

**T. SELVARAJ & CO.,**  
Chartered Accountants



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### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of M/s Navarathna Financial Services Ltd,

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s Navarathna Financial Services Ltd (herein after referred to "the Company") comprising of the Balance Sheet as at 31<sup>st</sup> March, 2015, 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 (hereinafter referred to as "the Financial Statements").

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the preparation of these financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of 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, which have been used for the purpose of preparation of the financial statements by the Directors of the Company as aforesaid.





**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted 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 thereunder.

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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risk 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 but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us 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 31<sup>st</sup> March, 2015, and their Profit, and their cash flows for the year ended on that date.





**Other Matter**

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ( 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 paragraphs 4 and 5 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid financial statements.

b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as 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 relevant books of account maintained for the purpose of preparation of the financial statements.

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 written representation received from the Directors of the Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Company none of the directors of the Company is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company doesn't have any pending litigations to be disclosed in the financial statement which effects the financial position of the Company.





ii) The Company did not have any material foreseeable losses on long-term contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Chennai  
Date : 08.06.2015

For T. Selvaraj & Co  
Chartered Accountants  
Firm Registration No: 0037035

*R. Swaminathan*

RM Swaminathan  
Partner  
Membership No:203520





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**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date)

1.
  - a. In our opinion and according to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. As per the information and explanations provided to us, the Company has physically verified the fixed assets during this year and there is no material discrepancies noticed on such verification.
2. The company doesn't have any inventory. Thereby this clause of the order will not apply.
3. According to the information and explanations given to us, the Company has not granted, any loans secured or unsecured from the parties covered in the register maintained under section 189 of the Act. Thereby this clause of the order will not apply.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for purchases of fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from public during this year. Thereby this clause of the order will not apply.





6. As per the information and explanations given to us, the Company is not required to maintain the cost records pursuant to the Rules made by the Central Government under sub-section (1) of Section 148 of the Act.
7.
  - a. According to the information and explanation given to us, the Company is depositing undisputed statutory dues with appropriate authorities, like Income-tax, Cess, wherever applicable, There are no undisputed Statutory outstanding dues as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they become payable.
  - b. According to the information and explanation given to us, there are no dues of Income Tax, Cess which have not been deposited on account of any dispute.
  - c. According to the information and explanation given to us, there are no amount which is required to be transferred to investor education and protection fund in accordance with the provisions of the Act.
8. In our opinion and according to the information and explanation given to us, the accumulated losses of the Company as at the end of the financial year is not more than 50% of its networth. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders.
10. In our opinion and according to the information and explanation given to us, the company has not given any guarantee during the year.





11. In our opinion and according to the information and explanation given to us, the term loans borrowed by the Company were applied for the purpose for which the loans were obtained.
12. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Chennai  
Date : 08.06.2015

For T Selvaraj & Co  
Chartered Accountants  
Firm Registration No: 003703S



RM Swaminathan  
Partner  
Membership No:203520





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To

The Directors  
Navarathna Financial Services Limited

In terms of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008,  
we report that:

- i) During the financial year ended 31<sup>st</sup> March 2015, the company is engaged in the business of Non-Banking Financial Institution and it has obtained a Certificate of Registration from Reserve Bank of India.
- ii) The company is entitled to hold Certificate of Registration in terms of its asset, income pattern as on 31<sup>st</sup> March 2015.
- iii) The Board of Directors have passed a resolution for non-acceptance of public deposits.
- iv) The company has not accepted any public deposits during the year ended 31<sup>st</sup> March 2015.
- v) The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Place: Chennai  
Date : 08.06.2015

For T Selvaraj & Co.,  
Firm Regn. No. 003703S  
Chartered Accountants



RM Swaminathan  
Partner  
M.No. 203520

