
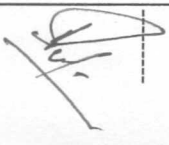




## FORM B

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|--|---|
| Format of covering letter of the annual audit report to be filed with the Stock Exchange   |   |
| 1 Name of the Company  | Today's Writing Instruments Limited   |
| 2 Annual financial statements for the year ended   | 31st March 2013   |
| 3 Type of Audit qualification  | Qualified   |
| 4 Frequency of qualification   | Repetitive since more than three years  |
| <p>1. The Auditor has made comment vide para a) of point 9 of the annexure to the Auditors' report (page 21 of A.R.) that the Company has been not regular in depositing undisputed statutory dues of Provident Fund of ₹ 54.23 Lakhs, Income Tax of ₹ 881.58 Lakhs, Fringe Benefit Tax of ₹ 20.89 Lakhs, TDS of ₹ 25.12 Lakhs and Maharashtra VAT of ₹ 50.88 Lakhs with the appropriate authorities, which were outstanding for a period of more than six months from the date they became payable.</p> <p><b>Management response at page no.5 of A.R. :-</b> Due to recurring cash losses and the consequent liquidity constraints, there is a delay. However it will be the endeavour of the Company to make payment of above dues in the manner decided by the BIFR BENCH based on the DRS that will be submitted to them for consideration.</p> <p>2. The Auditor has made comment vide point 10 of the annexure to the Auditors' Report (Page 21 of A.R.) that the Company has accumulated losses at the end of the financial year and has incurred cash losses during the financial year ended 31st March 2013 and also in the immediately preceding financial Year.</p> <p><b>Management response at page no.5 of A.R. :-</b> The Company has been addressing the issue and is in discussion with the lenders for a settlement. The Company's reference is registered in BIFR and we should be submitting a Draft Rehabilitation Scheme once the settlement with the lenders are agreed upon which will ensure that the net worth of the company will be positive in due course of time.</p> <p>3. The Auditor has made comment vide point 11 of the annexure to the Auditors' report (page 21 of A.R.) that the Company has defaulted in repayment of dues to banks.</p> <p><b>Management response at page no.5 of A.R. :-</b> Due to recurring cash losses and the consequent liquidity constraints, the Company has defaulted in repayment of dues to banks. However, the Company is in active discussion with the lenders for settlement of their dues and we expect the same to be finalised shortly.</p> <p>4. The Auditor has made comment vide Point 1 (d) of emphasis of matter of Auditors' Report (page 18 of A.R.) that Retirement benefits of employees are not accounted for as per accounting standard 15 (AS 15) prescribed by ICAI.</p> <p><b>Management response at page no.5 of A.R. :-</b> The Company has accounted the same in cash basis in the books of Accounts and there is no significant and material impact on the profitability / loss of the Company.</p> |   |
| 5 To be signed by-   | For Today's Writing Instruments Limited   |
| • CEO/Managing Director  |  |
| • CFO  |   |
| • Auditor of the Company   |    |
| • Audit Committee Chairman   |     |

