance with the Code of Conduct is appended at the end of this report.

### 3. BOARD COMMITTEES

In Compliance with the Listing Agreements (both mandatory and non-mandatory), the SEBI Regulations, the Board has constituted a set of committees with specific terms of reference and scope. The committees 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.

##### • 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:-

- **Chairman:** Mr. Mehul Parekh
- **Members:** Mr. Vilas Mitbawkar and Ms. Hemlata Sawant

##### • Details of Audit Committee Meetings

During the year, the Audit Committee met five times on 29<sup>th</sup> April, 2008; 31<sup>st</sup> July 2008; 30<sup>th</sup> August 2008, 27<sup>th</sup> October 2008 and 31<sup>st</sup> January, 2009. The attendance of the members was as follows:-

Name of Director	Status	No. of Meetings	
		Held	Attended
Mehul Parekh	Chairman	5	5
Vilas Mitbawkar	Member	5	5
Hemlata Sawant	Member	5	5

##### • 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 fees and approval for payment of any other services;
- 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;

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

- carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### (ii) REMUNERATION CUM COMPENSATION COMMITTEE

The Company has set up a Remuneration Committee in terms of Clause 49 and Schedule XIII to the Companies Act, 1956 which consists of Three Non-Executive Independent Directors. The committee is headed by an Independent Director Mr. Mehul Parekh.

During the year, the Company floated an Employee Stock Option Scheme (ESOS) for the benefit of employees and for the said purpose and pursuant to SEBI (ESOS & ESPS) Guidelines, 1999, a Compensation Committee was required to be constituted for the administration and superintendence of the ESOS. Thus, it was proposed to enhance the scope of the existing Remuneration Committee of the Board and rechristen the same as "Remuneration cum Compensation Committee".

The enhanced scope of the Remuneration cum Compensation Committee, apart from hitherto, is as under:

- I. Formulation, from time to time, of an Employee Stock Option Scheme/s and/or Employee Stock Purchase Scheme for the employees of the Company and its associate/group companies; and to decide the terms and conditions of the Scheme including:
    - a. The quantum of options to be granted under an ESOS per employee and in aggregate;
    - b. The conditions under which options vested in employees may lapse in case termination of employment for misconduct;
    - c. The exercise period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
    - d. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
    - e. The right of an employee to exercise all options vested in him at one time or at various points of time during the exercise period;
  - f. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issue, bonus issue, merger, sale or sub-division and others. In this regard, following shall be taken into consideration by the Remuneration cum Compensation Committee –
    - (i) the number and price of ESOS shall be adjusted in a manner such that the total value of the ESOS remains the same after corporate action;
    - (ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered and
    - (iii) the vesting period and the life of options shall be left unaltered as far as possible to protect the rights of the option holders.
  - g. The grant, vesting and exercise of options in case of employees who are on long leave;
  - h. The procedure for cashless exercise of options.
2. Acting as Administrator of the Company's Employee Stock Option Scheme/s drawn up from time to time and administering within the terms and conditions of the said Scheme/s.
  3. Granting stock options or stock purchase rights to individuals eligible for such grants under the Scheme/s and applicable law (including grants to individuals subject to the provisions of the Companies Act, 1956, Securities and Exchange Board of India Act, 1992 and any other Guidelines/Rules/Regulations prevailing or introduced or modified from time to time and amending such stock options or stock purchase rights.
  4. Frame suitable policies and systems to ensure that there is no violation of SEBI (Insider Regulations), 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995.
  5. Making recommendations to the Board of Directors with respect to amendments to the plans and changes in the number of shares reserved for issuance thereunder.



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

- **Composition:**

**Chairman:** Mr. Mehul Parekh

**Members:** Mr. Vilas Mitbawkar and  
Ms. Hemlata Sawant

- **Broad Terms of Reference**

The broad terms of reference of the Remuneration cum Compensation Committee of the Company are to determine and recommend to the Board, salary (including annual increments), perquisites and commission to be paid to the Company's Managing / Whole-Time Director (MD/WTDs) within the overall ceiling fixed by the Board and also implement, administer and oversee the proposed ESOS process.

- **Details of Remuneration cum Compensation Committee Meetings**

During the year, the Remuneration cum Compensation Committee met once on 30<sup>th</sup> July, 2008.

- **Remuneration Policy**

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed, pay, benefits and Economic Value Added Analysis based variable pay. Individual performance pay is determined by business performance and the performance of individual measured through the annual appraisal process.

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.

Details of remuneration paid to the Managing Director and Whole-Time Director of the Company during the year are as under:

Name of Director, Designation & Period of Appointment	Salary (Rs. Lakh)	Benefits Perquisites & Allowances (Rs. Lakh)	Commission (Rs. Lakh)	Stock option
Ms. Viidyaa Moravekar – Managing Director (w.e.f. 1 <sup>st</sup> December, 2008 for the period of 3 years)	23.32	2.72	21.72	Nil
Mr. Arun Tari – Whole Time Director (w.e.f. 1 <sup>st</sup> December, 2006 for the period of 5 years)	9.10	1.02	-	Nil

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

None of the Non Executive Directors have any pecuniary relationship or transaction with the Company.

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

### (iii) SHARE TRANSFER CUM INVESTOR GRIEVANCE COMMITTEE

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

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

• **Composition:**

**Chairman:** Mr. Mehul Parekh

**Members:** Mr. Arun Tari and  
Mr. Siddhartha Moravekar

The Committee looks into redressal of the shareholders' complaints in respect of their matters including the transfer, transmission of shares, mailing of annual reports, payment of dividend, communication with members, transfer of unclaimed amounts to Investor Education and Protection Fund, dematerialization 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 Investor Grievance Committee Meetings**

During the year, the Share Transfer cum Investor Grievance Committee met seven times on 10<sup>th</sup> April, 2008; 10<sup>th</sup> May, 2008; 25<sup>th</sup> July, 2008; 20<sup>th</sup> August, 2008; 29<sup>th</sup> September, 2008; 31<sup>st</sup> January, 2009 and 19<sup>th</sup> March, 2009. The attendance of the members was as follows:-

Name of Director	No. of Meetings	
	Held	Attended
Mehul Parekh - Chairman	7	7
Siddhartha Moravekar	7	2
Arun Tari	7	7

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>

The status of complaints is reported to the Board on a quarterly basis.

#### 4. GENERAL BODY MEETINGS

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

Year	Date and Time	Venue	Special Resolutions
2007-08	29.09.2008 11.00 a.m.	Hotel Kohinoor Park, Veer Savarkar Marg, Opposite Siddhivinayak Temple, Prabhadevi, Mumbai – 400 025	<ul style="list-style-type: none"> <li>• Re-appointment of Ms. Viidyaa Moravekar as Managing Director of the Company.</li> <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>• To insert new sub-clause no. 116 after the existing sub-clause no. 115 under Clause III (C) of the Memorandum of Association of the Company.</li> <li>• Place of keeping of register and index of members.</li> </ul>

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

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 through ADR/GDR/FCCB etc.</li> <li>• Raising of resources by way of Qualified Institutional(s) Placement(s).</li> </ul>

### • Details of special resolution passed last year through postal ballot

During the year, the Company had sought approval of members of the Company by means of Postal Ballot vide Notice dated 31<sup>st</sup> January, 2009, for passing the special resolutions under section 81(1A) of the Companies Act, 1956, viz, (i) Issue of Securities to the employees of the Company under Employee Stock Option Scheme and (ii) Issue of Securities under Employee Stock Option Scheme (ESOS) to the employees and directors of holding and subsidiary companies and other persons. Mr. Makarand Joshi, Practicing Company Secretary was appointed as the Scrutinizer for overseeing the Postal Ballot process. The aforesaid resolutions were passed with the requisite majority, with 99.99% votes being cast in favour of the resolutions.

The Company had complied with the procedure as specified by Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 and amendments thereto. The Board has not recommended conducting of any Special Resolution for approval of the Members through Postal Ballot.

## 5. DISCLOSURES

### ◦ Related Party Transactions

In compliance with the Accounting Standard -18, transactions pertaining to related parties are given under Note No. 12 of Schedule 22 (Disclosures of related parties) to the Balance Sheet as at 31<sup>st</sup> March, 2009, and the Profit & Loss Account for the year ended on that date.

There has been no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

### ◦ Legal Compliances:

There has been no non-compliance by the Company during the last three years. The Company has an elaborate reporting system on compliances of all major laws applicable to the Company, which is reviewed by the Board on quarterly basis. The Company has complied with all the mandatory requirements with regard 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.

### ◦ Conflict of Interest:

Based on the disclosures received by the Board from the Company's Senior Management Personnel, none of the Senior Management Personnel had any material financial or commercial transactions wherein they had personal interest that could have a potential conflict with the interest of the Company at large.

### ◦ Accounting Treatment:

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 Standard.

### ◦ Business Ethics and Confidentiality:

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.

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

### • CEO Certification

A certificate, in accordance with the requirements of Clause 49 (V) of the Listing Agreement, duly signed by the Managing Director in respect of the year under review was placed before the Board and taken on record by it.

### 6. SECRETARIAL AUDIT:

A qualified practicing Company Secretary carried out 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. The Secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### 7. 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 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 official news releases are displayed on the Company's Website [www.panoramiconiversal.com](http://www.panoramiconiversal.com)
- No formal presentations were made to the institutional investors and analysts during the year under review.

### 8. GENERAL SHAREHOLDER INFORMATION

#### • Annual General Meeting

Date and Time: 30<sup>th</sup> September, 2009 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, 2009	Last week of July 2009
Financial reporting for quarter ended September 30, 2009	Last week of October 2009
Financial reporting for quarter ended December 31, 2009	Last week of January 2010
Financial reporting for quarter ended March 31, 2010	Last week of April 2010

#### • Date of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from 25<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive) for the purpose of ascertaining the name of the shareholders entitled to dividend, if declared at the Annual General Meeting.

#### • Dividend Payment Date :

Dividend, if declared, shall be paid on or after 5<sup>th</sup> October, 2009. 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
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
2007-08	October 4, 2008	October 3, 2015

#### • 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 2009-10 have been paid to the Stock Exchanges.

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

- Stock Code :**

Trading symbol on NSE	PANORAMUNI
Trading scrip code on BSE	531816

- Corporate Identification Number**

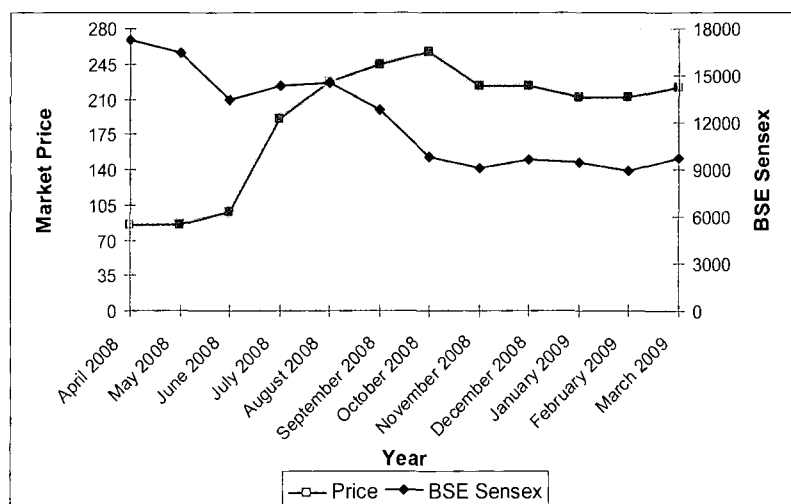
Corporate Identification Number of the Company allotted by the Ministry of Corporate Affairs, Government of India, L67190MH1992PLC066856.

- 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 and National Stock Exchange are as under:-

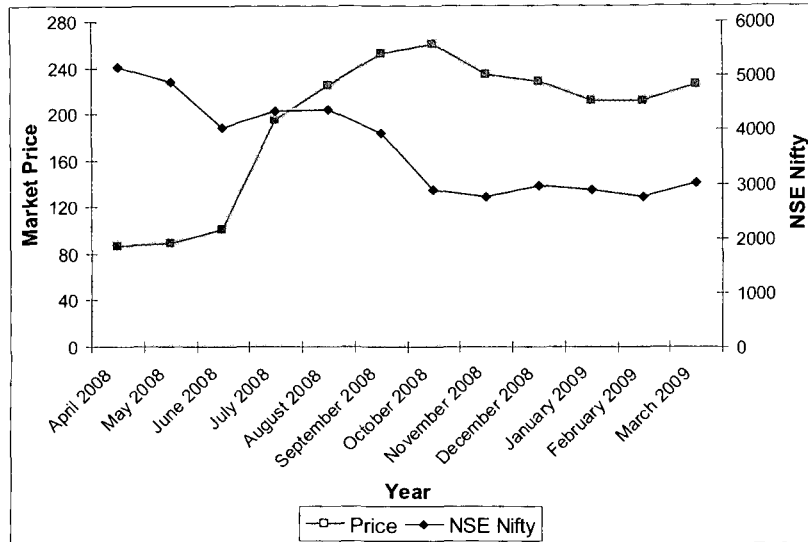
Date	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
April 2008	89.50	59.10	120553	88.40	60.10	22208
May 2008	93.00	66.75	130453	94.40	66.85	58463
June 2008	104.50	82.00	226757	103.95	78.00	116861
July 2008	199.95	87.60	963075	196.00	88.20	512397
August 2008	266.40	176.05	1059851	265.00	175.00	574085
September 2008	261.90	215.65	121225	260.00	216.00	17534
October 2008	260.05	231.65	156785	260.45	230.00	37932
November 2008	260.00	218.00	19888	260.00	214.60	10306
December 2008	232.00	216.00	11597	245.50	209.00	2973
January 2009	237.50	200.00	7512	235.00	205.10	3034
February 2009	224.00	195.00	10516	221.00	197.00	2004
March 2009	230.00	200.00	27677	230.90	180.00	11430

- Panoramic Universal Limited share performance versus BSE Sensex**



# Corporate Governance Report (contd....)

- Panoramic Universal Limited share performance versus NSE Nifty**



- Registrar & Share Transfer Agents:**

As per the directions of the Securities and Exchange Board of India (SEBI) vide its Circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002, M/s Sharex Dynamic (India) Private Limited have been appointed as the Registrar and Share Transfer Agents of the Company. The Details of the same are given below:

Name & Address : M/s. Sharex Dynamic (India) Private Limited

Address : Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072

Phone number : 022 – 28515606

Fax number : 022 - 28512885

Website : www.sharexindia.com

Email ID : www.sharexindia@vsnl.com

- Share Transfer System**

Share Transfer cum Investor 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 2009**

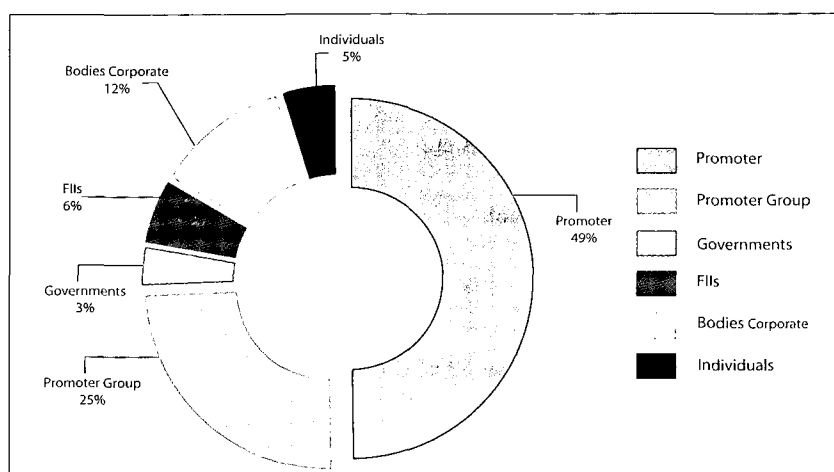
Number of shares	No of Shareholders	% of Shareholders	No of Shares	% of Shareholding
1-5000	1640	97.62	434116	3.35
5001-10000	15	0.89	108313	0.84

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

Number of shares	No of Shareholders	% of Shareholders	No of Shares	% of Shareholding
10001-20000	2	0.12	30300	0.23
20001-30000	5	0.30	118064	0.91
30001-40000	0	0.00	0	0.00
40001-50000	3	0.18	133814	1.03
50001-100000	5	0.30	370637	2.86
100001 and above	10	0.60	11762256	90.78
<b>Total</b>	<b>1680</b>	<b>100.00</b>	<b>12957500</b>	<b>100.00</b>

- Shareholding Pattern by ownership as at 31<sup>st</sup> March, 2009**

	Category of Shareholder	No. of Shares	% of Shares
<b>I</b>	<b>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</b>	<b>Public Shareholding</b>		
	Central Government / State Government(s)	4,42,535	3.41
	Foreign Institutional Investors	7,38,290	5.70
	Bodies Corporate	15,22,112	11.75
	Individuals	6,02,203	4.65
	NRIs	10,812	0.08
	Clearing Member	1318	0.01
	<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 99.18 % of the Company's share capital are dematerialized as on March 31, 2009.

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

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, which has a likely impact on the equity of the Company.

- **Software Location**

The Company's Software Division and Business Development Centre is located at 357, Kalyandas Udyog Bhavan, Near Century Bazar, Prabhadevi, Mumbai - 400 025.

- **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 Luxury 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 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 (East), Mumbai – 400 072 Tel No.: 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 1 (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, 2009.

Place: Mumbai  
Date : 25<sup>th</sup> August, 2009

**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, 2009, as stipulated in Clause 49 of the Listing Agreement of the 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 Investor Grievance Committee, as on 31<sup>st</sup> March, 2009, 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

Place: Mumbai  
Date : 25<sup>th</sup> August, 2009

# 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, 2009 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 and UAE 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 and audited Receipts and Payments Statement in respect of UAE 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, 2009, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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, 2009;
- 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 25, 2009

Membership No. 38660

## 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

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

- 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.
- (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, that were outstanding as at March 31, 2009 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 not obtained any Term Loan during the year. The Company had not defaulted in repayment of dues to bank..
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 not made any preferential allotment of 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 not 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 25, 2009

Membership No. 38660

Balance Sheet  
as at 31st March, 2009

Particulars	Sch.	(Amt. in Rs.)	
		As at 31-03-2009	As at 31-03-2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	564,787,500	564,787,500
Reserves & Surplus	2	682,933,964	571,301,236
<b>Loan Funds</b>			
Secured Loan	3	240,665,074	62,153,736
Unsecured Loan	4	419,241,102	446,615,000
<b>Total</b>		<b>1,907,627,640</b>	<b>1,644,857,472</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	856,293,807	739,484,901
Less: Depreciation		34,103,514	24,296,025
<b>Net Block</b>		<b>822,190,293</b>	<b>715,188,876</b>
<b>Capital Work-In-Progress</b>		<b>5,720,971</b>	<b>81,180</b>
<b>Investments (At Cost)</b>	6	<b>750,341,894</b>	<b>694,692,260</b>
<b>Current Assets, Loans and Advances</b>			
Inventories	7	1,751,585	1,391,014
Sundry Debtors	8	189,776,375	80,847,513
Cash and Bank Balances	9	58,157,983	72,096,664
Loans & Advances	10	205,257,294	138,075,711
		<b>454,943,237</b>	<b>292,410,902</b>
<b>Current Liabilities and Provisions</b>			
Current Liabilities	11	16,525,984	13,842,668
Provisions		126,638,684	51,702,388
		<b>143,164,668</b>	<b>65,545,056</b>
<b>Net Current Assets</b>		<b>311,778,569</b>	<b>226,865,846</b>
<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)	12	17,595,913	8,029,310
<b>Total</b>		<b>1,907,627,640</b>	<b>1,644,857,472</b>
<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)**  
Whole-Time Director

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

Mumbai, August 25, 2009

Mumbai, August 25, 2009

## Profit & Loss Account

for the year ended 31st March, 2009

Particulars	Sch.	(Amt. in Rs.)	
		Year ended 31-03-2009	Year ended 31-03-2008
<b>INCOME</b>			
Income from Information Technology	13	363,466,822	309,189,923
Income from Hospitality	14	34,513,014	17,947,696
Other Income	15	56,124,892	17,233,758
<b>Total</b>		<b>454,104,728</b>	<b>344,371,377</b>
<b>EXPENDITURE</b>			
Materials Consumed	16	9,396,706	4,196,664
Personnel Expenditure	17	64,907,584	28,748,001
Software Development Expenses	18	78,722,140	101,321,800
General & Administrative Expenses	19	56,654,333	53,440,027
Depreciation & Amortisation	5	10,884,762	7,651,133
Interest and Finance Charges	20	13,371,055	7,715,775
Preliminary Expenses Written Off	21	4,433,397	2,090,853
Provision for the diminution in value of Investments		700,465	122,993
<b>Total</b>		<b>239,070,442</b>	<b>205,287,246</b>
<b>PROFIT BEFORE TAX</b>		<b>215,034,286</b>	<b>139,084,131</b>
Provision for Fringe Benefit Tax		510,000	420,155
Provision for Current Tax		24,095,000	14,693,370
<b>PROFIT AFTER TAX</b>		<b>190,429,286</b>	<b>123,970,606</b>
Add : Tax Paid for earlier year		50,760	-
Add: Profit brought forward from the previous year		334,551,622	253,954,258
Amount available for appropriation		<b>525,031,668</b>	<b>377,924,864</b>
<b>APPROPRIATIONS:</b>			
General Reserve		15,000,000	15,000,000
Proposed Dividend :			
On equity shares		32,393,750	16,196,875
On preference shares		35,000,000	8,054,795
Tax on Dividend including surcharge		11,453,568	4,121,572
Balance carried to Balance Sheet		<b>431,184,350</b>	<b>334,551,622</b>
<b>Total</b>		<b>525,031,668</b>	<b>377,924,864</b>
Earnings Per Share (Equity shares, par value of Rs.5/- each)		<b>14.70</b>	<b>9.57</b>
<b>Notes forming part of the Accounts &amp; Accounting Policies</b>	<b>22</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)**  
Whole-Time Director

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

Mumbai, August 25, 2009

Mumbai, August 25, 2009

# Cash Flow Statement

for the year ended 31st March, 2009

	(Amt. in Rs.)	
	Year ended 31-03-2009	Year ended 31-03-2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax</b>	<b>215,034,286</b>	<b>139,084,131</b>
Adjustments for :		
Depreciation and Amortisation	10,884,762	7,651,133
Dividend received	(82,713)	(2,763,678)
Interest received	(351,256)	(193,668)
Loss / (Profit) on sale of Fixed Assets	1,297,483	506,521
Loss / (Profit) on sale of investment	(871,598)	(6,384,767)
Interest and Finance Charges	13,371,055	7,715,775
Preliminary Expenditure written off	4,433,397	2,090,853
Stamp Duty paid on Amalgamation	-	(3,017,478)
	<b>28,681,130</b>	<b>5,604,691</b>
<b>Operating profit before working capital changes</b>	<b>243,715,416</b>	<b>144,688,822</b>
Movement in Working Capital :		
(Increase) / Decrease in Sundry Debtors	(108,928,862)	41,016,780
(Increase) / Decrease in Loans & Advances	(67,181,583)	(43,164,537)
(Increase) / Decrease in Inventories	(360,572)	(101,248)
(Increase) / Decrease in Misc Expenditure	(14,000,000)	(3,619,843)
Increase / (Decrease) in Current Liabilities	2,683,317	(36,402,814)
Increase / (Decrease) in Provision	74,936,296	35,235,933
Increase / (Decrease) in Share Capital	-	500,000,000
	<b>(112,851,404)</b>	<b>492,964,273</b>
<b>Cash generated from Operations</b>	<b>130,864,013</b>	<b>637,653,095</b>
Direct Tax Paid	(24,605,000)	(15,113,525)
Prior period Items	50,760	-
<b>Net Cash Flow from Operating Activities ( A )</b>	<b>106,309,773</b>	<b>622,539,570</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(129,042,251)	(497,845,592)
Purchase of Investments	(218,176,495)	(1,153,330,311)
Sale of Investments	163,398,459	1,019,258,366
Sale of Fixed Assets	4,218,798	582,196
Dividend received	82,713	2,763,678
Interest received	351,256	193,668
<b>Net cash Flow from Investing Activities (B)</b>	<b>(179,167,520)</b>	<b>(628,377,994)</b>

## Cash Flow Statement

for the year ended 31st March, 2009 (Contd....)

	(Amt. in Rs.)	
	Year ended 31-03-2009	Year ended 31-03-2008
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Unsecured Loan	(27,373,898)	23,400,000
Secured Loan from Bank	178,511,338	(10,346,278)
Amount Forfeited on Warrants	-	21,996,392
Dividend Paid	(67,393,750)	(24,251,670)
Additional Tax on Dividend	(11,453,568)	(4,121,572)
Interest Paid	(13,371,055)	(7,715,775)
<b>Net cash Flow from Financing Activities ( C )</b>	<b>58,919,067</b>	<b>(1,038,903)</b>
Net Increase / (Decrease) in cash & cash equivalents (A+B+C)	(13,938,681)	(6,877,327)
Cash and Cash equivalents at the beginning of the year	72,096,664	78,973,991
<b>Cash and Cash equivalents at the end of the year</b>	<b>58,157,983</b>	<b>72,096,664</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)**  
 Whole-Time Director

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

Mumbai, August 25, 2009

Mumbai, August 25, 2009

## Schedules forming part of the Balance Sheet

	(Amt. in Rs.)	
	As at 31-03-2009	As at 31-03-2008
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
50,000,000 Equity Shares of Rs.5 each	250,000,000	250,000,000
500,000,000 (Previous year 100,000,000) Preference Shares of Rs.5 each	2,500,000,000	500,000,000
	<b>2,750,000,000</b>	<b>750,000,000</b>
<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 7% Cumulative Non Convertible Redeemable Preference Shares of Rs.5 each (Redeemable within 20 years)	500,000,000	500,000,000
	<b>564,787,500</b>	<b>564,787,500</b>
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	122,030,414	103,051,500
Less:- Stamp Duty Paid during the year on Amalgamation	-	3,017,478
Add:- Amount Forfeited on Warrants	-	21,996,392
	<b>122,030,414</b>	<b>122,030,414</b>
<b>Securities Premium Account</b>		
As per last Balance Sheet	<b>669,200</b>	<b>669,200</b>
<b>General Reserve</b>		
As per last Balance Sheet	114,050,000	99,050,000
Transferred from Profit and Loss Account	15,000,000	15,000,000
	<b>129,050,000</b>	<b>114,050,000</b>
<b>Profit and Loss Account</b>		
Balance Carried Forward	<b>431,184,350</b>	<b>334,551,622</b>
	<b>682,933,964</b>	<b>571,301,236</b>
<b>SCHEDULE 3 : SECURED LOAN</b>		
From Banks		
Cash Credit (Against mortgage of Office Premises and Property at Panvel Resort)	197,099,880	-
Term Loan (Against hypothecation of Motor Vehicles and mortgage of Office Premises.)	43,565,194	62,153,736
	<b>240,665,074</b>	<b>62,153,736</b>
<b>SCHEDULE 4 : UNSECURED LOAN</b>		
From Other Companies	419,241,102	446,615,000
	<b>419,241,102</b>	<b>446,615,000</b>



Schedule 5 : Fixed Assets

(Amt. in Rs.)

DESCRIPTION	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at 01-04-2008	Additions during the year	Deductions during the year	As at 31-03-2009	As at 01-04-2008	For the year	Deduction during the year	As at 31-03-2009	As at 31-03-2009	As at 31-03-2008
Freehold Land	380,766,797	46,746,647	-	427,513,444	-	-	-	-	427,513,444	380,766,797
Building	82,020,969	8,246,691	-	90,267,660	3,321,978	1,360,997	-	4,682,975	85,584,685	78,698,991
Office Premises	191,281,331	39,142,667	-	230,423,998	2,183,607	2,812,279	-	4,995,886	225,428,112	189,097,724
Plant & Machinery	20,519,764	1,432,005	-	21,951,769	3,193,957	996,783	-	4,190,740	17,761,029	17,325,807
Computers	12,338,184	6,566,225	-	18,904,409	6,980,672	1,704,296	-	8,684,968	10,219,441	5,357,512
Furniture & Fixtures	18,691,477	15,157,269	-	33,848,746	4,200,366	1,790,210	-	5,990,576	27,858,170	14,491,111
Vehicles	20,752,588	864,672	6,585,854	15,031,406	2,965,834	1,493,714	1,076,933	3,382,615	11,648,791	17,786,754
Office Equipments	3,340,317	3,563,141	7,700	6,895,758	529,120	222,631	340	751,411	6,144,347	2,811,197
Air Conditioner	4,051,740	899,735	-	4,951,475	678,188	221,573	-	899,761	4,051,714	3,373,552
Electrical Installations	5,721,734	783,408	-	6,505,142	242,303	282,279	-	524,582	5,980,560	5,479,431
<b>Total</b>	<b>739,484,901</b>	<b>123,402,460</b>	<b>6,593,554</b>	<b>856,293,807</b>	<b>24,296,025</b>	<b>10,884,762</b>	<b>1,077,273</b>	<b>34,103,514</b>	<b>822,190,293</b>	<b>715,188,877</b>
<b>Previous Year</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>24,296,025</b>	<b>715,188,877</b>	<b>207,035,825</b>

Capital Work in Progress 5,720,971  
(Previous year : Rs.81,180/-)

Schedules forming part of the Balance Sheet

## Schedules forming part of the Balance Sheet

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

(Amt. in Rs.)

Sr. No.	Name of the Company	No. of Shares / Units 31-03-2009	No. of Shares / Units 31-03-2008	Face Value Per Share (Rs.)	As at 31-03-2009	As at 31-03-2008
<b>A)</b>	<b>Investment in Equity Shares (Non - Trade - Quoted)</b>					
1	Himachal Fut. Comm.	53,600	53,600	10	1,501,802	1,501,802
2	Swaraj Mazda (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 Info services Ltd.	1,900	1,900	10	60,115	60,115
	<b>Total</b>				<b>1,912,680</b>	<b>1,912,680</b>
	Less : Provision for Diminution in Value of Long Term Investments				1,239,897	539,432
	<b>Total Long Term Investments</b>				<b>672,783</b>	<b>1,373,248</b>
<b>B)</b>	<b>Investment in Equity Shares (Non - Trade - Unquoted)</b>					
	Panoramic Investment Advisors Pvt. Ltd.	2,400	2,400	10	24,000	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	522,716,060
	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	50,000	50,000	10	500,000	500,000
	Shares of Indo Pacific Hotels Ltd	50,000	50,000	10	500,000	500,000
	Shares of Panoramic Tour & Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.)	250,000	195,175	10	11,400,000	8,899,980
	Shares of Sri Vatsa Hotels Ltd.	4,080,000	-	10	81,600,000	-
<b>D)</b>	<b>Investment in Mutual Funds</b>	1,402,119	4,588,450	10	20,000,000	56,326,400
<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	-	-	-	23,729,399	19,095,917
	Grand View Restaurant, Hotel & Bar	-	-	-	21,751,749	17,808,752
<b>H)</b>	<b>Inter-Connected Stock Exchange of India Ltd.</b>	62,413	-	1	15,604,250	15,604,250
	<b>Grand Total</b>				<b>750,341,894</b>	<b>694,692,260</b>

Aggregate Book Value of Investments

Quoted - Market Value Rs.682,203/- (Previous Year - Rs.1,610,390/-)

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

## D) Investment in Mutual Funds

Name of Mutual Fund	Balance as at 01-04-2008		Purchases during the year		Sold during the year		Balance as at 31-03-2009	
	No. of Units	Amt. in Rs.	No. of Units	Amt. in Rs.	No. of Units	Amt. in Rs.	No. of Units	Amt. in Rs.
1) Kotak Flexi Debt Scheme - Growth (NAV as on 31-03-2009 Rs.NIL)	8,152	100,930	-	-	8,152	100,930	-	-
2) ICICI Prudential Institutional Short Term Plan-Comm. Op. (NAV as on 31-03-2009 Rs.NIL)	447,187	6,989,326	-	-	447,187	6,989,326	-	-
3) LIC Liquid Plus Fund - Growth Plan (NAV as on 31-03-2009 Rs.NIL)	2,722,714	29,136,144	6,481,472	70,500,000	9,204,186	99,636,144	-	-
4) Reliance Floating Rate Fund-Growth Plan-Growth Option (NAV as on 31-03-2009 Rs.NIL)	8,277	100,000	-	-	8,277	100,000	-	-
5) Reliance Natural Resource Fund Dividend Plan (NAV as on 31-03-2009 - Rs.6,015,061.12)	977,995	10,000,000	-	-	-	-	977,995	10,000,000
6) Sundaram BNP Paribus Growth Fund (NAV as on 31-03-2009 - Rs.3,006,658.75)	424,124	10,000,000	-	-	-	-	424,124	10,000,000
7) Reliance Liquid Plus Fund (NAV as on 31-03-2009 Rs.NIL)	-	-	49,733	55,000,000	49,733	55,000,000	-	-
<b>Total</b>	<b>4,588,449</b>	<b>56,326,400</b>	<b>6,531,205</b>	<b>125,500,000</b>	<b>9,717,535</b>	<b>161,826,400</b>	<b>1,402,119</b>	<b>20,000,000</b>

## Schedules forming part of the Balance Sheet

	(Amt. in Rs.)	
	As at 31-03-2009	As at 31-03-2008
<b>SCHEDULE 7 : INVENTORIES (At Cost)</b>		
Raw Materials (As taken, valued & certified by the management)	1,751,585	1,391,014
	<b>1,751,585</b>	<b>1,391,014</b>
<b>SCHEDULE 8 : SUNDRY DEBTORS</b>		
(Unsecured, Considered good)		
Over six months	73,331	1,661,013
Others	189,703,044	79,186,500
	<b>189,776,375</b>	<b>80,847,513</b>
<b>SCHEDULE 9 : CASH AND BANK BALANCES</b>		
Cash in hand	2,465,783	2,411,850
Bank balances		
With Scheduled Banks	53,018,555	67,398,296
Commercial Bank of Dubai - UAE	1,263,645	966,518
(Maximum balance during the year Rs.2,003,804/-)		
Fixed Deposits with Scheduled Banks	1,410,000	1,320,000
	<b>58,157,983</b>	<b>72,096,664</b>
<b>SCHEDULE 10 : LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value		
to be received	88,738,240	76,877,607
Accrued Interest	201,418	143,184
Loan to Subsidiaries	62,634,653	32,616,476
Advance for Technical Know How	10,112,387	10,112,387
Deposits	1,336,413	1,065,190
Advance Tax and TDS	41,492,805	16,781,609
Prepaid Expenses	741,378	479,258
	<b>205,257,294</b>	<b>138,075,711</b>

## Schedules forming part of the Balance Sheet

	(Amt. in Rs.)	
	As at 31-03-2009	As at 31-03-2008
<b>SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	5,557,518	3,652,012
Unclaimed Dividend	778,746	763,118
Duties & Taxes	1,465,956	1,092,618
Other Liabilities	8,723,764	8,334,920
	<b>16,525,984</b>	<b>13,842,668</b>
<b>PROVISIONS</b>		
Other Provision	7,930,194	7,919,421
Proposed Dividend	67,393,750	24,251,670
Provision for Dividend Tax	11,453,568	4,121,572
Provision for Fringe Benefit Tax	1,129,752	716,355
Provision for Taxation	38,731,420	14,693,370
	<b>126,638,684</b>	<b>51,702,388</b>
	<b>143,164,668</b>	<b>65,545,056</b>
<b>SCHEDULE 12 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
GDR Issue Expenses	3,433,754	3,433,754
Preliminary Expenses	-	75,118
Pre-operative Expenditure	722,159	1,720,438
Share Issue Expenses	13,440,000	2,800,000
	<b>17,595,913</b>	<b>8,029,310</b>

## Schedules forming part of the Profit & Loss Account

	(Amt. in Rs.)	
	Year ended 31-03-2009	Year ended 31-03-2008
<b>SCHEDULE 13 : INCOME FROM INFORMATION TECHNOLOGY</b>		
Income from I T Export	363,460,822	309,134,663
Income from DTA Sales	6,000	55,260
	<b>363,466,822</b>	<b>309,189,923</b>
<b>SCHEDULE 14 : INCOME FROM HOSPITALITY</b>		
Income from Lodging & Boarding	17,284,133	11,482,145
Income from sale of Food & Beverages	17,228,881	6,465,551
	<b>34,513,014</b>	<b>17,947,696</b>
<b>SCHEDULE 15 : OTHER INCOME</b>		
Dividend on Long Term Investments	82,713	2,763,678
Exchange Rate Fluctuations - Gain	40,322,096	-
Interest on FDR (TDS Rs.8,158/-)	351,256	193,668
Other Income	7,822,194	729,979
Profit on sale of Investments	871,598	6,384,767
Profit on Forward Booking	4,351,000	-
Share of Profit from Partnership Firms	2,324,035	7,161,666
	<b>56,124,892</b>	<b>17,233,758</b>
<b>SCHEDULE 16 : MATERIALS CONSUMED</b>		
Opening Stock	1,391,014	1,289,766
Add : Purchases during the year	9,757,277	4,297,912
	11,148,291	5,587,678
Less : Closing Stock	1,751,585	1,391,014
	<b>9,396,706</b>	<b>4,196,664</b>
<b>SCHEDULE 17 : PERSONNEL EXPENDITURE</b>		
<b>(Salaries including Overseas Staff Expenses)</b>		
Salaries & Allowances	50,386,443	19,797,312
Bonus & Ex-Gratia	220,352	125,541
Contribution to PF & ESIC	4,646,104	1,873,027
Director's Remuneration	5,788,572	3,780,890
Gratuity	699,956	1,059,602
Keyman Insurance	-	462,279
Leave Encashment	1,363,646	168,559
Staff Training & Development Exps.	57,102	358,717
Staff Welfare Expenses	1,745,409	1,122,074
	<b>64,907,584</b>	<b>28,748,001</b>
<b>SCHEDULE 18 : SOFTWARE DEVELOPMENT EXPENSES</b>		
Consultancy charges	78,722,140	101,321,800
	<b>78,722,140</b>	<b>101,321,800</b>

## Schedules forming part of the Profit &amp; Loss Account

	(Amt. in Rs.)	
	Year ended 31-03-2009	Year ended 31-03-2008
<b>SCHEDULE 19 : GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
Accounting Fees	-	94,569
Advertisement & Sales Promotion	1,177,109	883,562
Audit Fees	332,614	247,767
Bad & Doubtful Debts Written off	-	534,610
Books & Periodicals	39,709	80,596
Commission / Discount Expenses	1,893,746	740,451
Communication Expenses	3,041,060	1,572,087
Computer Expenses	137,209	268,126
Consumables	54,361	-
Donation & Gifts	75,502	140,251
Electricity & Water Charges	3,583,575	2,978,355
Entertainment Expenses	61,085	171,814
Event Expenses	754,763	-
Exchange Rate Fluctuation Loss	-	23,149,268
Fuel	3,158,460	291,882
Housekeeping Expenses	1,148,953	558,229
Insurance Charges	281,643	334,591
Kitchen & Restaurant Expenses	175,972	120,791
License & Fees	1,296,006	319,687
Loss on Disposal / Sale of Fixed Assets	1,297,483	506,521
Membership & Subscription	396,298	342,057
Miscellaneous Expenses	457,324	105,954
Office Expenses	456,737	417,184
P.F. Administration Charges	516,493	185,001
Printing & Stationery	2,871,356	959,703
Professional Fees	11,684,192	6,365,823
Rent, Rates & Taxes	3,952,866	2,931,524
Repairs & Maintenance :		
Buildings	1,553,456	668,018
Machinery	1,017,939	363,569
Others	3,180,888	358,166
Right Issue Expenses	-	1,373,600
Sales Tax / VAT Expenses	1,492,474	751,971
Security Charges	2,462,049	1,864,614
Transportation expenses	390,923	52,343
Travel & Conveyance Expenses	5,664,528	2,564,960
Vehicle Expenses	2,014,217	1,118,330
Wealth Tax	33,343	24,053
	<b>56,654,333</b>	<b>53,440,027</b>

## Schedules forming part of the Profit & Loss Account

(Amt. in Rs.)

	Year ended 31-03-2009	Year ended 31-03-2008
<b>SCHEDULE 20 : INTEREST &amp; FINANCIAL CHARGES</b>		
Bank Charges	302,778	198,075
Foreign Bank Charges	170,254	159,069
Interest on Secured Loan	12,898,023	7,358,631
	<b>13,371,055</b>	<b>7,715,775</b>
<b>SCHEDULE 21 : PRELIMINARY EXPENSES WRITTEN OFF</b>		
Merger & Acquisition Expenses	75,118	75,124
Miscellaneous Expenditures	714,859	728,308
Preliminary Expenses	283,420	283,421
Share Issue Expenses	3,360,000	1,004,000
	<b>4,433,397</b>	<b>2,090,853</b>



## Schedule : 22 Notes on Balance Sheet and Profit & Loss Account

### I 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 land, buildings, office equipments, furniture and fixtures, advances etc.

#### c) Depreciation and Amortization:

Depreciation on fixed assets has been provided on straight - line method as prescribed in the Schedule XIV to the Companies Act, 1956.

#### 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, income comprising of room rentals ,food and beverages and allied services relating to hotel operations are recognized when services are rendered.

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

### h) Taxation:

- (i) Provision for current taxation is on account of Minimum Alternate Tax in accordance with the Income Tax Law 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 Law 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 Tax Asset 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. 378.88 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.54.22 lakhs from Axis Bank Ltd. is secured by hypothecation of a vehicle
- (iii) Term Loan of Rs.2.55 lakhs from Saraswat Co-op Bank Ltd. is secured by hypothecation of a vehicle.

### b) Cash Credit:-

- (i) Cash Credit from Saraswat Co-Op Bank Ltd is secured by mortgage of Office Premises at 4th Floor, Aman Chambers, Prabhadevi, Mumbai-400 025 and property at Panvel Resorts.

## 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.

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

- 4 The Company has initiated arbitration proceedings before the American Arbitration Authority for USD 1.10 millions against USA based TCBY Inc. for non-performance/non-adherence of contract terms and consequent damages and compensation. The payment made to the said TCBY Inc. is shown as Advance for Technical Know How under the head "Loans & Advances".
- 5 The Company had planned a GDR issue, which had to be kept on hold due to unfavourable market conditions. The expenditure incurred thereon has been shown under the head "Miscellaneous Expenditure - to the extent not written off" and shall be written off/ amortised in the year GDR issue materialize.

### 6 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 non funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March, 2009

	As at 31-03-2009	As at 31-03-2008
<b>i) Change in Benefit Obligations :-</b>		
<b>Projected Benefit Obligations, beginning of the year (01-04-2008)</b>	1,458,454	604,906
Service Cost	709,927	609,566
Interest Cost	116,676	48,392
Actuarial (Gain) / Loss on obligations	(126,647)	401,644
Benefits Paid	-	(206,054)
<b>Projected Benefit Obligations, end of the year (31-03-2009)</b>	2,158,410	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, 2009</b>		
Service Cost	709,927	609,566
Interest on defined benefit obligation	116,676	48,392
Expected return on plan assets	N.A.	N.A.
Net actuarial (Gain)/ Loss recognized in the year	(126,647)	401,644
<b>Net gratuity and other cost</b>	699,956	1,059,602
<b>iv) Category of Assets as at 31st March, 2009</b>	N.A.	N.A.
<b>v) Assumption used in accounting for the gratuity plan :</b>		
<b>Discounting Rate (p.a)</b>	8%	8%
<b>Increase in Compensation Level</b>	5%	5%
<b>Expected rate of return on Plan assets</b>	N.A.	N.A.
	<b>2008-09</b>	<b>2007-08</b>

### 7 Investment in Partnership Firms

The details of Partnership Firms are as follows:-

#### a) Graciano Cottages, Goa

Total Capital & Current Account		
Capital Account	83,000	83,000
Current Account	23,646,399	19,012,917
<b>Name of the Partners</b>	<b>Share of Profit / (Loss)</b>	
Panoramic Universal Ltd	95%	95%
Mrs. Usha Tari	5%	5%

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

### b) Grand View Hotel, Restaurant & Bar, Pune

Total Capital & Current Account

Capital Account

80,000

80,000

Current Account

21,671,749

17,728,752

Name of the Partners	Share of Profit / (Loss)	
Panoramic Universal Limited	80%	80%
Mrs.Viidyaa S. Moravekar	15%	15%
Mrs.Usha Tari	5%	5%
<b>8 Contingent Liabilities not provided for :</b>		
<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	68,269,500	53,487,000
<b>9 Profit &amp; Loss Account includes:</b>		
Remuneration to Directors	5,788,572	3,780,890
Sitting Fees	Rs. Nil	Rs. Nil
Other Perquisites	Rs. Nil	Rs. Nil
<b>10 Payment to Auditors</b>		
For Audit	327,614	242,767
For other services	5,000	5,000

**11** Remuneration to Directors of Rs.5,788,572/- includes Rs.2,172,000/- being commission payable to Managing Director

### **12 Disclosures of related parties for the year ended 31-03-2009**

#### **I 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.

Panoramic Holidays Ltd.

Panoramic Tours and Travels Ltd. (formerly known as Hi- Flyers Travel Services Ltd.)

Sri Vatsa Hotels Pvt. Ltd. (w.e.f. 16.10.2008)

##### **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, Hotel Pinnacle Ltd., Athiti Resorts Ltd., Golden Valley Hotels Ltd., Sea View Retreats Ltd. (formerly known as Shyama Varna Resorts Pvt. Ltd.), Panoramic Tour & Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd).

#### **2 Key Management Personnel**

**a)** Viidyaa Moravekar Managing Director

**b)** Arun Tari Whole - Time Director

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

### 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:

	2008-09	2007-08
<b>(i) Transactions with Director</b>		
<b>a) Remuneration</b>		
Arun B. Tari	1,012,572	561,000
Viidyaa S. Moravekar	4,776,000	3,219,890
<b>(ii) Transactions with Associates &amp; Subsidiary Companies</b>		
<b>a) Rent paid</b>		
Pan Herbbo Ltd.	-	240,000
<b>b) Reimbursement of expenses received</b>		
Panoramic Tour and Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.)	1,138,113	-
Panoramic Holidays Ltd.	1,282,473	-
<b>c) Sale of Room Nights</b>		
Pan Herbbo Ltd.	-	800,800
Pancard Clubs Ltd.	48,000	-
<b>d) Travelling Expenses</b>		
Panoramic Tour and Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.)	3,424,597	317,130
<b>e) Rent Received</b>		
Panoramic Tour and Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.)	110,000	-
<b>(iii) Amount due to related parties</b>		
<b>a)</b> Panoramic Tour and Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.)	-	39,538
<b>(iv) Amount due from related party</b>		
<b>a)</b> Panoramic Investment Advisors Pvt. Ltd..	50,000	50,000
<b>b)</b> Pan Herbbo Ltd.	19,000	-
<b>(v) Amount due to Subsidiary</b>		
<b>a)</b> Indo Pacific Hotels Ltd.	20,140,500	9,400,000
<b>(vi) Amount due from Subsidiary</b>		
<b>a)</b> Sri Vatsa Hotels Pvt. Ltd.	24,840,863	-
<b>b)</b> Panoramic Holidays Ltd.	1,612,213	-
<b>c)</b> Panoramic Tour and Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.)	3,496,793	-
<b>(vii) Dividend paid</b>		
Pancard Clubs Ltd	3,671,875	2,937,500
Panoramic Resorts (India) Ltd.	101,535	81,228
Panoramic Land Developers Pvt. Ltd.	53,625	42,900
Manda Mohan Phatarphekar	146,750	117,400
Usha Tari	13,750	11,000
Deepashree Tari	500	400
Sudhir S Moravekar	8,062,253	6,449,802

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

### 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	32,616,476
b) Sri Vatsa Hotels Ltd. (Maximum Balance during the year Rs. 24,840,863/-)	24,840,863	-
c) Panoramic Holidays Ltd. (Maximum Balance during the year Rs. 1,612,213/-)	1,612,213	-
d) Panoramic Tour and Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.) (Maximum Balance during the year Rs. 3,496,793/-)	3,496,793	-

Notes :-

- Loans/Advances shown above, to subsidiary fall under the category of Loans/Advances in nature of Loans, where there is no repayment schedule and are re-payable on demand.
- There are no investments by the loanees in the shares of the parent company and /or subsidiary companies.

### 13 Segment Reporting

Segment Identification:

- The Company's operations are focused on Software Development and Hospitality activities. Accordingly, these two business divisions comprises 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 and Other Income	408,589,302	45,515,426	454,104,728
Inter-Segment Revenue	-	-	-
<b>Total</b>	<b>408,589,302</b>	<b>45,515,426</b>	<b>454,104,728</b>
<b>RESULT</b>			
Profit before Depreciation, Interest & Tax	259,654,683	(20,364,580)	239,290,103
Depreciation	855,411	10,029,351	10,884,762
Interest	5,662,437	7,708,618	13,371,055
Taxation	24,605,000	-	24,605,000
<b>Net Profit</b>	<b>228,531,835</b>	<b>(38,102,549)</b>	<b>190,429,286</b>
<b>OTHER INFORMATION</b>			
Segment Assets	789,903,124	1,100,128,603	1,890,031,727
Segment Liabilities	61,913,266	597,992,910	659,906,176

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

- 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.)

Particulars	Asia	Rest of the World	Total
External Revenue	395,818,688	58,286,040	454,104,728

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

(Amt. in Rs.)

	31-03-2009	31-03-2008
<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>		
Foreign Bank Charges	170,254	159,069
Listing Fee	-	141,600
Other Expenses	3,878,135	3,314,025
Investment in subsidiary	-	49,187,500
Loan to Subsidiary	-	29,280,250
<b>c) Earning in Foreign Currencies</b>		
Software Export	363,460,822	309,134,663
Fund transfer from branch	-	13,524,908
Interest	243,729	-

**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

	2008-09	2007-08
<b>I</b> Profit Attributable to Equity Shareholders (Rs.)	190,429,286	123,970,606
<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	14.70	9.57

- 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)**  
 Whole-Time Director

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

Mumbai, August 25, 2009

Mumbai, August 25, 2009

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

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**1 Registration Details:**

Registration No.	<b>66856</b>
State Code	<b>11</b>
Balance Sheet Date	<b>31st March, 2009</b>

**2 Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement (Preference Shares)	NIL

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

Total Liabilities	1,907,628
Total Assets	1,907,628

**Sources of Funds**

Paid-up Capital	564,787
Reserves & Surplus	682,934
Secured Loans	240,665
Unsecured Loans	419,241

**Application of Funds**

Net Fixed Assets	827,911
Investments	750,342
Net Current Assets	311,779
Miscellaneous Expenditure	17,596
Accumulated Loss	NIL

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

Turnover	454,105
Total Expenditure	239,070
Profit Before Tax	190,429
Profit After Tax	190,429
Earnings Per Share (Rs./Share)	14.70
Dividend (Per Share)	Rs.2.50

**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, 2009 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, 2009;
- 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 25, 2009

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

# Consolidated Balance Sheet

as at 31st March, 2009

Particulars	Sch.	As at 31-03-2009	(Amt. in Rs.) As at 31-03-2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	564,787,500	564,787,500
Reserves & Surplus	2	1,536,757,808	955,483,683
<b>Loan Funds</b>			
Secured Loan	3	729,213,334	663,673,629
Unsecured Loan	4	803,178,172	807,383,898
Deferred Tax Liability		6,500,824	5,093,191
<b>Total</b>		<b>3,640,437,638</b>	<b>2,996,421,901</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	3,157,436,484	2,341,343,092
Less: Depreciation		564,115,786	401,792,267
<b>Net Block</b>		<b>2,593,320,698</b>	<b>1,939,550,825</b>
<b>Capital Work-In-Progress</b>		<b>109,825,601</b>	<b>61,721,158</b>
<b>Investments (At Cost)</b>	6	<b>37,299,206</b>	<b>138,983,404</b>
<b>Current Assets, Loans and Advances</b>			
Inventories	7	11,522,741	6,083,613
Sundry Debtors	8	285,561,067	263,235,438
Cash and Bank Balances	9	132,535,621	256,948,266
Loans & Advances	10	771,270,736	511,102,189
Minority Interest		(40,205,907)	(4,590,391)
		<b>1,160,684,258</b>	<b>1,032,779,115</b>
<b>Current Liabilities and Provisions</b>			
Current Liabilities	11	159,628,353	131,262,174
Provisions		128,022,853	57,324,701
		<b>287,651,206</b>	<b>188,586,875</b>
<b>Net Current Assets</b>		<b>873,033,052</b>	<b>844,192,240</b>
<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)	12	26,959,081	11,974,274
<b>Total</b>		<b>3,640,437,638</b>	<b>2,996,421,901</b>
<b>Notes forming part of the Accounts &amp; Accounting Policies</b>	23		

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)**  
Whole-Time Director

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

Mumbai, August 25, 2009

Mumbai, August 25, 2009

NOTE: Figures pertaining to Foreign Subsidiaries have been translated at exchange rates prevailing as on 31-03-2009.

## Consolidated Profit & Loss Account for the year ended 31st March, 2009

Particulars	Sch.	(Amt. in Rs.)	
		Year ended 31-03-2009	Year ended 31-03-2008
<b>INCOME</b>			
Income from Information Technology	13	363,466,822	309,189,923
Income from Hospitality	14	1,033,632,253	1,002,503,980
Income from Travel Agency	15	47,305,128	15,065,159
Other Income	16	66,103,400	21,635,048
<b>Total</b>		<b>1,510,507,603</b>	<b>1,348,394,110</b>
<b>EXPENDITURE</b>			
Materials Consumed	17	82,253,385	73,244,772
Personnel Expenditure	18	291,285,830	224,324,313
Software Development Expenses	19	78,722,140	101,321,800
General & Administrative Expenses	20	386,332,737	328,301,785
Depreciation & Amortisation	5	60,695,571	53,209,471
Interest and Finance Charges	21	62,515,756	69,708,772
Preliminary Expenses Written Off	22	4,448,819	2,090,853
Provision for the diminution in value of investments		700,465	122,993
Minority Interest		898,646	1,779,203
<b>Total</b>		<b>967,853,349</b>	<b>854,103,962</b>
<b>PROFIT BEFORE TAX</b>		<b>542,654,254</b>	<b>494,290,148</b>
Less : Provision for Fringe Benefit Tax		552,915	491,377
Less: Tax for the Current Year		151,017,290	153,156,332
<b>PROFIT AFTER TAX</b>		<b>391,084,049</b>	<b>340,642,439</b>
Less: Extraordinary Items		1,912,386	886,485
<b>PROFIT AFTER EXTRAORDINARY ITEMS</b>		<b>389,171,663</b>	<b>339,755,954</b>
Add: Provision for Taxation Written Back		122,556	77,023
Add: Prior Period Adjustments		120,075	-
Add: Profit / (Loss) brought forward from the previous year		801,768,268	505,308,533
<b>Amount available for appropriation</b>		<b>1,191,182,562</b>	<b>845,141,510</b>
<b>APPROPRIATIONS:</b>			
General Reserve		15,000,000	15,000,000
Proposed Dividend			
On equity shares		32,393,750	16,196,875
On preference shares		35,000,000	8,054,795
Tax on Dividend including surcharge		11,453,568	4,121,572
<b>Balance carried to Balance Sheet</b>		<b>1,097,335,244</b>	<b>801,768,268</b>
<b>Total</b>		<b>1,191,182,562</b>	<b>845,141,510</b>
Earnings Per Share (Equity shares, par value of Rs.5/- each)		<b>30.03</b>	<b>26.22</b>

### Notes forming part of the Accounts & Accounting Policies

23

As per our Report of even date

For and on behalf of the Board

**For H. H. Topiwala & Co.**

Chartered Accountants

**(H. H. Topiwala)**

Proprietor

Membership No.38660

**(Viidyaa Moravekar)**

Managing Director

**(Arun Tari)**

Whole-Time Director

**(Chirag N. Shah)**

Company Secretary

Mumbai, August 25, 2009

Mumbai, August 25, 2009

NOTE: Figures pertaining to Foreign Subsidiaries have been translated at exchange rates prevailing as on 31-03-2009.

## Consolidated Cash Flow Statement for the year ended 31st March, 2009

	<b>(Amt. in Rs.)</b>	
	Year ended 31-03-2009	Year ended 31-03-2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax</b>	<b>542,654,254</b>	<b>493,403,663</b>
Adjustments for :		
Depreciation and Amortisation	60,695,571	53,209,471
Dividend received	(125,380)	(2,802,734)
Interest received	(359,200)	(184,068)
Profit on sale of investment	(871,598)	(6,384,767)
Extra Ordinary Items	1,912,386	886,485
Interest paid	62,515,756	69,708,772
Provision for diminution in value of investments	700,465	122,993
Preliminary Expenditure written off	4,448,819	2,090,853
Stamp duty paid on amalgamation	-	(3,017,478)
	<b>128,916,819</b>	<b>113,629,527</b>
<b>Operating Profit before working capital changes</b>	<b>671,571,073</b>	<b>607,033,190</b>
Movement in Working Capital :		
(Increase) / Decrease in Sundry Debtors	(22,325,629)	57,200,387
(Increase) / Decrease in Inventories	(5,439,129)	562,851
(Increase) / Decrease in Loans & Advances	(260,168,547)	(135,164,360)
(Increase) / Decrease in Minority Interest	34,716,870	575,366
(Increase) / Decrease in Misc. Expenditure	(19,433,626)	(7,501,586)
Increase / (Decrease) in Current Liabilities	28,366,179	(121,653,523)
Increase / (Decrease) in Share Capital	-	500,000,000
Increase / (Decrease) in Provision	70,698,152	(49,385,601)
	<b>(173,585,731)</b>	<b>244,633,535</b>
<b>Cash generated from Operations</b>	<b>497,985,342</b>	<b>851,666,725</b>
Direct Tax Paid	(150,162,572)	(154,102,779)
Prior Period Items	242,631	77,023
<b>Net Cash Flow from Operating Activities ( A)</b>	<b>348,065,401</b>	<b>697,640,969</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(769,117,153)	(634,717,113)
Purchase of Investments	(125,842,665)	(1,149,744,313)
Sale of Investments	227,697,998	1,019,135,373
Sale of Fixed Assets	4,634,880	1,504,480
Extraordinary Items	(1,912,386)	(886,485)
Dividend received	125,380	2,802,734
Interest received	359,200	184,068
<b>Net cash Flow from Investing Activities (B)</b>	<b>(664,054,746)</b>	<b>(761,721,256)</b>

## Consolidated Cash Flow Statement for the year ended 31st March, 2009 (Contd....)

	(Amt. in Rs.)	
	Year ended 31-03-2009	Year ended 31-03-2008
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Secured Loan from Bank	65,539,705	(110,533,916)
Unsecured Loan	(4,205,726)	316,594,878
Amount Forfeited on warrants	-	21,996,392
Dividend Paid	(67,393,750)	(24,251,670)
Additional Tax on Dividend	(11,453,568)	(4,121,572)
Minority Interest	898,646	1,779,203
Interest Paid	(62,515,756)	(69,708,772)
<b>Net cash Flow from Financing Activities ( C )</b>	<b>(79,130,449)</b>	<b>131,754,543</b>
<b>Total (A+B+C)</b>	<b>(395,119,794)</b>	<b>67,674,256</b>
Adjustment on account of exchange rate	270,707,149	(58,727,760)
<b>Net Increase / (Decrease) in cash &amp; cash equivalents</b>	<b>(124,412,645)</b>	<b>8,946,497</b>
Cash and Cash equivalents at the beginning of the year	256,948,266	248,001,769
<b>Cash and Cash equivalents at the end of the year</b>	<b>132,535,621</b>	<b>256,948,266</b>

As per our Report of even date

For and on behalf of the Board

**For H. H. Topiwala & Co.**

Chartered Accountants

**(H. H. Topiwala)**

Proprietor

Membership No.38660

Mumbai, August 25, 2009

**(Viidyaa Moravekar)**

Managing Director

Mumbai, August 25, 2009

**(Arun Tari)**

Whole-Time Director

**(Chirag N. Shah)**

Company Secretary

NOTE: Figures pertaining to Foreign Subsidiaries have been translated at exchange rates prevailing as on 31-03-2009.

## Schedules forming part of the Consolidated Balance Sheet

	(Amt. in Rs.)	
	As at 31-03-2009	As at 31-03-2008
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised :</b>	250,000,000	250,000,000
50,000,000 Equity Shares of Rs.5 each		
500,000,000 (Previous year 100,000,000) Preference Shares of Rs.5 each	2,500,000,000	500,000,000
	<b>2,750,000,000</b>	<b>750,000,000</b>
<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 7% Cumulative Non Convertible Redeemable Preference Shares of Rs.5 each (Redeemable within 20 years)	500,000,000	500,000,000
	<b>564,787,500</b>	<b>564,787,500</b>
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	122,030,414	103,051,500
Less:- Stamp Duty paid on Amalgamation	-	3,017,478
Add:- Amount Forfeited on Warrants	-	21,996,392
	<b>122,030,414</b>	<b>122,030,414</b>
<b>Securities Premium Account</b>		
As per last Balance Sheet	<b>669,200</b>	<b>669,200</b>
<b>General Reserve</b>		
As per last Balance Sheet	114,050,000	99,050,000
Transferred from Profit and Loss Account	15,000,000	15,000,000
	<b>129,050,000</b>	<b>114,050,000</b>
<b>Profit and Loss Account</b>		
Balance Carried Forward	<b>1,097,335,244</b>	<b>801,768,268</b>
<b>Currency Translation Reserve</b>	<b>187,672,950</b>	<b>(83,034,199)</b>
	<b>1,536,757,808</b>	<b>955,483,683</b>
<b>SCHEDULE 3 : SECURED LOAN</b>		
From Banks		
Cash Credit (Against hypothecation of Office Premises)	197,099,880	-
Term Loan (Against hypothecation of Motor Vehicle and mortgage of Office Premises in India and hotel properties at USA.)	532,113,454	663,673,629
	<b>729,213,334</b>	<b>663,673,629</b>
<b>SCHEDULE 4 : UNSECURED LOAN</b>		
From Other Companies	803,178,172	807,383,898
	<b>803,178,172</b>	<b>807,383,898</b>

## Schedules forming part of the Consolidated Balance Sheet

DESCRIPTION	(Amt. in Rs.)											
	GROSS BLOCK (At Cost)					DEPRECIATION					NET BLOCK	
	As at 01-04-2008	Additions during the year	Deductions during the year	Translation Adjustment	As at 31-03-2009	As at 01-04-2008	Additions during the year	For the year	Deduction during the year	Translation Adjustment	As at 31-03-2009	As at 31-03-2008
Freehold Land	705,480,665	254,565,164	-	45,016,077	1,005,061,906	-	-	-	-	-	1,005,061,906	705,480,665
Building	1,050,937,169	25,639,875	-	251,494,814	1,328,069,458	217,994,085	23,085,373	1,385	56,768,416	297,846,489	1,030,222,969	832,940,684
Office Premises	191,281,330	39,142,667	-	-	230,423,997	2,183,607	2,812,279	-	-	4,995,886	225,428,111	189,097,723
Plant & Machinery	127,668,332	5,148,057	384,412	28,384,976	160,816,953	92,015,987	3,608,778	115,260	24,362,360	119,871,865	40,945,088	35,652,345
Computers	12,456,643	7,753,321	-	-	20,209,964	7,039,109	1,782,458	-	3,693	8,825,260	11,384,704	5,417,534
Furniture & Fixtures	96,025,962	32,785,698	771,019	20,887,496	148,928,137	41,666,563	16,076,746	387,506	11,458,959	68,814,762	80,113,375	54,359,399
Motor Vehicle	28,281,447	6,501,024	7,057,166	1,616,836	29,342,141	8,600,044	2,424,749	1,231,833	1,506,322	11,299,282	18,042,859	19,681,403
Office Equipments	48,193,318	8,072,034	102,700	12,116,208	68,280,860	25,262,158	7,445,103	32,047	7,365,313	40,040,527	28,240,333	22,933,160
Air Conditioner	4,745,647	973,695	-	-	5,719,342	809,098	256,060	-	-	1,065,158	4,654,184	3,936,549
Electrical Installations	5,721,730	829,749	-	-	6,551,483	242,303	282,923	-	-	525,226	6,026,257	5,479,431
Goodwill	40,479,153	42,675,375	-	9,162,825	92,317,353	-	-	-	-	-	92,317,353	40,479,153
Borrowing Cost	1,829,295	-	-	505,572	2,334,867	691,599	119,756	-	202,553	1,013,908	1,320,959	1,137,696
Capital Improvement	28,242,797	20,071,359	-	7,805,619	56,119,775	5,287,714	2,602,908	-	1,709,452	9,600,074	46,519,701	22,955,083
Franchise	-	3,260,248	-	-	3,260,248	-	198,439	-	18,911	217,350	3,042,898	-
<b>Total</b>	<b>2,341,343,092</b>	<b>447,418,266</b>	<b>8,315,297</b>	<b>376,990,423</b>	<b>3,157,436,484</b>	<b>401,792,267</b>	<b>60,695,571</b>	<b>1,768,031</b>	<b>103,395,979</b>	<b>564,115,786</b>	<b>2,593,320,698</b>	<b>1,939,550,825</b>
Previous Year	1,780,283,880	698,946,100	3,097,165	(134,789,723)	2,341,343,092	378,143,548	53,209,471	1,592,685	(28,539,861)	401,792,267	1,939,550,825	1,402,140,332

Capital Work in Progress  
(Previous Year :Rs.61,721,158/-)

109,825,601

## Schedules forming part of the Consolidated Balance Sheet

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

(Amt. in Rs.)

Sr. No.	Name of the Company	No. of Shares / Units 31-03-2009	No. of Shares / Units 31-03-2008	Face Value Per Share (Rs.)	As at 31-03-2009	As at 31-03-2008
<b>A)</b>	<b>Investment in Equity Shares (Non - Trade - Quoted)</b>					
1	Himachal Fut. Comm.	53,600	53,600	10	1,501,802	1,501,802
2	Swaraj Mazda (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 Info services Ltd.	1,900	1,900	10	60,115	60,115
	<b>Total</b>				<b>1,912,680</b>	<b>1,912,680</b>
	Less : Provision for Diminution in Value of Long Term Investments				<u>1,239,897</u>	<u>539,432</u>
	<b>Total Long Term Investments</b>				<b>672,783</b>	<b>1,373,248</b>
<b>B)</b>	<b>Investment in Equity Shares (Non - Trade - Unquoted)</b>					
	Panoramic Investment Advisors Pvt. Ltd.	2,400	2,400	10	24,000	24,000
<b>C)</b>	<b>Investment in Mutual Funds</b>	10,720,902	1,466,759	10	20,948,593	121,932,326
<b>D)</b>	<b>National Savings Certificate</b>	-	-	-	6,000	6,000
<b>E)</b>	<b>Investment in Saraswat Co-Op Bank Ltd.</b>	-	-	-	43,580	43,580
<b>F)</b>	<b>Inter-Connected Stock Exchange of India Ltd.</b>	62,413	-	1	15,604,250	15,604,250
<b>G)</b>	<b>Investment in Subsidiary Companies (Unquoted)</b>					
	<b>Grand Total</b>				<b>37,299,206</b>	<b>138,983,404</b>



## Schedules forming part of the Consolidated Balance Sheet

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

## C) Investment in Mutual Funds

Name of Mutual Fund	Balance as at 01-04-2008		Purchases during the year		Sold during the year		Balance as at 31-03-2009	
	No. of Units	Amt. in Rs.	No. of Units	Amt. in Rs.	No. of Units	Amt. in Rs.	No. of Units	Amt. in Rs.
1) Kotak Flexi Debt Scheme - Growth (NAV as on 31-03-2009 Rs.NIL)	8,152	100,930	-	-	8,152	100,930	-	-
2) ICICI Prudential Institutional Short Term Plan-Comm. Op. (NAV as on 31-03-2009 Rs.NIL)	447,187	6,989,326	-	-	447,187	6,989,326	-	-
3) LIC Liquid Plus Fund - Growth Plan (NAV as on 31-03-2009 Rs.NIL)	2,722,714	29,136,144	6,481,472	70,500,000	9,204,186	99,636,144	-	-
4) Reliance Floating Rate Fund-Growth Plan-Growth Option (NAV as on 31-03-2009 Rs.NIL)	8,277	100,000	-	-	8,277	100,000	-	-
5) Reliance Natural Resource Fund Dividend Plan (NAV as on 31-03-2009 - Rs.6,015,061.12)	977,995	10,000,000	-	-	-	-	977,995	10,000,000
6) Sundaram BNP Paribus Growth Fund (NAV as on 31-03-2009 - Rs.3,006,658.75)	424,124	10,000,000	-	-	-	-	424,124	10,000,000
7) Reliance Liquid Plus Fund (NAV as on 31-03-2009 Rs.NIL)	-	-	49,733	55,000,000	49,733	55,000,000	-	-
8) Franklin Templeton Mutual Fund (NAV as on 31-03-2009 Rs.NIL)	60,297	605,926	4,205	42,667	-	-	64,502	648,593
9) LIC Liquid Plus Fund - Growth Plan (NAV as on 31-03-2009 Rs.NIL)	6,072,156	65,000,000	-	-	6,072,156	65,000,000	-	-
10) UTI Treasury Advantage Fund - Growth Plan (NAV as on 31-03-2009 Rs.308,658.26)	-	-	138	300,000	-	-	138	300,000
<b>Total</b>	<b>10,720,902</b>	<b>121,932,326</b>	<b>6,535,548</b>	<b>125,842,667</b>	<b>15,789,691</b>	<b>226,826,400</b>	<b>1,466,759</b>	<b>20,948,593</b>

## Schedules forming part of the Consolidated Balance Sheet

	(Amt. in Rs.)	
	As at 31-03-2009	As at 31-03-2008
<b>SCHEDULE 7 : INVENTORIES (At Cost)</b>		
Raw Materials	11,522,741	6,083,613
	<b>11,522,741</b>	<b>6,083,613</b>
<b>SCHEDULE 8 : SUNDRY DEBTORS</b>		
(Unsecured, considered good)		
Over six months	1,741,937	1,691,623
Others	283,819,130	261,543,815
	<b>285,561,067</b>	<b>263,235,438</b>
<b>SCHEDULE 9 : CASH AND BANK BALANCES</b>		
Cash in hand	6,599,600	8,376,205
Bank balances		
With Scheduled Banks	56,733,178	77,503,288
Commercial Bank of Dubai - UAE (Maximum balance during the year Rs.2,003,804/-)	1,263,645	966,518
ANZ Banking Group (NZ) Ltd - Current account (Max. balance during the year Rs.2,223,721/-)	1,983,294	2,330,784
M & T Bank-Syracuse A/c.8890764262 (Maximum balance during the year Rs.2,693,841/-)	557,432	368,573
Wachovia - M M S A/c No.9304 (Maximum balance during the year Rs.640/-)	639	515
ANZ Banking Group (NZ) Ltd - Term Deposit Account	-	1,652,478
Wachovia Money Market Account A/c.3134 (Maximum balance during the year Rs.123,866,596/-)	16,121,970	21,967,306
Merchant Account - Chase Merchant	791,469	8,951,150
Wachovia Bank Cash Manager A/c.0140 (Maximum balance during the year Rs.50,570/-)	1,517	-
M & T Bank (Maximum balance during the year Rs.101,140/-)	101,140	-
Wachovia Bank MMS - No 4877 (Maximum balance during the year Rs.61,261,999/-)	10,289,356	-
Bank of America A/c No.0643 (Maximum balance during the year Rs.107,370,101/-)	305,694	-
Wachovia SM Bus. MM 3946 (Maximum balance during the year Rs.66,697,924/-)	(32)	-
Wachovia Bank - M M S A/c No.9359 (Maximum balance during the year Rs.10,397,883/-)	61	1,406,410
Bank of America A/c No.0740 (Maximum balance during the year Rs.12,753,418/-)	1,159,074	2,545,704
Bank of America -A/c 7218 (Maximum balance during the year Rs.4,356,261/-)	828,082	-

## Schedules forming part of the Consolidated Balance Sheet

	(Amt. in Rs.)	
	As at 31-03-2009	As at 31-03-2008
<b>SCHEDULE 9 : CASH AND BANK BALANCES (Contd...)</b>		
Bank of America -A/c 7749 (Maximum balance during the year Rs.2561/-)	2,529	-
TD Banknorth (Maximum balance during the year Rs.7,842,876/-)	940,462	2,291,660
Bank of America A/c No.640 (Maximum balance during the year Rs.7,15,800/-)	-	715,800
First Union Wachovia - Check 1590 (Maximum balance during the year Rs.53,359,019/-)	5,429,199	3,873,563
Wachovia Bank MMI - No.3755 (Maximum balance during the year Rs.2,40,463/-)	-	240,463
Belmax Inc (Maximum balance during the year - Rs. 39,168,332/-)	-	39,168,332
Wachovia Bank - A/c 8097 (Maximum balance during the year Rs.4,232,123/-)	354,059	1,057,814
Wachovia Bank - Cash Manager A/c.0140 (Maximum balance during the year Rs.39,620/-)	-	39,620
Wachovia Bank A/c No. 8385 (Maximum balance during the year Rs.5,011,235/-)	1,239,008	86,490
First Merit Bank A/c No. 3895 (Maximum balance during the year Rs.4,160,944/-)	2,188,153	1,589,000
First Merit Bank A/c No. 3900 (Maximum balance during the year Rs.550,577/-)	124,567	212,165
Bank of America (Maximum balance during the year Rs.619,873/-)	113,679	18,740
Bank of America - IT (Maximum balance during the year -Rs.4,595,920/-)	-	4,595,920
Wachovia Bank - 3134 (Maximum balance during the year - Rs.633,920/-)	-	633,920
Wachovia Bank - 3121 (Maximum balance during the year - Rs.237,720/-)	-	237,720
Wachovia - Account 1084 (Maximum balance during the year Rs.2165629/-)	278,637	(1,790,089)
Commerce Bank - A/c7925188844 (Maximum balance during the year Rs.4,918,067/-)	(5,015)	1,715,348
Wachovia Bank A/c No. 324741 (Maximum balance during the year Rs.3,440,646/-)	1,961,881	745,648
Commerce Bank - A/c.7923075035 (Maximum balance during the year Rs.1,077,881/-)	73,363	72,267
Bank of Baroda - Current Deposit Account (USA)	21,688,068	15,649,900
Wachovia Bank -Bus Ckg Fleet 9355 (Maximum balance during the year Rs.912/-)	912	-
Fixed Deposits with Scheduled Banks	1,410,000	1,320,000
Demand Draft in Hand	-	58,405,054
	<b>132,535,621</b>	<b>256,948,266</b>

## Schedules forming part of the Consolidated Balance Sheet

	As at 31-03-2009	As at 31-03-2008
<b>SCHEDULE 10 : LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	705,663,361	471,283,791
Accrued Interest	201,418	143,184
Loan to Subsidiaries	-	50,000
Advance for Technical Know How	10,112,387	10,112,387
Deposits	4,282,166	3,050,364
Advance Tax and TDS	44,676,862	22,463,751
Prepaid Expenses	6,334,542	3,998,712
	<b>771,270,736</b>	<b>511,102,189</b>
<b>SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	43,006,854	44,555,267
Unclaimed Dividend	778,746	763,118
Advances	35,477,471	13,408,031
Deferred Tax Liability	5,254	196,302
Duties & Taxes	55,972,699	57,931,672
Other Liabilities	24,387,329	14,407,785
	<b>159,628,353</b>	<b>131,262,174</b>
<b>PROVISIONS</b>		
Other Provisions	8,253,597	8,467,203
Proposed Dividend	67,393,750	24,251,670
Provision for Dividend Tax	11,453,568	4,121,572
Provision for Fringe Benefit Tax	1,129,752	727,577
Provision for Taxation	39,792,186	19,756,679
	<b>128,022,853</b>	<b>57,324,701</b>
	<b>287,651,206</b>	<b>188,586,875</b>
<b>SCHEDULE 12 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
GDR Issue Expenses	3,433,754	3,433,754
Merger & Amalgamation Expenses	-	75,118
Preliminary Expenses	4,556,710	3,650,391
Pre-operative Expenditure	5,487,017	1,963,011
Share Issue Expenses	13,481,600	2,852,000
	<b>26,959,081</b>	<b>11,974,274</b>

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

	(Amt. in Rs.)	
	Year ended 31-03-2009	Year ended 31-03-2008
<b>SCHEDULE 13 : INCOME FROM INFORMATION TECHNOLOGY</b>		
Income from I T Export	363,460,822	309,134,663
Income from DTA Sales	6,000	55,260
	<b>363,466,822</b>	<b>309,189,923</b>
<b>SCHEDULE 14 : INCOME FROM HOSPITALITY</b>		
Income from Lodging & Boarding	461,839,758	438,834,417
Income from sale of Food & Beverages	51,895,210	50,843,771
Consultancy Income	519,897,285	512,825,792
	<b>1,033,632,253</b>	<b>1,002,503,980</b>
<b>SCHEDULE 15 : INCOME FROM TRAVEL AGENCY</b>		
Income from Foreign Currency	52,006	88,182
Income from Commission on Tickets & Other Services	47,253,122	14,976,977
	<b>47,305,128</b>	<b>15,065,159</b>
<b>SCHEDULE 16 : OTHER INCOME</b>		
Dividend on Long Term Investments	125,380	2,802,734
Exchange Rate Fluctuations - Gain	40,322,096	-
Interest (TDS Amount Rs.8,158/-)	359,200	184,068
Other Income	20,074,126	12,263,479
Profit on sale of Investments	871,598	6,384,767
Profit on Forward Booking	4,351,000	-
	<b>66,103,400</b>	<b>21,635,048</b>
<b>SCHEDULE 17 : MATERIALS CONSUMED</b>		
Opening Stock	4,185,667	4,923,434
Add : Purchases during the year	82,619,468	72,287,885
Add : Freight Inward	160,386	219,120
	<b>86,965,521</b>	<b>77,430,439</b>
Less : Closing Stock	4,712,136	4,185,667
	<b>82,253,385</b>	<b>73,244,772</b>
<b>SCHEDULE 18 : PERSONNEL EXPENDITURE</b>		
<b>(Salaries including overseas staff expenses)</b>		
Salaries & Allowances	275,726,018	213,475,976
Bonus & Ex-Gratia	253,390	243,717
Contribution to PF & ESIC	4,895,117	2,334,463
Directors' Remuneration	5,788,572	3,990,890
Gratuity	726,038	1,231,775
Keyman Insurance	-	462,279
Leave Encashment	1,410,275	190,915
Partners' Remuneration	60,000	60,000
Staff Training & Development Exps.	344,850	470,995
Staff Welfare Expenses	2,081,570	1,863,303
	<b>291,285,830</b>	<b>224,324,313</b>
<b>SCHEDULE 19 : SOFTWARE DEVELOPMENT EXPENSES</b>		
Consultancy charges	78,722,140	101,321,800
	<b>78,722,140</b>	<b>101,321,800</b>

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

	Year ended 31-03-2009	Year ended 31-03-2008
<b>(Amt. in Rs.)</b>		
<b>SCHEDULE 20 : GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
Accounting Fees	257,670	869,162
Advertisement & Sales Promotion	28,259,464	25,787,001
Audit Fees	585,235	620,451
Sundry Balance W/ Off.	833,941	791,526
Books & Periodicals	49,970	105,549
Cleaning & Sanitation	2,107,648	2,987,606
Commission / Discount Expenses	12,555,178	7,780,343
Communication Expenses	10,802,990	8,744,648
Computer Expenses	498,362	304,819
Consumable Stores	558,693	488,789
Donations & Gifts	133,331	150,752
Electricity & Water Charges	30,795,165	4,721,803
Entertainment Expenses	109,945	660,653
Exchange Rate Fluctuation Loss	-	23,149,268
Franchise Fees	28,064,472	25,522,678
Fuel	8,358,187	23,120,805
Housekeeping Charges	37,776,672	31,632,559
Insurance Charges	24,772,334	25,037,240
Kitchen & Restaurant Expenses	4,036,073	199,125
Labour Charges	1,492,539	3,564,469
License & Fees	5,177,551	1,537,826
Membership & Subscription	2,211,187	2,639,199
Miscellaneous Expenses	35,317,093	4,174,502
Office Expenses	7,598,881	460,887
PF Administration Charges	529,096	201,054
Printing & Stationery	3,844,384	1,397,501
Professional Fees	54,480,133	41,995,789
Reimbursement of Expenses	2,783,879	-
Rent, Rates & Taxes	34,119,790	27,238,064
Repairs & Maintenance :		
Buildings	5,514,311	8,312,770
Machinery	6,816,030	6,145,229
Others	10,786,574	18,637,479
Right Issue Expenses	-	1,373,600
Sales Tax / VAT Expenses	4,727,911	5,017,488
Security Charges	2,894,707	2,346,721
Selling & Distribution Expenses	56,333	116,798
Transportation expenses	420,970	58,606
Travel & Conveyance Expenses	11,222,349	14,284,515
Vehicle Expenses	5,750,346	6,100,458
Wealth Tax	33,343	24,053
	<b>386,332,737</b>	<b>328,301,785</b>
<b>SCHEDULE 21 : INTEREST &amp; FINANCIAL CHARGES</b>		
Bank Charges	49,435,479	3,988,343
Foreign Bank Charges	170,254	159,069
Interest Charges - Others	5,443,864	31,302
Interest on Secured Loan	7,466,159	65,530,058
	<b>62,515,756</b>	<b>69,708,772</b>
<b>SCHEDULE 22 : PRELIMINARY EXPENSES WRITTEN OFF</b>		
Merger & Acquisition Expenses	75,118	75,124
Miscellaneous Expenditures	714,859	728,308
Preliminary Expenses	288,442	283,421
Share Issue Expenses	3,370,400	1,004,000
	<b>4,448,819</b>	<b>2,090,853</b>

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

### I 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 land, buildings, office equipments, 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

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

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.

### **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, income comprising of room rentals ,food and beverages and allied services relating to hotel operations are recognized when services are rendered.

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 Indian and 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 I (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	U.S.A	100%
Sai Living Hudson Inc. was acquired on 15th October , 2005 . 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.	India	100.00%
Panoramic Holidays Ltd.	India	100.00%
Sri Vatsa Hotels Limited. (Acquired on 16.10.2008)	India	51.00%
Panoramic Tour & Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.)	India	100.00%

**3 Secured Loans:****a) Term Loans: -India :**

- (i) Term Loan of Rs. 378.88 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.54.22 lakhs from Axis Bank Ltd. is secured by hypothecation of a vehicle.
- (iii) Term Loan of Rs.2.55 lakhs from Saraswat Co-op Bank Ltd. is secured by hypothecation of a vehicles.

**b) Cash Credit : -India :**

- (i) Cash Credit from Saraswat Co-op Bank Ltd. is secured by mortgage of Office Premises at 4th Floor, Aman Chambers, Prabhadevi, Mumbai- 400025 and property at Panvel Resorts.

**c) Term Loans - Outside India :**

- (i) Term Loan of Rs.596.85 lakhs from Zion's Bank. is secured by mortgage of Econolodge Quality Inn property in USA
- (ii) Term Loan of Rs.166.91 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.1723.98 lakhs from Bank of West is secured by mortgage of Holiday Inn Hudson property in USA.
- (v) Term Loan of Rs.1798.98 lakhs from Zion's Bank is secured by mortgage of The Georgian property in USA
- (vi) Term Loan of Rs.136.16 lakhs from Fallbrook Capital Inc. is secured by mortgage of The Georgian property in USA
- (vii) Term Loan of Rs.462.60 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 The Company has initiated arbitration proceedings before the American Arbitration Authority for USD 1.10 millions against USA based TCBY Inc. for non-performance /non- adherence of contract terms and consequent damages and compensation. The payment made to the said TCBY Inc. is shown as Advance for Technical Know How under the head "Loans & Advances".
- 6 The Company has planned a GDR issue, which had to be kept on hold due to unfavourable market conditions. The expenditure incurred thereon has been shown under the head " Miscellaneous Expenditure - to the extend not written off" and shall be written off/amortised in the year GDR issue materialize.

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

### 7 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.

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, 2009.

	As at 31-03-2009	As at 31-03-2008
<b>i) Change in Benefit Obligations:-</b>		
<b>Projected Benefit Obligations ,beginning of the year (1.4.2008)</b>	1,458,454	604,906
Service Cost	709,927	609,566
Interest Cost	116,676	48,392
Actuarial (Gain)/Loss on obligations	(126,647)	401,644
Benefits Paid	-	(206,054)
<b>Projected Benefit Obligations , end of the year (31-03-2009)</b>	2,158,410	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, 2009</b>		
Service Cost	709,927	609,566
Interest on defined benefit obligation	116,676	48,392
Expected return on plan assets	N.A.	N.A.
Net actuarial loss recognized in the year	(126,647)	401,644
Net gratuity and other cost	699,956	1,059,602
<b>iv) Category of Assets as at 31st March, 2009</b>	N.A.	N.A.
<b>v) Assumption used in accounting for the gratuity plan:</b>		
Discounting Rate (p.a)	8%	8%
Increase in Compensation Level	5%	5%
<b>Expected rate of return on Plan assets</b>	N.A.	N.A.

	2008-09	2007-08
<b>8 Contingent Liabilities</b>		
<b>I</b> Estimated amount of capital commitments not provided for:	NIL	113,500,000
<b>II</b> Contingent Liabilities not provided for:	Nil	Nil
<b>III</b> Guarantees given on behalf of wholly owned subsidiary	68,269,500	53,487,000

	2008-09	2007-08
<b>9 Profit &amp; Loss Account includes:</b>		
Remuneration to Directors	5,788,572	3,362,240
Sitting Fees	Nil	Nil
Other Perquisites	Nil	Nil

### 10 Acquisition

During the year, the Company has acquired substantial stake in Sri Vatsa Hotels Ltd in India.

**11** Remuneration to Directors of Rs.5,788,572/- includes Rs.2,172,000/- being commission payable to Managing Director

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

## 12 Disclosures of related parties for the year ended 31-03-2009

## 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., Panoramic Holidays Ltd., Panoramic Tour and Travels Ltd. (formerly known as Hi- Flyers Travel Services Ltd.), Pan Ad, Grand View Hotel, Restaurant & Bar, Graciano Cottages, Hotel Pinnacle Ltd., Athiti Resorts Ltd., Golden valley Hotels Ltd., Sea View Retreats Ltd. (formerly known as Shyama Varna Resorts Pvt. Ltd.).

## 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:

	(Amt. in Rs.)	
	2008-09	2007-08
<b>(i) Transactions with Director</b>		
<b>a) Remuneration</b>		
Arun B. Tari	1,012,572	561,000
Viidyaa S. Moravekar	4,776,000	3,279,890
Haresh Zaveri	Nil	105,000
Sujata Zaveri	Nil	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.	Nil	240,000
<b>b) Reimbursement of expenses paid</b>		
Pancard Clubs Ltd.	1,582,872	-
<b>c) Sale of Room Nights</b>		
Pan Herbbo Ltd.	-	1,164,800
Pancard Clubs Ltd.	48,000	Nil
<b>(iii) Amount due from related party</b>		
Panoramic Investment Advisors Pvt. Ltd.	50,000	50,000
Pan Herbbo Ltd.	19,000	Nil
<b>(iv) Amount due to related Party</b>		
Pancard Clubs Ltd.	368,682,872	335,000,000
<b>(v) Dividend paid</b>		
Pancard Clubs Ltd	3,671,875	2,937,500
Panoramic Resorts (India) Ltd	101,535	81,228
Panoramic Land Developers Pvt. Ltd	53,625	42,900
Mrs.Manda Mohan Phatarphekar	146,750	117,400
Mrs Usha Tari	13,750	11,000
Mrs Deepashree Tari	500	400
Mr.Sudhir S. Moravekar	8,062,253	6,449,802

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

### 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 and other Income	408,589,302	1,053,280,314	48,637,987	1,510,507,603
Inter-Segment Revenue	-	-	-	-
<b>Total</b>	<b>408,589,302</b>	<b>1,053,280,314</b>	<b>48,637,987</b>	<b>1,510,507,603</b>
<b>RESULT</b>				
Profit before Depreciation, Int. & Tax	259,705,603	386,851,401	19,308,577	665,865,581
Depreciation	855,411	58,985,969	854,191	60,695,571
Interest	5,662,437	56,252,384	600,935	62,515,756
Taxation	24,605,000	119,830,830	7,134,375	151,570,205
<b>Net Profit</b>	<b>228,582,755</b>	<b>151,782,218</b>	<b>10,719,076</b>	<b>391,084,049</b>
<b>OTHER INFORMATION</b>				
Segment Assets	204,809,271	3,344,585,136	64,084,150	3,613,478,557
Segment Liabilities	61,913,266	1,476,477,666	501,398	1,538,892,330

- 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.

Particulars	(Amt. in Rs.)		
	Asia	Rest of the World	Total
External Revenue and Other Income	497,174,101	1,013,333,502	1,510,507,603

### 14 Earnings per share :

	2008-09	2007-08
<b>I</b> Profit Attributable to Equity Shareholders (Rs.)	389,171,663	339,755,954
<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	30.03	26.22

- 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

For and on behalf of the Board

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

**(Viidyaa Moravekar)**  
 Managing Director

**(Arun Tari)**  
 Whole-Time Director

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

Mumbai, August 25, 2009

Mumbai, August 25, 2009

## 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. - USA	Indo Pacific Hotels Ltd.	Panoramic Holidays Ltd.	Panoramic Tour & Travels Ltd.(formerly known as Hi-Flyers Travel Services Ltd.)	Sri Vatsa Hotels Limited
2	Financial year ended	31-03-2009	31-03-2009	31-03-2009	31-03-2009	31-03-2009	31-03-2009	31-03-2009	31-03-2009	31-03-2009	31-03-2009
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	100% in equity shares	51% 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 100,000/-	22 equity shares of no par value held by Panoramic Ace Properties Inc amounting to USD 2,022,430/-	1 equity shares of no par value held by Panoramic Ace Properties Inc amounting to USD 770,000/-	50000 equity shares of Rs. 10/ each amounting to Rs. 500,000/-	50000 equity shares of Rs. 10/ each amounting to Rs. 500,000/-	250000 equity shares of Rs. 10/ each amounting to Rs. 2500000/-	4,080,000 equity shares of Rs. 10/ each amounting to Rs. 40,800,000/-
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL *
	b) not dealt with or provided for in the accounts of the holding company.	Profit Rs.25,599,120/-	Profit Rs. 48,952,011 /-	Loss Rs. (1,414,770) /-	Profit Rs. 60,594,491/-	Profit Rs. 55,844,397/-	Profit Rs. 10,664,037/-	Profit Rs.1,811,245/-	Loss Rs.(3,288,707)/-	Profit Rs. 225,874/-	NIL *
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL *
	b) not dealt with or provided for in the accounts of the holding company.	Rs. 133,064,687/-	Rs. 100,618,372/-	Rs. (8,973,378)/-	Rs. 78,400,564/-	Rs. 104,098,339/-	Rs.2,963,456/-	NIL	NIL	Rs.85,450/-	NIL*

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

For and on behalf of the Board

(Viidya Moravekar)  
Managing Director

(Arun Tari)  
Whole-Time Director

(Chirag N. Shah)  
Company Secretary

Mumbai, August 25, 2009

Statement pursuant to exemption received under section 212 (8) of the Companies Act, 1956 relating to Subsidiary companies for the year ended 31st March, 2009

(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	Proposed Dividend
1	Panoramic Ace Properties Inc.	USA	594,703,200	158,663,807	1,180,417,651	427,050,644	-	241,931,419	42,400,706	16,801,586	25,599,120	NIL
2	Sai Properties Inc.	USA	27,813,500	149,570,383	212,990,741	35,606,858	-	149,515,735	80,210,071	31,258,060	48,952,011	NIL
3	Sai Living Hudson Inc.	USA	102,274,285	185,345,676	511,222,567	223,602,606	-	300,267,693	86,242,679	30,398,282	55,844,397	NIL
4	Georgian Motel Corp.	USA	5,057,000	334,567,827	614,865,511	275,240,684	-	268,233,920	98,883,133	38,288,642	60,594,491	NIL
5	Travel Universe Inc.	USA	38,938,900	15,429,594	69,894,397	15,525,903	-	45,441,965	17,737,558	7,073,521	10,664,037	NIL
6	Sai Motels Ltd.	New Zealand	37,020,107	(16,094,685)	58,951,309	38,025,887	-	7,942,770	(1,414,770)	-	(1,414,770)	NIL
7	Panoramic Holidays Ltd.	INDIA	500,000	(3,288,707)	2,527,356	5,616,063	300,000	26,388	(3,288,707)	-	(3,288,707)	NIL
8	Indo Pacific Hotels Ltd.	INDIA	500,000	1,811,245	370,227,740	367,916,495	-	2,646,730	2,621,195	809,950	1,811,245	NIL
9	Panoramic Tour & Travels Ltd. (formerly known as Hi-Flyers Travel Services Ltd.)	INDIA	2,500,000	213,469	8,431,362	5,717,893	-	3,196,022	115,893	60,854	55,039	NIL
10	Sri Vatsa Hotels Limited	INDIA	80,000,000	*	105,326,060	25,326,060	-	*	*	*	*	NIL

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

#### Forward-Looking Statement

In this annual report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

