

# INDEPENDENT AUDITOR'S REPORT

To the Members of Today's Writing Instruments Limited,

## Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 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 there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2017, and its Loss and its cash flows for the year ended on that date.

### Emphasis of Matter

- a) We draw attention to Note No. 37 to the financial statement regarding preparation of account of the company on going concern basis though the accumulated losses of the Company have exceeded its net worth. Based on the factors the management believes that the going concern assumption is appropriate and no adjustments have been made in the financial statements for the year ended March 31, 2017.
- b) Balance confirmation from debtors, creditors, advances, secured and unsecured lenders etc. are generally not received and accordingly not reconciled / confirmed. In absence of the same these balances and their classification are reflected as per the records produced.
- c) Provision of interest on loans from banks & financial institution are provided as per CDR scheme and not as per the sanction terms of the banks & financial institution even though the CDR scheme sanction of consortium Banks has been cancelled.

# INDEPENDENT AUDITOR'S REPORT

- d) Retirement benefits of employees in respect of Gratuity and leave encashment are accounted for on payment basis which is not in conformity with Accounting Standard (AS) 15 (Revised 2005) on Employee Benefits which requires that Gratuity be accounted for on accrual basis.

Our opinion is not qualified in respect of these matters.

## 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" statement on the matters specified in the 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ajay Shobha & Co.  
Chartered Accountants  
(Firm Registration No: 317031E)

Sd/-  
Ajay Gupta  
Partner

(M. No. 053071)

Place : Mumbai  
Date: 30<sup>th</sup> May 2017

# INDEPENDENT AUDITOR'S REPORT

## Annexure "A" to the Independent Auditors Report

The Annexure referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report to the members of Todays Writing Instruments Limited for the year ended 31st March, 2017.

As required by the Companies (Auditors Report) Order, 2016 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- i. In respect of Companies Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The Fixed Assets have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies have been noticed on such physical verification.
  - (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 11 to the Standalone financial statements, are held in the name of the Company.
- ii. In respect of Company's inventories:
  - (a) Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - (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, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. a) As per the information and explanation given to us, the Company has granted unsecured loans to its subsidiaries covered in the register maintained U/S 189 of the Companies Act, 2013 on call basis.
  - b) The advance given by the Company to its subsidiaries and rate of interest and such advances and the terms and conditions on which these advance given are not prejudicial to the interest of the Company.
  - c) There is no prescribed stipulation of repayment of the advance and is payable on demand and therefore question of overdue amount does not arise.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for the Company.
- Vii. a) Accordingly to the records of the Company, the Company has not been regular in depositing the undisputed statutory dues of Provident Fund of ₹ 102.77 Lacs, Income Tax ₹ 1020.68 Lacs, Maharashtra VAT ₹ 51.34 Lacs, Gujarat VAT ₹ 3.88 Lacs, Service Tax ₹ 1.72 Lacs, duty of Excise of ₹ 54.53 Lacs, and TDS of ₹ 18.64 Lacs with the appropriate authorities, which have remained outstanding as at 31st March, 2017 for a period more than six months from the date they became payable.

# INDEPENDENT AUDITOR'S REPORT

- b) According to the records of the Company there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited on account of any dispute with the relevant authorities.

Name of the Statute	Nature of dues	Year	Amount (₹ In Lakhs)	Forum where the dispute is pending
Income Tax Act 1961	Assessed Dues	2007-2008	279.33	I. T. A. T. Kolkata
Income Tax Act 1961	Assessed Dues	2008-2009	753.50	I. T. A. T. Kolkata

- viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of its dues including principal and interest to the banks since 2009 and declared as "Non Performing Assets " (NPA) by banks and has not issued debentures.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- x) According to the information & explanations given to us, no instances of fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Ajay Shobha & Co.  
Chartered Accountants  
(Firm Registration No. 317031E)

Sd/-  
Ajay Gupta  
Partner  
(M. No. 053071)

Place : Mumbai  
Date: 30<sup>th</sup> May 2017