

**AUDITORS' REPORT  
TO THE MEMBERS OF  
JANALAKSHMI FINANCIAL SERVICES PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **JANALAKSHMI FINANCIAL SERVICES PRIVATE LIMITED** ("the Company") as at 31st March, 2012, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - (a) we have 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;



- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
    - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

for DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm Registration No. 008072S)



S. Sundaresan  
Partner  
(Membership No. 025776)

BANGALORE, May 18, 2012

## **ANNEXURE TO THE AUDITORS' REPORT**

**(Referred to in paragraph 3 of our report of even date)**

- (i) Having regard to the nature of the Company's business/activities/result; clauses i(c), ii, iv (in so far as it relates to purchase and sale of goods), viii, ix (b), xiii, xiv, xv and xx of CARO are not applicable.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - (a) The Company has granted loans aggregating Rs. 41,535,890/- to one party during the year. At the year-end, the outstanding balances of such loans aggregated Rs. 35,442,639/- and the maximum amount involved during the year was Rs. 48,049,994/-(number of parties one).
  - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
  - (c) The receipts of principal amounts and interest have been regular/as per stipulations.
  - (d) In respect of overdue amounts of Rs. 1 lakh remaining outstanding as at the year-end, the Management has taken reasonable steps for the recovery of the overdue principal and interest amounts.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

