

G.VENKATESH & CO.,
Chartered Accountants

No.43-E, II Floor, New Avadi Road, Kilpauk, Chennai - 600 010. ☎ : 044-2644 9535

Date : 02.08.2014

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SREEVARI BENEFIT SOCIETY LIMITED, TRICHY - 620 003.**

1. Report on Financial Statements

We have audited the accompanying Financial Statements of **SREEVARI BENEFIT SOCIETY LIMITED**, Trichy which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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.

3. Auditors Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date.

6. Emphasis of Matter

NIL

7. Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that :

a. We have 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, dealt with by this Report are in agreement with the books of account;

d. The Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.

e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Vide our Report of even date,
For **G.VENKATESH & CO.,**
Chartered Accountant


(G.VENKATESH)

ICAI Membership No.218002.
Firm Registration No.: 011427-S

Place : Chennai
Date : 02.08.2014



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ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- 1) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.

(b) These Fixed Assets have been physically verified by the Management at reasonable intervals. No material discrepancies have been noticed on such verification.

(c) In our opinion and according to the informations and explanations given to us, no substantial part of the Fixed Assets have been disposed off during the year.

- 2) (a) The Company has not granted any Loans secured or unsecured to the Companies, Firms or other Parties listed in the register maintained under section 301 of the Companies Act, 1956. The Company has accepted Fixed Deposits and other Deposits (unsecured) from 2 Directors amounting to Rs. 8.02 Lakhs (Previous Year Rs. 0.02 Lakhs).

(b) In our opinion and according to the records of the Company, the rate of interest and other terms and conditions of the Fixed Deposits (unsecured) taken by the Company from the Directors, are prima facie not prejudicial to the interest of the Company.

(c) In our opinion and according to the records, the Company is regular in repaying the principal amount as stipulated and has been regular in payment of interest.

- 3) 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 the nature of its business with regard to purchases of Stationery, fixed assets and with regard to the business of the company.

- 4) (a) According to the records of the Company all transactions need to be entered into a Register pursuant of Sec. 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the rate of interest on Fixed Deposits from Directors are at the rates applicable to other members of the Company at the relevant time.

- 5) The Company, being a NIDHI Company, has accepted Deposits from its Shareholders and has complied with the Statutory Provisions.

- 6) As the Company's Paid-up Capital is only Rs. 25.70 Lakhs, the Internal Audit is not required. But, the Internal control procedures are adequate commensurate with the size and nature of the Company's business.

7) (a) According to the records of the Company, the applicable statutory dues have been deposited with the appropriate authorities promptly. The Company is not subject to Sales Tax, Customs Duty, Excise Duty, Cess and Wealth Tax. We are informed that the provisions of the Provident Fund Act and Employees' State Insurance Act do not apply to this Company and the Company has not participated in the same.

(b) The Company does not have any undisputed taxes payable at the end of the year.

8) The Company has no accumulated losses at the end of the financial year under audit. There is no cash loss during the year under audit.

9) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.

10) The Company has not granted loans and advances on the basis of security by way of pledge of Shares, Debentures and other Securities. Accordingly clause 4 (xii) of the Order is not applicable.

11) In our opinion, the Company is not a Chit Fund Company.

12) (a) The Company is a NIDHI Company and the Net-owned funds to Deposit Liability ratio is within the limit of 1:20 as per the Notifications of the Ministry of Corporate Affairs, New Delhi.

(b) The Company has complied with the prudential norms on income recognition and as there is no NPA or irregular loans, Provisioning is not required for the year.

(c) In our opinion and according to the explanation given to us and based on the records of the company in respect of loans granted during the year, the Company has adequate procedures for appraisal of credit proposal/requests, assessment of credit needs and repayment capacity of the borrowers in general.

(d) In our opinion and according to the records of the company, the repayment schedule of various loans granted during the year by the company is generally based on the repayment capacity of the borrower and the said repayment is conducive to recovery of the loan amount.

13) The company is not dealing or trading in shares, securities, etc. Accordingly clause 4 (xiv) of the Order is not applicable.

14) In our opinion and according to the explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly clause 4 (xv) of the Order is not applicable.

- 15) In our opinion and as per the records of the company the company has not taken any term loan during the year. Accordingly clause 4 (xvi) of the Order is not applicable. However the company has been availing the Overdraft against Fixed Deposit from IDBI Bank, Trichy Branch. The terms and conditions of the Overdraft against Fixed Deposit is not prejudicial to the interest of the company.
- 16) On overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short-term basis, which have been used for long-term investment and vice versa.
- 17) 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. Accordingly clause 4 (xviii) of the Order is not applicable.
- 18) The company has not issued any debentures during the year. Accordingly clause 4 (xix) of the Order is not applicable.
- 19) The Company has not made any Public Issue in the previous year under review. Accordingly clause 4 (xx) of the Order is not applicable. Further the company transacts with its members only.
- 20) In our opinion and according to the explanation given to us, no fraud on or by the Company has been noticed or reported during the year.
- 21) In our opinion and according to the information given to us the provisions of clauses ii(a), ii(b), ii(c) and (vii) and (viii) of Para 4 of the Companies (Auditor's Report) Order 2003 are not applicable to this Company.

Vide our Report of even date,
For **G.VENKATESH & CO.,**
Chartered Accountant

(G.VENKATESH)
ICAI Membership No.218002.
Firm Registration No.: 011427-S

Place : Chennai
Date : 02.08.2014



CERTIFICATE OF STATUTORY AUDITORS

This is to certify that **SREEVARI BENEFIT SOCIETY LIMITED** has complied with all the directions specified in the Notification GSR No.555(E) dated 26.07.2001 as amended up to date as of 31.03.2014 and has maintained its books of account according to recognised principles of accounting.

It is also certified that **SREEVARI BENEFIT SOCIETY LIMITED** has complied with the Prudential Norms as required by the Ministry of Corporate Affairs Notification GSR No.309(E) dated 30.04.2002 as amended by Notification GSR No.203(E) dated 31.03.2006 as mentioned in Notes on Accounts forming part of the Accounts for the year ended 31st March, 2014.

Vide our Report of even date,
For **G.VENKATESH & CO.,**
Chartered Accountant

(G.VENKATESH)

ICAI Membership No.218002.
Firm Registration No.: 011427-S

Place : Chennai
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