

## **TO THE MEMBERS OF PANORAMIC UNIVERSAL LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Panoramic Universal Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial

controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

i. The Company does not have any pending litigations which would impact its financial position

ii. The Company does not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

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

Chartered Accountants

Firm Registration No. 111022W

**CA H. H. Topiwala**

Proprietor

Place: Mumbai

Date: 10th Aug, 2017 Membership No. 038660

**The Annexure A referred to in our Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31st March, 2017, we report that:**

1. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) As informed to us, fixed assets have been physically verified by the management at regular intervals. As informed to us, no material discrepancies between the book records and the physical inventory were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed/ lease deed and other relevant records evidencing title/ possession provided to us, we report that, the title deeds of all the immoveable properties comprising of land and buildings, are held in the name of the Company as at the balance sheet date.

2. In respect of the Company's inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company

and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, no material discrepancies between the book records and the physical inventory were noticed on such verification

3. (a) The Company has granted interest free unsecured loan to three subsidiary companies and interest-bearing unsecured loan to one subsidiary company listed in the register maintained under section 189 of the Companies Act, 2013.

(b) No terms and conditions are stipulated and therefore whether such terms and conditions are prejudicial to the interest of the Company could not be ascertained.

(c) There is no stipulation as to recovery of principal and interest amount (wherever applicable) and therefore, whether any amount was overdue and whether the Company has taken reasonable steps for recovery of the principal and interest could not be ascertained.

4. Based on the information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of section 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructure facilities, the provisions of section 186 (except for sub-section (1)) are not applicable.

5. The Company has not accepted any deposits from the public.

6. As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act

7. (a) According to the information and explanations given to us and based on the records of the company examined by us, there were delays by the company in depositing the undisputed statutory dues of Provident Fund, Employees State Insurance, Tax Deducted at Source and Income Tax, Service Tax, Value Added Tax, except Sales Tax, Duty of Customs, Duty of Excise, Cess and any other dues, as applicable, with the appropriate authorities.

There were arrears of outstanding statutory dues as at the end of the last day of the financial year for a period of more than six months from the date they became payable for Provident Fund of Rs. 65.99 lacs, Service Tax Rs. 408.18 lacs, Tax Deducted at Source of Rs. 75.60 lacs, Employees' State Insurance Rs. 3.69 lacs, Profession Tax Rs. 2.57 lacs, Value Added Tax Rs. 34.04 lacs and Income-tax of Rs. 1050.45 lacs.

(b) Details of dues of Income Tax which have not been deposited as at March 31, 2017 on account of disputes are given below:

# INDEPENDENT AUDITORS' REPORT

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (Assessment Year)	Amount Rs. in Lacs
Income Tax Act	Income Tax and Interest	Commissioner of Income Tax (Appeals)	2009-2010	85.93
Income Tax Act	Income Tax and Interest	Commissioner of Income Tax (Appeals)	2010-2011	47.01
Income Tax Act	Income Tax and Interest	Commissioner of Income Tax (Appeals)	2011-2012	13.33

8. According to the records of the Company examined by us and the information and explanations given to us, during 1st April, 2016 to 31st March, 2017, the Company has defaulted in

repayment of loans or borrowings to any financial institution or bank, Government or dues to debenture holders. The details of such default to banks is as under:

Particulars	Apna Sahakari Bank Ltd.	Sangli Urban Co-op Bank Ltd.	Kalyan Janata Sahakari Bank Ltd.	Janata Sahakari Bank Ltd.	Total
Principal due but not paid	239.36	46.82	28.27	93.11	407.56
Interest due but not paid	375.15	115.49	75.14	166.43	732.21
<b>Total</b>	<b>614.51</b>	<b>162.31</b>	<b>103.41</b>	<b>259.54</b>	<b>1,139.77</b>

9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Further, in our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which it was obtained.

10. According to the information and explanations given to us, no fraud by or on the Company by its officers or employees, has been noticed or reported during the course of our audit.

11. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in the accordance with the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly, the provision of clause 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on the examination of the records of the Company, transactions entered into by the Company with the related parties are in compliance with section 177 and 188 of the Act, where applicable.

The details of related party transactions as

required under Accounting Standards (AS) 18, Related Party Disclosures specified under section 133 of the Act read with Rule 7 of the Companies (Account) Rules, 2014 have been disclosed in the financial statements.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence the provision of clause 3(xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors.

16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

Chartered Accountants

Firm Registration No: 111022W

**CA. H. H. Topiwala**

Proprietor

Place: Mumbai

Date: 10th Aug, 2017 Membership No. 38660

## **Annexure B to Auditors' Report**

**Annexure to the Independent Auditors' Report referred to in paragraph 2(f) under the heading 'Report on other legal and regulatory requirements' of our Report of even date on the standalone financial statements of Panoramic Universal Limited for the year ended 31<sup>st</sup> March, 2017**

**Report on the Internal Financial Controls over Financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Panoramic Universal Limited ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Companies Act,

2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material

respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For H. H. Topiwala & Co.**  
Chartered Accountants  
Firm Registration No. 111022W

**CA H. H. Topiwala**  
Proprietor  
Membership No. 038660

Place: Mumbai  
Date: 10th Aug, 2017