

AUDITORS REPORT

31st May, 2012

THE BOARD OF DIRECTORS

M/s. VIRUTCHAM MICROFINANCE LIMITED

19, Balaji Avenue, 5th Cross,
Melachinthamani, Old Karur Road,
Thiruchirappalli- 620 002.

Dear Sir,

We have audited the attached Balance Sheet of **M/s. VIRUTCHAM MICROFINANCE LIMITED** as at 31st March, 2012 and also the Profit & Loss account for the year ended on that date annexed there to. We have expressed our opinion in the form of Audit report read with notes on accounts and accounting policies based on the Financial Statements prepared and presented to us by the Company's Management.

We have conducted our audit on the basis of examination of evidences supporting the amounts disclosed in the financial statements prepared by the Management. Our audit includes assessing the accounting principles used and significant estimates made by the Management and evaluating the overall financial statements presented to us for its true representation and fairness. We have carried out judicially test verification and relied on the statements made by the Management in evaluating the transactions for the above purposes. The audit is conducted in accordance with generally accepted auditing standards in India and various guidelines prescribed by the Institute of Chartered Accountants of India and disclosure and provisioning requirements prescribed by Reserve Bank of India from time to time. We have conducted the audit to the best of our professional ability to obtain fair and reasonable assurance as to whether the financial statements are free of material misstatements.

As required by the Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008, issued by the Reserve Bank of India ('RBI') vide Notification No. DNBS. 201/DG (VL)-2008 dated September 18, 2008 as amended from time to time, based on our audit, we give hereunder a statement on the matters specified in paragraphs 3 and 4 of the said directions:

1. The Company is holding a valid Certificate of Registration (COR) issued by Reserve Bank of India as a Non-Banking Financial Company without accepting public deposits vide certificate no. N-07.00779 dated 3rd August 2009 and are entitled to continue to hold such COR in terms of its Assets and Income pattern as on 31.03.2012
2. The Board of Director has passed a resolution in the meeting held on 28th April, 2011 for non-acceptance of any public deposit during financial year 2011-12.
3. The Company has not accepted any public deposits during the year under review.
4. In our opinion and to the best of our information and according to the explanations given to us, the Company had complied with the Non-Banking financial (Non-Deposit accepting or holding) Companies Prudential norms (Reserve Bank Directions, 2007) relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts, as applicable to it.

FOR A. JOHN MORIS & CO.,
CHARTERED ACCOUNTANTS
FRN. 007220S

(P. GANESAN)
PARTNER
M. No. 214065