

SREEVARI NIDHI LIMITED

(FORMERLY KNOWN AS SREEVARI BENEFIT SOCIETY LIMITED)

Old No.5, New No.9, Big Sowrastra Street, Woraiyur, Trichy - 620 003

CIN: U65991TN1986PLC013217

DIRECTORS' REPORT

Your Directors are happy to present this 34th Annual Report on the workings of the Company along with the Audited Balance Sheet as at 31st March 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date.

1. Financial Summary and the salient features of the workings of the Company during the year 2019-20 are given below:

The working of the Company has resulted in a Net Profit before Tax of **Rs. 52.65 Lakhs** for the year under report as against a Net Profit before Tax of **Rs. 37.33 Lakhs** in the previous year as shown below:-

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR(Rs.)
Total Income	1,66,74,479	1,25,58,353
Total Expenses	1,14,09,485	88,25,213
Profit Before Tax	52,64,994	37,33,141
<u>Less</u> : Provision for Taxation	13,47,735	10,23,067
Deferred Tax	(1,559)	(3,630)
Profit After Tax	39,18,818	27,13,704
<u>Add</u> : Surplus in P & L A/c – Opening	8,19,132	5,74,537
NPA Provision	-	-
Total	47,37,950	32,88,241
<u>Less</u> : Transfer to General Reserve	25,00,000	15,00,000
Proposed Dividend	6,17,720	4,43,928
Provision for Dividend tax	-	93,984
Provision for NPA loans	3,84,932	4,31,196
Balance in Profit & Loss A/c.	12,35,298	8,19,133
Total	47,37,950	32,88,241

2. Dividend:

Your Directors have proposed a dividend of 10% for the current year subject to the approval at the Annual General Meeting.

3. Reserves:

As required by the Nidhi Rules, 2014, the Company is required to transfer equal amount of the Dividend proposed to General Reserves and the Company has transferred a sum of Rs. 25,00,000/- to General Reserve which is far above the required amount.

4. Performance of the Company at a glance :

a) Deposits

The Total Fixed Deposits, Re-Investment Deposits, Savings Deposits and Recurring Deposits as at 31.03.2020 amounted to **Rs. 970.44 Lakhs** as against **Rs. 802.89 Lakhs** in the previous year.

b) Loans

The Total Secured loans under Property Loans and Jewel Loans as at 31.03.2020 amounted to **Rs. 908.75 Lakhs** as against **Rs. 699.97 Lakhs** in the previous year.

c) Profitability

The Company has earned Net Profit of **Rs.52.65 Lakhs** as against **Rs. 37.33 Lakhs** in the Previous year showing very good performance.

5. Compliance to DCA stipulation regarding NOF to Deposits:

Ministry of Corporate Affairs, New Delhi vide various Notifications as amended from time to time and as per Nidhi Rules, 2014 have stipulated inter alia, that Deposits accepted by the Nidhi Companies shall not be more than twenty (20) times of the Net Owned Funds of the Company. In our case, the same ratio is very sound which is **1:5.82** only. The Company has changed the name as SREEVARI NIDHI LIMITED in order to comply with the Notification requiring all NIDHI Companies to change the name to end with NIDHI.

6. Change in the nature of business :

There is no change in the nature of business being carried out by the Company and the existing business of accepting deposits and giving advances only to the Shareholders of the Company as Nidhi Company is being continued.

7. Material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year (31.03.2020) of the company to which the financial statements relate and the date of the Report :

During the current year (2019-20) and upto the date of this Report (01.04.2019 to 31.08.2020), no events have occurred which will have a material bearing on the working of the Company except the **slowdown of operations due to COVID-19**.

8. Details of Significant & Material orders passed by the Regulators impacting the going concern status and company's operations in future :

There are no such orders passed by the Regulators impacting the going concern status and the company's operations in future.

9. Details of Subsidiaries / Associates/ Joint Venture :

The company does not have any Subsidiary / Associate / Joint Venture.

10. Deposits :

Being a Nidhi Company, the Company accepts Deposits only from its own members and has not accepted any Deposits covered under Chapter V of the Companies Act, 2013 and the Company does not have any overdue unpaid deposits as at the end of the year.

11. Statutory Auditors :

M/s.P.T. PONNAIAH & Co, Chartered Accountants, were appointed as Statutory Auditors in the Annual General Meeting held on 30.09.2016 for five years and their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

12. Auditors reports :

The Auditors have not expressed any qualification, reservation or adverse remark in their report.

13. Share Capital :

During the year, the Company has issued **79,808** Equity Shares of Rs.10/- each.

14. Extract of the Annual Return

In accordance with section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Returns in the prescribed format MGT 9 is appended to the Director's Report.

15. Conservation of Energy, Technology Absorption And Foreign Exchange Outgo :

The provisions of section 134(m) of the Companies Act, 2013 with regard to Conservation of Energy and Technology Absorption do not apply to our Company. There is no foreign exchange inflow or outflow during the year.

16. Corporate Social Responsibility :

The Provisions of CSR as per the Companies Act, 2013 are not applicable to the company.

17. Directors :**a) Changes in Directors and Key Managerial Personnel :**

There is no change in the Board of Directors of the company.

b) Independent Directors :

The provisions of section 149 of the Companies Act, 2013 pertaining to the appointment of independent Directors do not apply to our Company.

c) Formal Annual Evaluation :

The provisions of section 134(3)(p) of the Companies Act, 2013 pertaining to the Formal Annual Evaluation do not apply to our Company.

18. Meetings of the Board :

There were 6 Board Meetings of the Board during the year ended 31st March, 2020 on 13.05.2019, 13.08.2019, 05.09.2019, 12.09.2019, 20.12.2019 and 22.01.2020 and the intervening gap between any two meetings was within the prescribed period.

19. Audit Committee :

The provisions of section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 with regard to the constitution of the Audit Committee is not applicable to the Company.

20. Particulars of Loans, Guarantees or Investments

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013 during the year and hence the said provisions are not applicable.

21. Related Party Transactions :

The Company has accepted Fixed Deposits and other Deposits (unsecured) from Directors & Relatives amounting to **Rs. 34.35 Lakhs** (Previous Year **Rs. 3.71 Lakhs**).

22. Managerial Remuneration :

The Company has not paid any Remuneration to the Directors during the year.

23. Secretarial Audit Report :

The Secretarial Audit is not required to be obtained from Company Secretary.

24. Risk Management Policy :

Risk Management Policy has been implemented by the Board of Directors by introducing the KYC norms very strictly and by effective screening of the members and the transactions.

25. Directors Responsibility Statement:

Pursuant to the provisions of Section 134(3)I of the Companies Act, 2013 Act, your Directors confirm that

- i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2020 and of the Profit of the Company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis; and
- v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. Acknowledgment :

Our thanks are due to all the Shareholders, Staff members and Bankers for their support and continued co-operation in the development of the Company.

For SREEVARI NIDHI LIMITED,

Place : Chennai
Date : 31.08.2020

TRRolanmani

DIRECTOR



DIRECTOR

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2020

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS :

1.	CIN	U65991TN1986PLC013217
2.	Registration Date	16.07.1986
3.	Name of the Company	SREEVARI NIDHI LIMITED
4.	Category/Sub-category of the Company	Public Company / Limited by Shares
5.	Address of the Registered office & contact details	Old No.5, New No.9, Big Sowrashtra Street, Woraiyur, Trichy – 620 003.
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Accepting Deposits	99711210	100 %
2.	Lending Loans against Jewels and Deposits	99711352	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
Sub-total (B)(1):-	-	-	NIL	NIL	-	-	NIL	NIL	NIL

2. Non-Institutions									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	221421	221421	4.12	0.40	133783	133783	2.17	(1.95)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	5157702	5157702	95.88	(0.40)	6043420	6043420	97.83	1.95
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ B(2)	-	5379123	5379123	100.00	-	6177203	6177203	100.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	5379123	5379123	100.00	-	6177203	6177203	100.00	-

B) Shareholding of Promoter- No Shareholdings by Promoters

C) Change in Promoters' Shareholding (please specify, if there is no change) – Not Applicable.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Value of shares	% of total shares of the company	Value of shares	% of total shares of the company
1.	Devikala	937764	17.43	1078424	17.46
2.	T.R.Ramanathan	643323	11.96	739823	11.98
3.	Meenakshi Chokkalingam	763323	14.19	880173	14.25
4.	Ganesh Palaniappan	348882	6.49	401212	6.50
5.	Vallikkannu Sockalingam	468882	8.72	539212	8.73
6.	G.Kanthimathy	468882	8.72	539212	8.73
7.	K.Ramu	93298	1.73	107288	1.74
8.	T.Anandharaj	1000	0.02	1000	0.02
9.	T.A.Sankaran	500	0.01	500	0.01
10.	S.Nagaraj	100	-	100	-
	TOTAL	3725954	69.27	4286944	69.42

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		Value of shares	% of total shares of the company	Value of shares	% of total shares of the company
1.	Chokkalingam Palaniappan	588882	10.95	679562	11.00
2.	T.Sockalingam	468882	8.72	539212	8.73
3.	Manonmani Ramanathan	468882	8.72	539212	8.73
	Total	1526646	28.39	1758076	28.46

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excl. deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	80289103	80289103
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	807623	807623
Total (i+ii+iii)	-	-	81096726	81096726
Change in Indebtedness during the financial year				
* Addition	-	-	16754796	16754796
* Reduction	-	-	(794636)	(794636)
Net Change	-	-	15960160	15960160
Indebtedness at the end of financial year				
i) Principal Amount	-	-	97043899	97043899
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	12987	12987
Total (i+ii+iii)	-	-	97056886	97056886

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : NIL

B. Remuneration to other directors : NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : NIL

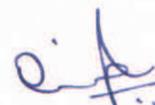
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For SREEVARI NIDHI LIMITED,

Place : Chennai
Date : 31.08.2020

TR Ramanmani

DIRECTOR



DIRECTOR.

P.T. PONNAIAH & CO.,
Chartered Accountants

Old No.72B, New No.36, I Floor, L Block 21st Street, Anna Nagar East, Chennai -600 102.

☎ : 2620 2221, 2628 2221

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SREEVARI NIDHI LIMITED, TIRUCHIRAPALLI.

Opinion

We have audited the accompanying standalone Financial Statements of **SREEVARI NIDHI LIMITED**, Tiruchirapalli which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as Standalone Financial Statements).

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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with prescribed under section 133 of the Companies Act, 2013 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 ('the Act') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Companies Act, 2013 and the Rules there under, 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 on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters and we are of opinion that no such separate report is required.

Information Other than the Financial Statements and Auditor's Report thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our Opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone 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 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 the Provisions 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.

In preparing the standalone 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone 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 materials if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statement, 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, international omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3) (i) of the Act, 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 exist, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in manner that achieves fair presentation.

Materiality is the magnitude of misstatements in standalone financial statements that, individually or in aggregate, make it Probable that economic decisions of a reasonably knowledgeable user of the financial statement 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 the most significance in the audit of the standalone 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

- a. As required by Section 143(3) of the Act, based on our audit 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 and the Statement of Profit and Loss 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 Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over Financial reporting.
 - g) With respect to 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, there is no managerial remuneration paid by the Company and hence, the provisions are not applicable.

- 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 as amended, in our opinion and to the best of our information and according to the explanations given to us, we report that :
- a. There is no pending litigations against the Company and hence not disclosed in the Standalone financial statements.
- b. The Company has not made any provision for material foreseeable losses, as there are no such long term contracts including derivative contracts or any other contracts requiring provision.
- c. The Company does not have any amount required to be transferred to Investor Education and Protection Fund.
- b. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure – B" a statement on the matters specified in paragraphs 3 and 4 of the Order.



For **P.T. PONNAIAH & CO.**,
Chartered Accountants,

(P.T. PONNAIAH)

Partner.

Membership No.019873.

Firm Regn. No.002669 S

UDIN : 20019873AAAAHJ5211

Place : Chennai

Date : 31.08.2020

P.T. PONNAIAH & CO.,
Chartered Accountants

Old No.72B, New No.36, I Floor, L Block 21st Street, Anna Nagar East, Chennai -600 102.
☎ : 2620 2221, 2628 2221

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal & Regulatory Requirements' section of our report to the members of SREEVARI NIDHI LIMITED).

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

We have audited the internal financial controls over financial reporting of **SREEVARI NIDHI LIMITED**, Tiruchirapalli as of March 31, 2020 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 Board of Directors of the Company's 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 Companies Act, 2013.

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed 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. 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 amount the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor's judgement, 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, 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 March 31, 2020, 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.



Place : Chennai
Date : 31.08.2020.

For **P.T. PONNAIAH & CO.**,
Chartered Accountants,

(P.T. PONNAIAH)
Partner.

ICAI Membership No.019873.
Firm Registration No.002669-S
UDIN : 20019873AAAAHJ5211

P.T. PONNAIAH & CO.,
Chartered Accountants

Old No.72B, New No.36, I Floor, L Block 21st Street, Anna Nagar East, Chennai -600 102.

☎ : 2620 2221, 2628 2221

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal & Regulatory Requirements' section of our report to the members of **SREEVARI NIDHI LIMITED**, Tiruchirappalli of even date) :

- i. 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 program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising of immovable property of land is held in the name of the Company as at the balance sheet date.
- ii. The Company is a NIDHI Company and does not have any physical inventories. Accordingly, report under clause 3 (ii) of the Order is not applicable to the Company.
- iii. a) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to the companies, firms or other parties listed in the registers maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon. However, the Company has accepted deposits (unsecured) from Directors and Relatives amounting to Rs. 34.35 Lakhs (Previous Year Rs. 3.71 Lakhs).
 - b) In our opinion and according to the records of the Company, the rate of interest and other terms and conditions 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.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- v. The Company, being a NIDHI Company, has accepted Deposits from its Shareholders and has complied with the Directions issued as per the Notifications of the Ministry of Corporate Affairs and Nidhi Rules, 2014. As such, the provisions of section 73 of the Companies Act, 2013 read with Rules made there under are not applicable to the company.
- vi. The maintenance of Cost Records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues :
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Income-Tax and other statutory dues applicable to it with the appropriate authorities.

- b) There were no undisputed amounts payable in respect of Income-Tax and other statutory dues applicable to it in arrears as at 31st March, 2020 for a period of more than six months from the date on when they become payable.
- c) There are no dues of income tax and other statutory liabilities outstanding on account of any dispute.
- viii. The Company has not taken any Loan or borrowings from Financial Institutions, Banks and Government or has not issued any debentures. Hence reporting under clause 3(8) of the Order is not applicable to the Company.
- ix. The company has not raised moneys by way of initial public offer or further public offer including debt instruments or term Loans and hence reporting under clause 3(9) of the Order are not applicable to the Company. Being a NIDHI Company, Shares are issued to the members for the purpose of transacting with the company and during the year, the Company has allotted 79808 Equity Shares of Rs.10/- each.
- x. To the best of our knowledge and according to the information and explanations 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.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid managerial remuneration and hence, the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable.
- xii. The Company is a NIDHI Company and
- a) The Company has complied with maintaining more than ten per cent of the Total Deposits accepted by the company in unencumbered term deposits with Banks.
- b) The Company has also complied with the ratio of 1:20 of Net Owned Funds to total Deposits accepted by the company as specified in the Nidhi Rules, 2014.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have disclosed in the standalone Financial Statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanation 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 and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.



For **P.T. PONNAIAH & CO.,**
Chartered Accountants,

(P.T. PONNAIAH)

Partner.

ICAI Membership No.019873.
Firm Registration No.002669-S
UDIN : 20019873AAAAHJ5211

Place : Chennai
Date : 31.08.2020.

P.T. PONNAIAH & CO.,
Chartered Accountants

Old No.72B, New No.36, I Floor, L Block 21st Street, Anna Nagar East, Chennai -600 102.
☎ : 2620 2221, 2628 2221

Date : 31.08.2020

CERTIFICATE OF STATUTORY AUDITORS

This is to certify that **SREEVARI NIDHI LIMITED**, Tiruchirappalli has complied with all the directions specified in the Notifications issued by the Ministry of Corporate Affairs from time to time and Nidhi Rules 2014, and the Company has been complying with all the required provisions of the Companies Act, 2013 as applicable to NIDHI Companies and the books of account are maintained in conformity with the accounting principles generally accepted in India.

It is also certified that **SREEVARI BENEFIT SOCIETY LIMITED** has complied with the Prudential Norms as required by the Notifications of the Ministry of Corporate Affairs as amended from time to time and Nidhi Rules 2014 and provision for sub-standard assets has been created to the extent required and the details are given in Note No.20 in Notes on Accounts forming part of the Audited Statements of Accounts of the Company for the year ended 31st March, 2020.



For **P.T. PONNAIAH & CO.,**
Chartered Accountants,

(P.T. PONNAIAH)
Partner.

ICAI Membership No.019873.
Firm Registration No.002669-S
UDIN : 20019873AAAAHJ5211

Place : Chennai
Date : 31.08.2020.