



ESHA M. M., B.com, FCA

ESHA M. M. AND ASSOCIATES CHARTERED ACCOUNTANTS

#284/1, DHAKSH NILAYA, Padma Upadhyaya Layout,
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Independent Auditors' Report

To,
The Members of
M/S DHANABANDHAVYA NIDHI LIMITED.,

Report on the Financial Statements:

We have audited the accompanying financial statements of M/S DHANABANDHAVYA NIDHI LIMITED., ("the Company") which comprise the balance sheet as at 31 March 2020, the statement of profit and loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position and financial performance 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. This responsibility also includes 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; 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the 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.

We conducted our audit in accordance with the Standards on Auditing specie under section 143(10) of the Act and Other applicable authoritative pronouncements 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.



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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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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 31 March 2020;
- b) In the case of the statement of profit and loss, of the loss for the year ended on that date.
- c) The going concern concept of the company.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by sub section 3 of Section 143 of the Act, we report that, 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 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, statement of profit and loss account dealt with by this report is in agreement with the relevant books of account.
 - d. In our opinion the 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 representations received from the directors as on 31 March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31

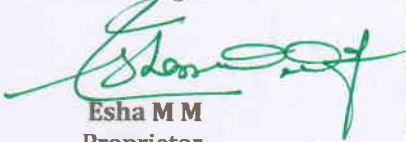


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March 2020, from being appointed as a director in terms section 164 (2) of the Companies Act.

- 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 B'; and
- g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:
- i. Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

For. Esha M M & Associates,
Chartered accountants
Firm Regn. No.013071S



Esha M M
Proprietor
M.No. 225618
UDIN: 20225618AAAAGL1113



Place : Bangalore
Date : 31-08-2020

Annexure A to the Auditors' Report (Referred to in our report of even date)

The Annexure referred to in the auditors' report to the members of **M/S DHANABANDHAVYA NIDHI LIMITED.,** (the Company) for the year ended March 31, 2020.

We report that:



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- i. In respect of its fixed assets
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets of the Company have been physically verified during the period by the management in accordance with a programme of verification, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programmed, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under section 189 of Companies Act, 2013. Therefore, the provisions of Clause 3 (iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. In respect of Statutory Dues,
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, GST, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company have no dues on account of duty of GST, ESI, PT and TDS .

According to the information and explanations given to us, no undisputed amounts payable in respect of, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax,



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cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

b) As per the information given to us and on the basis of our examination company do not have any dispute with income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess payable to appropriate authorities.

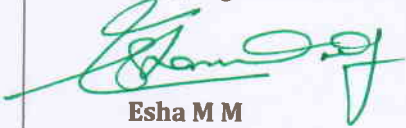
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the balance sheet date.
- ix. The company did not raise any money by way of initial public offer (including debt instruments), further public offer and term loans during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanation given to us, the company is a nidhi company; accordingly, paragraph 3(xii) of the Order is applicable. The Nidhi company has complied with the net owned funds to deposit in the ratio of 1:20 to meet out the liability and whether the Nidhi company is maintain 10% unencumbered term deposit as specified in the Nidhi rules 2014 to meet out the liability.
- xiii. According to the information and explanation 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. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



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xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For. Esha M M & Associates,
Chartered accountants
Firm Regn. No.013071S



Esha M M
Proprietor
M.No. 225618
UDIN: 20225618AAAAGL1113



Place : Bangalore
Date : 31-08-2020

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Annexure B to the Auditors' Report

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of M/S DHANABANDHAVYA NIDHI LIMITED.. the financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act:

We have audited the Internal Financial Controls over financial reporting of M/S DHANABANDHAVYA NIDHI LIMITED.. ('company') as of 31 March 2020 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The company's management 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 controls 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 maintained of adequate financial controls that were operating effectively for ensuring the orderly and effectively conduct of business, including the adherence to Companies policies the safe guarding 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 Act.

Auditors Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial report based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') 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 and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessment of risk of material misstatement weather 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:



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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

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditures of the Company are being made only in accordance with authorizations of the management and directors of the Company; and
- iii. 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.

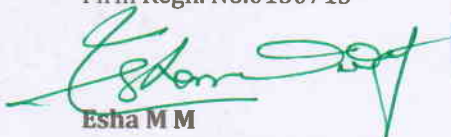
Inherent Limitations of Internal Financial Controls over Financial Reporting

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, 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 31 March 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.

For. Esha M M & Associates,
Chartered accountants
Firm Regn. No.013071S


Esha M M
Proprietor M.No. 225618
UDIN: 20225618AAAAGL1113



Place : Bangalore
Date : 31-08-2020



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AUDITOR CERTIFICATE

To whom so ever it may concern

This is to certify that Ms DHANABANDHAVYA NIDHI LIMITED, a company incorporated under companies act 2013 with CIN : U65990KA2018PLC118162 and having its registered office at 5/A, 1 STAGE, MIG A.D HALLI, KHB COLONY, Bangalore 560079 Karnataka India , that ,we have examined the books of account as at 31st March 2020 and other records maintained by Ms DHANABANDHAVYA NIDHI LIMITED in respect of particular furnished and certify that to the best of my knowledge and according to the information and explanation given to us and as shown by the records maintained by us , that below mentioned details and information are true and correct;

1. ~~The Directors are the~~ members of the Nidhi and complying with the requirement of sub-section (4) of Section 152 of the Act ~~and also are not disqualified~~ from appointment u/s 164 of the Act as on date of application i.e. 31st August 2020
2. The Object of the DHANABANDHAVYA NIDHI LIMITED is to cultivate the habit of thrift & savings amongst its members, receiving deposits from, and lending to, its members only, for their mutual benefit.
3. ~~There~~ are no preference share capital has been issued in the company under the Companies Act, 2013.
4. As per Rule 3 of Nidhi Rules, 2014 the ratio of Net Owned Funds to deposits of the company is 1: 2.47 which is not more than 1:20
5. As per Rule 14 of the Nidhi Rules, 2014 The "DHANABANDHAVYA NIDHI LIMITED" has invested Amount of Rs 4,50,000/- (Rupees Four lakhs Fifty Thousand Only) in unencumbered term deposits with a scheduled commercial bank (other than co-operative bank or Regional rural bank), an amount which is not less than 10% of deposits outstanding at close of business on the last working day of second preceding month
6. The company at any time hasn't entered into any transactions or taken up any activities which are not permitted for a Nidhi company.
7. There are no such locker facility provided in the company





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8. AS per Rule 7 of Nidhi Rules 2014 The company certifies that each deposit holder has been allotted minimum shares equivalent to Rs. 100/-.
9. The company has not opened any branches hence compliance of Branches (RULE 10 OF NIDHI RULES 2014) is not applicable.
10. As per Rule 13(4) Of Nidhi Rules 2014 The rate of interest for savings bank account is 4% which is not more than 2% above the rate of interest payable on saving bank account by nationalized banks
11. As per Rule 13(5) of Nidhi Rules 2014 The rate of interest on Fixed deposit and Recurring deposit is 9.7% which is not be more than maximum rate of interest which the NBFC can pay on their public deposits as prescribed by RBI ~~time~~ to time.
12. As per Rule 16 of Nidhi Rules 2014 The rate of interest to be charged on loan is 14.99% which is not more than 7.5% above the highest rate of interest offered on deposits and rate of interest charged was calculated on reducing balance method.
13. As per Rule 20 of Nidhi Rules 2014 All the prudential norms prescribed in Nidhi rules for revenue recognition and classification of assets w.r.t mortgage loan or jewel loan were adhered by the company.

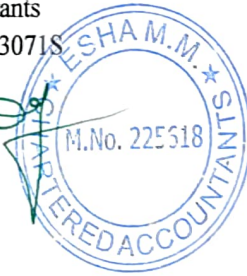
For Esha M M and Associates
Chartered Accountants
Firm Regn. No: 0130718


Esha M M

Proprietor

M.No : 225618

UDIN : **20225618AAAAGL1113**



Date : 31/08/2020

Place : Bangalore



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STATUTORY AUDITORS CERTIFICATE

(Pursuant to Rule 22 of the Nidhi Rules, 2014)

This is to certify that, on the basis of books of accounts and other relevant documents verified by us and as per explanations given to us by the management, M/s "DHANABANDHAVYA NIDHI LIMITED" has complied with all the provisions contained in Nidhi Rules-2014 as amended by Ministry of Corporate Affairs from time to time and have not contravened any of the provisions contained in the said rules.

Esha M M & Associates,

Chartered Accountant



Firm Regn .No. 0130718

Esha M M

Proprietor

M .No 225618

UDIN: 20225618AAAAGL1113

Date : 31/08/2020

Place : Bangalore