

BHATIA & ASSOCIATES

CHARTERED ACCOUNTANTS

GSTIN 06AAAPB5272F1Z8

Q.4 / 9, DLF Phase-II, Gurgaon - 122002

Tel.: 0124-4055519 Mob.: 9810326227

E-mail : bhatia.associates.ca@gmail.com

Bank Details : Axis Bank A/C 540010200001144

IFSC : UTIB0000540



INDEPENDENT AUDITORS' REPORT

To the Members of: **Nijhawan Travel Service Private Limited**

Report on the audit of the financial statements

Opinion- Qualified

We have audited the accompanying financial statements of **Nijhawan Travel Service Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion and in Emphasis of Matter, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 March 31, 2020, its profit (or Loss)* and cash flows for the year ended on that date.

Basis for Qualified opinion

- 1- With reference to Note No. 11 regarding investment in Share capital of Rs 91 Lakhs and advances Note 17 to Nijhawan Retail Pvt. Ltd of Rs 127 Lakhs, a subsidiary company, due to losses, in our opinion are not recoverable to the extent stated.
- 2- Trade Receivables, Note 15, of Rs 183.7 lakhs, related to closed business, Brought forward from previous years are doubtful of recovery and are not recoverable to the extent stated.



- 3- We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Material Uncertainty Related to Going Concern

The Company's net worth is negative and it continues to incur losses. The Company has closed all its Travel Service operations and it is in the process of identifying alternative business plans.

The above factors cast a significant uncertainty on the Company's ability to continue as a going concern. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.



Other Matters

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020, across India to contain the spread of the virus. This has resulted in restrictions on a physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable, and are directly generated by the accounting system of the Company without any further manual modifications. We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions. Our audit opinion is not modified in respect of the above.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the 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 statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore



the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, as amended from time to time;
- (e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the



company and the operating effectiveness of such controls vide notification dated June 13, 2017;

(g) The Company being a private limited company, the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and

(h) 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;

(a) The Company does not have any pending litigations which would impact its financial position;


(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(c) There are no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Bhatia & Associates

Chartered Accountants

Firm Registration No.013439N


(Sunil Kumar Bhatia)
Proprietor



Membership No.016821

UDIN : 20016821 AAAA24748

Place : Gurgaon

Date : 28 December 2020

Annexure "A" to the Independent Auditor's Report*

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements'

section of our report to the members of Nijhawan Travel Service Private Limited of even date)

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	The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in phased manner over a period of three years. The assets of retail stores closed during the year, have been disposed by transferring the assets to franchise or selling. According to the information and explanations are given to us and as examined by us, no material discrepancies were noticed on such verification.
c	According to the information and explanations are given to us, by the management, the title deeds/ lease deeds, of immovable properties, plant & equipment are held in the name of the Company.
2	<p>The inventory has been physically verified by the management during the year, based on planned cyclical count procedures. In our opinion, the frequency of such verification was reasonable.</p> <p>The information and explanations given to us, regarding the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.</p> <p>In our opinion the company has maintained proper records in relation to its inventory. According to the information and explanations are given to us and based on the alternative procedures performed no material discrepancies except small shortages, which are recovered against incentives.</p>
3.	<p>According to information and explanation are given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships, or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.</p> <p>The advance to subsidiary is in nature of investment. There is no stipulated date of recovery.</p> <p>Refer to our Qualification Remark in Audit report regarding investment and advance are doubtful of recovery..</p>



4.	In our opinion and according to information and explanation given to us, in respect of investments, loans and advances, and guarantees given, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans to companies in which directors are interested.
5.	In our opinion and according to the information and explanations are given to us, the company has not accepted any deposits, and accordingly paragraph 3 (v) of the order is not applicable.
6.	The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
7.	In respect of statutory dues:
a	According to the information and explanations are given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales-tax, service tax, goods and service tax, the duty of customs, the duty of excise, value-added tax, cess, and other material statutory dues were in arrears as at March 31, 2020, for a period of more than six months from the date they became payable.
b	According to the information and explanations are given to us and the records of the company examined by us, there are no undisputed dues of income-tax, sales-tax, service tax, goods and service tax, the duty of customs, the duty of excise and value-added tax which have not been deposited on account of any dispute.
c	According to the records of the company, the dues outstanding of Income Tax Demand Rs 131 Lakhs relate to AY 2017-18, against which company's appeal is pending with CIT-A.
8.	In our opinion and according to the information and explanations are given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9.	The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10.	To the best of our knowledge and according to the information and explanations are given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11.	The company is a private limited company and hence the provision of section 197 re



	ad with Schedule V of the Companies Act is not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.
12.	The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13.	According to the information and explanations are given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14	According to the information and explanations are 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. Accordingly, paragraph 3(xiv) of the order is not applicable.
15	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16	According to the information and explanations are given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Bhatia & Associates

Chartered Accountants

Firm Registration No. 013439N


 (Sunil Kumar Bhatia)
 Proprietor



Membership No. 016821

UDIN : 20016821AAAAA24748

Place: Gurgaon

Date: 28 December, 2020