



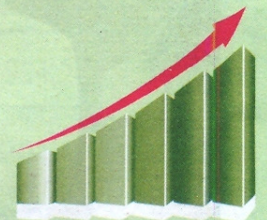
KMBF



2019 - 20



116th Annual Report



KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED

Regd. Office : 145, Big Street, Kumbakonam - 612 001.



CIN : U65991TN 1903 PLC 001246. Ph : 0435 - 2401548

Fax : 0435 - 2431682 Website : www.kmbf.co e-mail : kmbf@kmbf.co

KMBF

கொரோனா நிவாரண நிதி

தமிழக முதல்வர் மாண்புமிகு டாக்டர் எடப்பாடி கே.பழனிசாமி அவர்கள் தலைமையிலான தமிழக அரசிடம் ரூபாய் 25 இலட்சத்திற்கான காசோலை வழங்கப்பட்டது.

	
FINANCE [CMPRF] DEPARTMENT FORT ST. GEORGE SECRETARIAT. CHENNAI - 600 009. CM PRF PAN : AAAGC0038F	
CHIEF MINISTER'S PUBLIC RELIEF FUND (Donations fully exempted from Income Tax under Section 80G(2)(a)(iii hf) of the Income Tax Act, 1961)	
RECEIPT	
Sl.No. B 009827	Date: 24-08-2020
Received with thanks from M/s. Kumbakonam Mutual Benefit Fund Nidhi Limited, No.145, Big Street, Kumbakonam-612001, Thanjavur District, , a sum of Rs.2500000/- (RUPEES TWENTY FIVE LAKH ONLY) by Cheque / D.D.No. 704468, dated 14.08.2020 as donation to CHIEF MINISTER'S PUBLIC RELIEF FUND towards CORONA / COVID-19 Relief.	
M/s. Kumbakonam Mutual Benefit Fund Nidhi Limited No.145, Big Street, Kumbakonam-612001 Thanjavur District	
 for TREASURER CHIEF MINISTER'S PUBLIC RELIEF FUND	



தமிழக முதல்வர் மாண்புமிகு டாக்டர் எடப்பாடி கே.பழனிசாமி அவர்களிடம் நிதியின் தலைவர் திரு.ராம.ராமநாதன் M.Com., LLB., Ex.MLA மற்றும் இயக்குநர்கள், நிர்வாக அலுவலர்கள், சங்கப்பிரதிநிதிகள் கஜா புயல் நிவாரண நிதியாக ரூபாய் 23 இலட்சத்திற்கான காசோலை வழங்குதல்



கிளை திறப்பாளர் : மாண்புமிகு. **ஆர்.வைத்திலிங்கம்** B.A., அவர்கள்
வீட்டு வசதி மற்றும் நகர்ப்புற வளர்ச்சித்துறை முன்னாள் அமைச்சர் / மாநிலங்களவை உறுப்பினர்
திருக்கோவிலூர் - 110 வது கிளை திறப்பு விழா



கிளை திறப்பாளர் : மாண்புமிகு. **இரா.துரைக்கண்ணு** B.A., அவர்கள்
தமிழக வேளாண்மைத்துறை அமைச்சர்
நன்னிலம் - நூற்று பதினோறாவது கிளை திறப்பு விழா



கிளை திறப்பாளர் : மாண்புமிகு. **ஆர்.காமராஜ்** M.A., அவர்கள்
தமிழக உணவு மற்றும் நுகர்பொருள் வழங்கல் துறை அமைச்சர்

தென்காசி - 112 வது கிளை திறப்பு விழா



கிளை திறப்பாளர் : திருமிகு. எஸ்.செல்வமோகந்தாஸ் பாண்டியன் அவர்கள்
சட்டமன்ற உறுப்பினர் - தென்காசி

Shifting of Branches



வில்லிவாக்கம்



ஆரணி



திருமங்கலம்



மேலூர்



KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED

Regd. Office : 145, Big Street, Kumbakonam - 612 001.

Founder President

Rao Bahadur N.Krishnaswami Iyengar B.A., B.L.,

Board of Directors

Sri. **Rama.Ramanathan** M.Com.,LLB.,
Ex.MLA
Chairman

Sri. **N.D.Narasimhan** B.A., CAIIB.,
Director

Sri. **L.Meiyappan**
Director

Sri. **R.S.Selvaraj** M.A., BGL.,
Director

Sri. **R.K.Bharathimohan** TTC Agri.,
Ex.MP
Director

Sri. **A.V.K.Ashokkumar** B.Sc.,
Director

Sri. **K.Arivalagan** M.A., B.L.,
Director

Executives

Sri. **V.Kanakaraj**
AD & CEO

Sri. **R.Padmanabhan**
General Manager & CFO

Sri. **B.Chakrapani**
Deputy General Manager

Sri. **R.S.Venkatesan**
Deputy General Manager

Sri. **S.Gopalakrishnan**
Assistant General Manager

Sri. **K.Gosahan**
Assistant General Manager

Sri. **R.Subash**
Regional Manager

Sri. **S.Milevahanan**
Regional Manager

Sri. **G.Ramesh**
Regional Manager

Sri. **R.Radhakrishnakumar**
Regional Manager

Sri. **G.Sutharsan**
Regional Manager

Statutory Auditors

M/s. **DPV & Associates**
Chartered Accountants
(F.R.No. 011688S)
UDIN : 20218791AAAACE1240
Chennai - 600 017.

M/s. **Ganesh Venkat & Co.,**
Chartered Accountants
(F.R.No.005293S)
UDIN : 20029647AAAACI8053
Chennai - 600 023.

M/s. **G.Giridharan & Co.,**
Chartered Accountants
(F.R.No.009362S)
UDIN : 20209405AAAACU6007
Kumbakonam - 612 001.

Secretarial Auditor

M/s. **P.Sriram & Associates**
(C.P.No.3310)
UDIN : F004862B000884807
Chennai - 600 028.

Company Secretary

Sri. **K.Murali** B.Com., ACS
Company Secretary
M.No. : ACS 20089
Chennai - 600 017.

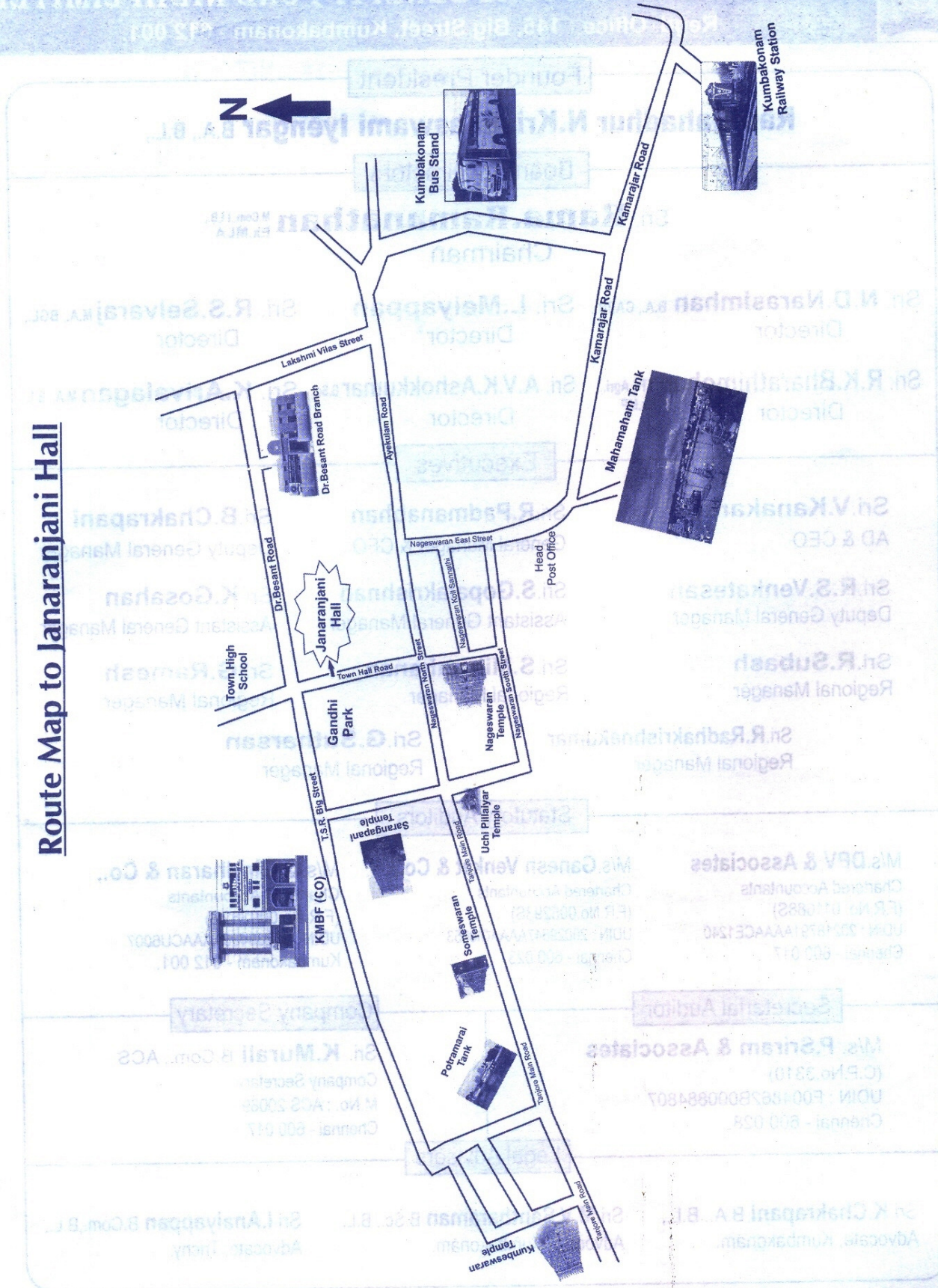
Legal Advisors

Sri. **K.Chakrapani** B.A., B.L.,
Advocate, Kumbakonam.

Sri. **M.V.Santharaman** B.Sc., B.L.,
Advocate, Kumbakonam.

Sri. **I.Anaiyappan** B.Com., B.L.,
Advocate, Trichy.

Route Map to Janaranjani Hall



Notice for 116th Annual General Meeting

Notice is hereby given pursuant to Section 96 and other applicable provisions of the Companies Act, 2013 that the **116th Annual General Meeting ["AGM"]** of the shareholders of **Kumbakonam Mutual Benefit Fund Nidhi Limited** will be held at **9.00 a.m on Thursday, the 26th November, 2020 at Janaranjani Hall, Gopal Rao Library Buildings, Town Hall Road, Kumbakonam – 612 001** to transact the following items of business :

Agenda

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year 2019-20.
3. To appoint a director in the place of Sri.N.D.Narasimhan (DIN 03603479) who retires by rotation and, being eligible for re-appointment as Director.

Special Business

4. To ratify the payment of remuneration paid to Sri.V.Kanakaraj as Chief Executive Officer of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with sub-paragraph (A) of Section II of Part II of Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Rules made there under, including any statutory modification or re-enactment thereof, the approval of the members of the Company be and is hereby accorded for re-appointment and payment of remuneration to Sri.V.Kanakaraj who was appointed as Chief Executive Officer at the Board Meeting held on 28-05-2020 on the following Terms and Conditions.

Period : One year from 01-06-2020 to 31-05-2021

Remuneration : Rs.75,000/- (Rupees Seventy five thousand only) per month.

Other benefits : Free use of phone provided by the Company for official purpose.

Use of Company's Car with fuel and driver for official purpose.

Actual travelling and other expenses like boarding, etc.,"

"RESOLVED FURTHER THAT the above monthly remuneration of Rs.75,000 and other benefits shall be paid to him as minimum remuneration/benefits even in the absence of or inadequacy of profits in any year."

To consider regularization of the appointment of Additional Directors :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment of Sri.V.Kanakaraj as an Additional Director, liable to retire by rotation as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Sri.V.Kanakaraj (DIN: 08205976), who was appointed as an Additional Director with effect from 23rd November, 2019 by the Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as an Additional Director of the Company, liable to retire by rotation”.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment of Sri.R.S.Selvaraj as an Additional Director, liable to retire by rotation as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Sri.R.S.Selvaraj [DIN : 07910673], who was appointed as an Additional Director with effect from 23rd September, 2020 by the Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as an Additional Director of the Company, liable to retire by rotation”.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment of Sri.R.K.Bharathimohan as an Additional Director, liable to retire by rotation as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Sri.R.K.Bharathimohan [DIN : 08805859], who was appointed as an Additional Director with effect from 23rd September, 2020 by the Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as an Additional Director of the Company, liable to retire by rotation”.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment of Sri.A.V.K.Ashokkumar as an Additional Director, liable to retire by rotation as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Sri.A.V.K.Ashokkumar [DIN : 08802925], who was appointed as an Additional Director with effect from 23rd September, 2020 by the Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as an Additional Director of the Company, liable to retire by rotation”.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment of Sri.K.Arivalagan as an Additional Director, liable to retire by rotation as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Sri.K.Arivalagan [DIN : 08802927], who was appointed as an Additional Director with effect from 23rd September, 2020 by the Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as an Additional Director of the Company, liable to retire by rotation”.

By Order of the Board

Place : Kumbakonam

Kumbakonam Mutual Benefit Fund Nidhi Limited,

Date : 23rd September, 2020.

K.Murali

Company Secretary

NOTES:

1. Pursuant to section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 20th November, 2020 to 26th November, 2020 (both days inclusive) for the purpose of share transfers.
2. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the Company. The proxies, in order to be effective, must be lodged with the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. E.voting exempted.
3. Members are requested to note that a person can act as Proxy on behalf of members, not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company, carrying voting rights. In case of voting by poll, no member shall exercise voting rights in excess of 5% of total voting rights of equity shareholders.
4. Any member, holding more than one folio for the same set of names, may please write to the Registered Office of the Company, so that his/her holdings can be consolidated into one folio.
5. In terms of section 125 (2) (c) of the Companies Act, 2013, the unpaid dividend for the financial year 2011 - 12 has been transferred to Investor Education and Protection Fund and the dividends which remain unclaimed for a period of seven years for F.Y 2012-13 will be transferred to the Investors Education and Protection Fund.
6. Members are requested to notify to the Registered Office of the Company changes in their addresses, if any.
7. Members are hereby requested to register their email addresses with the Company by sending a mail to kmbf@kmbf.co.
8. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
9. Extension of Annual General Meeting – Due to COVID-19, we have obtained AGM extension order dated 17th August, 2020 from the Registrar of Companies, Chennai.

Explanatory Statement under section 102 of the Companies Act, 2013:**Item No.4 : Ratification of remuneration payable to Sri.V.Kanakaraj, Chief Executive Officer of the Company.**

As per the recommendation of Nomination and Remuneration Committee and Board Meeting held in the even date on 28-05-2020, Sri.V.Kanakaraj was appointed as Chief Executive Officer (KMP) of the Company for the period of one year from 01st June, 2020 to 31st May, 2021. Since his appointment as CEO is pursuant to Section 203 of the Companies Act, 2013 as Key Managerial Personnel, the payment of remuneration to Sri.V.Kanakaraj as CEO requires the approval of the Shareholders.

The above mentioned appointment and remuneration has to be ratified by the members of the company at the Annual General meeting. Accordingly, consent of the Members is sought for passing the special resolution as set out in Item No.4 of the Notice for ratification of the remuneration payable to Chief Executive Officer (KMP).

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the passing of the resolution as Special Resolution with regard to ratify the payment of remuneration to Sri.V.Kanakaraj, CEO as set out in Item No.4.

Item No.5 : Regularization of appointment of Sri.V.Kanakaraj as an Additional Director.

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 23rd November, 2019, Sri.V.Kanakaraj, holding DIN: 08205976 and residing at No.18/32, Vandikkara Street, Aduthurai was appointed as an Additional Director by the Board in accordance with the Article 67 of the Articles of Association of the Company and Sections 152, 161 of the Companies Act, 2013 with effect from 23rd November, 2019. As per Section 152, 161 of the Act, Sri.V.Kanakaraj holds office up to the date of Annual General Meeting of the Company. The Appointment of Sri.V.Kanakaraj as an Additional Director requires the approval of the shareholders.

Except Sri.V.Kanakaraj, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financially or otherwise in the proposed resolution.

Item No.6 : Regularization of appointment of Sri.R.S.Selvaraj as an Additional Director.

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 17th September 2020, Sri.R.S.Selvaraj, holding DIN: 07910673 and residing at No.1166A, 4th Street, Palanisamy Nagar, Melacauvery, Kumbakonam – 612 002 was appointed as an Additional Director by the Board in accordance with the Article 67 of the Articles of Association of the Company and Sections 152, 161 of the Companies Act, 2013 with effect from 23rd September, 2020. As per Section 152, 161 of the Act, Sri.R.S.Selvaraj holds office up to the date of Annual General Meeting of the Company. The Appointment of Sri.R.S.Selvaraj as an Additional Director requires the approval of the shareholders.

Except Sri.R.S.Selvaraj, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financially or otherwise in the proposed resolution.

Item No.7 : Regularization of appointment of Sri.R.K.Bharathimohan as an Additional Director.

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 17th September 2020, Sri.R.K.Bharathimohan, holding DIN : 08805859 and residing at No.200A, Karaikattu Street, Kanjanur – 609 804 was appointed as an Additional Director by the Board in accordance with the Article 67 of the Articles of Association of the Company and Sections 152, 161 of the Companies Act, 2013 with effect from 23rd September, 2020. As per Section 152, 161 of the Act, Sri.R.K.Bharathimohan holds office up to the date of Annual General Meeting of the Company. The Appointment of Sri.R.K.Bharathimohan as an Additional Director requires the approval of the shareholders.

Except Sri.R.K.Bharathimohan, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financially or otherwise in the proposed resolution.

Item No.8 : Regularization of appointment of Sri.A.V.K.Ashokkumar as an Additional Director.

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 17th September 2020, Sri.A.V.K.Ashokkumar, holding DIN : 08802925 and residing at No.20A, Meladuthurai Street, Aduthurai –612 101 was appointed as an Additional Director by the Board in accordance with the Article 67 of the Articles of Association of the Company and Sections 152, 161 of the Companies Act, 2013 with effect from 23rd September, 2020. As per Section 152, 161 of the Act, Sri.A.V.K.Ashokkumar holds office up to the date of Annual General Meeting of the Company. The Appointment of Sri.A.V.K.Ashokkumar as an Additional Director requires the approval of the shareholders.

Except Sri.A.V.K.Ashokkumar, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financially or otherwise in the proposed resolution.

Item No.9 : Regularization of appointment of Sri.K.Arivalagan as an Additional Director.

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 17th September 2020, Sri.K.Arivalagan, holding DIN : 08802927 and residing at Plot No.6, Rajeev Gandhi Nagar, Kodayanthottam, Ullur, Kumbakonam – 612 001 was appointed as an Additional Director by the Board in accordance with the Article 67 of the Articles of Association of the Company and Sections 152, 161 of the Companies Act, 2013 with effect from 23rd September, 2020. As per Section 152, 161 of the Act, Sri.K.Arivalagan holds office up to the date of Annual General Meeting of the Company. The Appointment of Sri.K.Arivalagan as an Additional Director requires the approval of the shareholders.

Except Sri.K.Arivalagan, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financially or otherwise in the proposed resolution.

The Board recommends the passing of the resolutions as Ordinary Resolutions with regard to regularization of appointment of said Directors as set out in Item No.5 to 9 respectively in the Agenda for the 116th Annual General Meeting.

PARTICULARS OF DIRECTORS BEING APPOINTED, AS PER SECRETARIAL STANDARDS-2:

Name & Qualification	Sri. N.D.Narasimhan, B.A., CAIIB
Age	78 Years
Experience	Wide exposure in Banking Sector
Terms and conditions of appointment and details of remuneration	Director Retire by Rotation
Remuneration last drawn (as on 31/03/2019)	Rs.17,90,328/-
Date of first appointment on Board	05.09.2011
Shareholding in Company	510
Relationship with other Directors	-
Number of Meetings of Board attended	13 (During FY 2019-20)
Directorships in other Companies	-
Other memberships / chairmanships of committees of other Boards	-
Name & Qualification	Sri. V.Kanakaraj, B.Sc.,
Age	61 Years
Experience	Wide exposure in day to day affairs of the Company
Terms and conditions of appointment and details of remuneration	Director Retire by Rotation. CEO Remuneration Rs.75,000 p.m
Remuneration last drawn	-
Date of first appointment on Board	As an Additional Director : 23.11.2019 As CEO : 28.05.2020
Shareholding in Company	3001
Relationship with other Directors	-
Number of Meetings of Board attended	13 (During FY 2019-20) (as CEO)
Directorships in other Companies	-
Other memberships / chairmanships of committees of other Boards	-
Name & Qualification	Sri.R.S.Selvaraj, M.A., B.G.L.,
Age	70 Years
Experience	Wide exposure in the fields Business, Public and Social Service
Terms and conditions of appointment and details of remuneration	Director Retire by Rotation.
Remuneration last drawn	-
Date of first appointment on Board	23.09.2020
Shareholding in Company	10
Relationship with other Directors	-
Number of Meetings of Board attended	-
Directorships in other Companies	-
Other memberships / chairmanships of committees of other Boards	-
Name & Qualification	Sri.R.K.Bharathimohan TTC., Agri
Age	53 Years
Experience	Wide exposure in the fields Business, Public and Social Service
Terms and conditions of appointment and details of remuneration	Director Retire by Rotation.
Remuneration last drawn	-
Date of first appointment on Board	23.09.2020
Shareholding in Company	10
Relationship with other Directors	-
Number of Meetings of Board attended	-
Directorships in other Companies	-
Other memberships / chairmanships of committees of other Boards	-
Name & Qualification	Sri.A.V.K.Ashokkumar B.Sc.,
Age	49 Years
Experience	Wide exposure in the fields Business, Public and Social Service
Terms and conditions of appointment and details of remuneration	Director Retire by Rotation
Remuneration last drawn	-
Date of first appointment on Board	23.09.2020
Shareholding in Company	1
Relationship with other Directors	-
Number of Meetings of Board attended	-
Directorships in other Companies	-
Other memberships / chairmanships of committees of other Boards	-
Name & Qualification	Sri.K.Arivalagan M.A., B.L.,
Age	60 Years
Experience	Wide exposure in the fields Business, Public and Social Service
Terms and conditions of appointment and details of remuneration	Director Retire by Rotation
Remuneration last drawn	-
Date of first appointment on Board	23.09.2020
Shareholding in Company	10
Relationship with other Directors	-
Number of Meetings of Board attended	-
Directorships in other Companies	-
Other memberships / chairmanships of committees of other Boards	-

Place : Kumbakonam
Date : 23rd September, 2020.

By Order of the Board
Kumbakonam Mutual Benefit Fund Nidhi Limited,
K.Murali, Company Secretary

BOARD REPORT FOR THE YEAR ENDED 31st MARCH, 2020

To

The Members of Kumbakonam Mutual Benefit Fund Nidhi Limited,

Your Directors have pleasure in presenting the 116th Annual Report on the business and operations of your Company together with the Audited Financial Statement of Accounts and the Auditors' Report for the financial year ended, 31st March, 2020.

1. The highlights of financial results for the year ended 31st March, 2020 are as under:

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
Deposits	235688.72	220912.16
Advances	220802.51	197129.13
Total Income	31914.11	28796.91
Profit before Depreciation & tax	6523.99	6173.44
Depreciation	160.63	133.99
Profit after depreciation	6363.36	6039.45
Profit brought forward	0.64	0.64
Profit available for appropriation	6364.00	6040.09
Income Tax, including Surcharge & Cess	1843.78	1618.24
Deferred Tax (Liability / Asset)	0.77	1.82
Dividend Rate (% p.a.)	22%	22%
Dividend Amount	651.90	648.88
Dividend Distribution Tax	-	133.40
Transfer to General Reserve	3866.91	3637.12
Balance carried forward to Balance Sheet	0.64	0.64

2. Events subsequent to the date of financial statements:

There are no material changes and commitments affecting financial position of the company between 31st March, 2020 and the date of Board's Report.

3. Dividend

Your Directors are pleased to recommend a dividend of 22% p.a. (period based pro-rata) for the year ended 31st March, 2020. This will involve an amount of Rs.651.90 lakhs as dividend. Consequent to the amendment in the Financial Act your Company need not pay Dividend Distribution Tax.

4. Board Meetings

During the fiscal 2019-20, your Company had 13 Board meetings as detailed below:

26.04.2019	31.05.2019	26.06.2019	30.07.2019	14.08.2019
30.08.2019	26.09.2019	31.10.2019	23.11.2019	30.12.2019
	31.01.2020	22.02.2020	24.03.2020	

The details of attendance of each Director at the Board meetings along with the number of meetings held during the year.

Name of the Director	No. of Board Meetings	
	Held during the tenure	Attended
Sarvasri		
Rama.Ramanathan, Chairman	13	13
N.D.Narasimhan	13	13
L.Meiyappan	13	13

The Minutes of such proceedings were recorded in the Minutes Book maintained for the purpose.

5. Share Capital

The paid up share capital increased by Rs.16.11 lakhs from Rs.2954.24 lakhs as on 31.03.2019 to Rs.2970.35 lakhs as on 31st March, 2020.

6. Reserves

During the year under report, Rs.3866.91 lakhs was appropriated to General Reserve, raising the same to Rs.24258.40 lakhs as against Rs.20391.49 lakhs as on 31.03.2019.

7. Branches

In an attempt to expand the business of the Company, approval was obtained from The Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai vide order F.No.02/M-48/2018-19(Nidhi), dated 21-08-2018 for opening of 10 new branches at Kuttalam, Nannilam, Ooty, Thenkasi, Anna Nagar (Madurai), Purasawalkam (Chennai), Tirukkoyilur, Thiruverkadu, Kangeyam & Thuraiyur. Consequently, the Company's 109th, 110th, 111th & 112th new branches were opened at Thuraiyur, Tirukkoyilur, Nannilam & Tenkasi on 15.07.2019, 02.12.2019, 05.02.2020 & 12.02.2020 respectively.

Efforts are being taken to open the remaining branches of the Company at the above said locations as well as in Aranthangi, Red Hills & Sholinganallur (Chennai), for which permission has already been obtained from the Ministry.

8. Business

The core business of your company is lending against jewels. During this year also, the value of the yellow metal has continued to remain volatile like last year on account of vagaries of markets – both international and domestic. Your Company was able to manage the situation and to keep well positioned. Your Directors are cautiously formulating policies closely watching the day to day movements of gold price. Nevertheless, this had its own minimum effect on the business of the company.

9. Risk Management & Policy

Your Directors have taken meticulous care while managing various risks, which include credit risk, liquidity risk, interest rate risk and operational risk. The Directors met at periodical intervals, considered and discussed the issues relating to risk management, assets liability management and monitored the business effectively to achieve optimum results.

Your Company has an elaborate Risk Management procedure, which is based on three pillars:

- (i) Business Risk Assessment
- (ii) Operational Control Assessment
- (iii) Policy Compliance processes

Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Some of the identified risks relate to competition and cost volatility.

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

10. Internal Financial Control

i) Your company has a good internal financial control and risk management frame work. Appropriate controls are being exercised for maintaining transparency in operation for orderly and efficient conduct of business to safeguard the assets of the company and for prevention and detection of frauds / errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information, etc.,

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements. The internal audit department is manned by senior officials and experienced personnel. The Internal Audit department periodically submits their report on the queries raised by the Audit Committee and the relevant rectification. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control system.

ii) The company has not entered into transactions which are fraudulent or illegal as per the Company's Code of Conduct during the year. The Statutory Auditors have confirmed that there were no instances of fraud for the financial year 2019-20.

11. Particulars of Contracts / Arrangements with related parties

No contracts / arrangements / transactions were entered by the Company during the financial year with related parties, under section 188(1) of the Companies Act, 2013.

12. Directors

In terms of Articles 68 of Articles of Association of the Company, Sri.N.D.Narasimhan, Director is liable to retire by rotation in the ensuing Annual General Meeting and being eligible for re-appointment.

Further, as per recommendation of Nomination & Remuneration Committee Meeting Sri.V.Kanakaraj (DIN : 08205976), has been appointed as an Additional Director of the company in the Board Meeting held on 23rd November, 2019, whose term of office expires at the ensuing Annual General Meeting.

Likewise, as per recommendation of Nomination & Remuneration Committee Meeting held on 17th September, 2020

- 1) Sri.R.S.Selvaraj, [DIN : 07910673], S/o.R.Samikkannu, residing at No.1166A, 4th Street, Palanisamy Nagar, Melacauvery, Kumbakonam - 612 002,
- 2) Sri.R.K.Bharathimohan [DIN : 08805859], S/o.R.Kittappa, residing at No.200A, Karaikattu Street, Kanjanur – 609 804
- 3) Sri.A.V.K.Ashokkumar [DIN : 08802925], S/o.A.V.Kaliyaperumal, residing at No.20A, Meladuthurai Street, Aduthurai – 612 101,
- 4) Sri.K.Arivalagan [DIN : 08802927], S/o.Kalimuthu, residing at Plot No.6, Rajeev Gandhi Nagar, Kodayanthottam, Ullur, Kumbakonam – 612 001.

They have also been appointed as Additional Directors of the Company in the Board Meeting held on 23rd, September, 2020.

Since the re-appointment and confirmation of appointment of additional directors as above, requires the approval of the shareholders, the same is placed before the shareholders for their approval at this 116th Annual General Meeting.

13. Auditors

The present Statutory auditors viz., M/s.DPV & Associates, Chartered Accountants, Chennai, M/s.Ganesh Venkat & Co., Chartered Accountants, Chennai and M/s.G.Giridharan & Co., Chartered Accountants, Kumbakonam were re-appointed in the 115th Annual General Meeting for a period of 3 (Three) years from the conclusion of 115th Annual General Meeting until the conclusion of 118th Annual General Meeting to be held in the year 2022.

14. Secretarial Audit

Pursuant to provisions of Sec.204 of the Companies Act, 2013, read with rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rule 14, your company engaged the services of M/s.P.Sriram & Associates, Company Secretaries in practice, Chennai to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2020. The Secretarial Report in Form MR3 is attached as Annexure – A.

As regards the observation of Secretarial Auditors and Statutory Auditors, we inform that representation has been made to Ministry of Corporate Affairs through Chamber of Nidhis to get exemption from the transfer of shares to Investor Education and Protection Fund (IEPF).

Due to Pandemic COVID-19, the Company Secretary was appointed on 01st August, 2020.

To comply the Section 149(1) read with rule 3 of Companies (Appointment & Qualification of Directors) Rules 2014, was identified for this financial year only on finalization of financial statements on 09th September, 2020, our company is making necessary steps to comply the above section.

15. Statutory Disclosures

No employee was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014. The details of employment (as on 31.03.2020), furnished in the following table is within the meaning of Rule 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

Sl. No.	Employee Name	Designation	a) Date of commencement of employment b) Nature of employment	Educational Qualification	Age	Remuneration* ₹ in lakhs	% of equity shares held	Related to any Director	Previous Employment & Designation
1	R.Padmanabhan	GM & CFO	12.11.1984 Permanent	B.Sc.,	59	16.12	0.009	No	Nil
2	V.Kanakaraj	CEO	01.06.2019 Contractual	B.Sc.,	61	15.84	0.010	No	Nil
3	R.S.Venkatesan	AGM	16.03.1987 Permanent	B.A.,	55	14.59	0.007	No	Nil
4	R.Subash	Regional Manager	16.03.1987 Permanent	B.Com.,	54	14.72	0.009	No	Nil
5	S.Milevahanan	Regional Manager	05.06.1989 Permanent	B.Com.,	57	15.35	0.007	No	Nil
6	V.Ganesan	Manager Systems	03.11.1994 Permanent	M.Sc.,	50	13.32	0.009	No	Nil
7	B.R.Kumar	Branch Manager	13.10.1986 Permanent	B.Com.,	55	13.25	0.007	No	Nil
8	G.Rajamohan	Branch Manager	18.10.1989 Permanent	B.Com.,	54	13.01	0.008	No	Nil
9	K.Swaminathan	Branch Manager	05.10.1988 Permanent	B.A.,	54	12.99	0.008	No	Nil
10	R.Srinivasan	Branch Manager	12.11.1984 Permanent	B.Com.,	58	12.84	0.007	No	Nil

* Remuneration includes Salary & Taxable perquisites as per Income Tax Act, 1961.

The provisions of Section 134 (3)(m) of the Companies Act, 2013 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo do not apply to your company, considering the nature of its business operations.

16. Directors' Responsibility Statement

Pursuant to Sec.134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company relating to the financial year 2019-20.
- c. they have 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.
- d. they have prepared the annual accounts on a going concern basis, and
- e. 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.

17. Prevention of Sexual Harassment at work place

The Company has in place a policy for prevention of Sexual Harassment, in line with the requirements of the Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal). All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year. None was pending unresolved as on 31st March, 2020.

18. Extract of Annual Return

As required pursuant to Sec.92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management & Administration) Rules 2014, an extract of annual return in MGT-9 is placed in the website www.kmbf.co.

19. Committees of the Board

As required under Section 177 & 178 of Companies Act, 2013 read with Companies (Meetings of Board & its Powers) Rules, 2014, the following are the committees of the Board.

Your Company has an independent (i) Audit Committee (met four times) (ii) Stakeholders Relationship Committee (met twelve times) (iii) Corporate Social Responsibility (CSR) Committee (met two times) during the year under review, consisting of Sri.Rama.Ramanathan – Chairman and members of the Committees Sri N.D.Narasimhan & Sri.L.Meiyappan and (iv) Nomination & Remuneration Committee (met three times) during the year under review consisting of Sri.L.Meiyappan - Committee Chairman and members of the Committee Sri.Rama.Ramanathan & Sri.N.D.Narasimhan.

Your Company has been supporting various philanthropic activities and making donations to such initiatives under CSR. During the financial year 2019-20, the Company has spent Rs.30.22 lakhs for CSR obligations, as against Rs.98.23 Lakhs as required u/s 135 of Companies Act, 2013. The reason for short spending is given in the annual report in CSR.

Your Company, Board of Directors & Employees contributed Rs.25 lakhs towards Tamil Nadu Chief Minister's Public Relief Fund for preventing the public from all walks of life from rapid spreading of "COVID-19".

The Directors are constantly exploring the suitable avenues so as to comply with the provisions of the Companies Act, 2013. A Report on CSR activities as required under the provisions of Companies Act, 2013 is annexed herewith marked as Annexure – B and forms part of this report.

20. Key Managerial Personnel

Sri.V.Kanakaraj has been appointed as Chief Executive Officer (CEO) of the Company with effect from 01st June, 2020. Sri.K.Murali has been appointed as Company Secretary with effect from 01st August, 2020. Sri.R.Padmanabhan is the General Manager & Chief Financial Officer with effect from 01st July, 2019.

21. Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various Committees of other Companies by such persons in accordance with the Company's Policy for selection of Directors and determining Directors' Independence. The Board considers the Committee's recommendation and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

The meeting of Independent Directors was held on 24th March, 2020 and the performance of the Board was evaluated by them and satisfactory performance was found by them.

22. Statement of declaration by Independent Directors

The Company has received a statement of declaration from the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under Section 149(7) of the Companies Act, 2013.

23. Company Policy on Director Appointment & Remuneration

The Board of Directors collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

24. Formal Annual Evaluation

During the Financial Year under review, as mandated by the Companies Act, 2013, your Board of Directors evaluated the performance of the Board, Committees of the Board, Chairman of the Board, Individual Directors, Independent Directors and the Company. The Board of Directors were satisfied with the performance of the company and the contribution of the committees with Independent Directors.

25. Secretarial Standards

The Company has duly complied with Secretarial Standards 1 & 2.

26. Disclosure on maintenance of cost records as required under section 148(1) of the Companies Act, 2013.

The provisions of Section 148 (1) with respect to the maintenance of cost records as specified by the Central Government are not applicable to the Company.

27. Acknowledgements

Your Directors take this opportunity to convey their deep sense of gratitude to the Government of Tamilnadu and Government of India, Ministry of Corporate Affairs. Your Directors wish to thank the shareholders, depositors and other customers for their trust, continued encouragement and consistent support to your Company.

The Directors thank the Chamber of Nidhis, Bankers, Insurance Companies, Income Tax Department, Sales Tax Department, Goods and Service Tax Department etc., for the support extended by them. The Directors are pleased to place on record their sincere appreciation for the valued contribution, spirit of dedication and unstinted efforts by the employees at all levels.

Place : Kumbakonam

Date : 23rd September, 2020.

For and on behalf of the Board

Rama.Ramanathan

Chairman

ANNEXURE — A TO THE BOARDS' REPORT

Form No.MR-3

SECRETARIAL AUDIT REPORT
FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,
Kumbakonam Mutual Benefit Fund Nidhi Limited,
145, Big Street,
Kumbakonam - 612 001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "**Kumbakonam Mutual Benefit Fund Nidhi Limited**" (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under
- 2) The Nidhi Rules 2014

There are no other specific laws that are applicable to the company. I have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) during the audit period by the company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

In respect of non transfer of shares to IEPF as required under Section 124(6) read with Companies IEPF (Accounting, Audit, Transfer & Refund) Rules 2016, it was informed by the Management that considering the nature of business of Nidhi Companies, representations were made by the Chamber of Nidhis in this regard to Ministry of Corporate Affairs seeking exemption of this provision is under consideration. Accordingly the Company is yet to comply with the said provisions.

The Company has to comply with the requirement of appointment of Director as required under section 149(1) read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014.

It was informed by the management that due to Covid-19 pandemic, appointment of Company Secretary was made during 1st August 2020 in the place of resigned company secretary.

During the year under review, the fund earmarked for CSR spending, as mandated under Section 135 of the Companies Act, 2013 and the Company has spent Rs.30.22 Lacs.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors & Independent Directors. There were no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I have examined the systems and processes established by the Company to ensure the compliance with general laws applicable to the company including Employees Provident Funds Act, Employees State Insurance Act & other labour laws and other State laws. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares/debentures/sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Sd.xxxxxx

(P. Sriram)

Proprietor

P. Sriram & Associates

FCSNo. 4862 CP No : 3310

UDIN : F004862B000884807

Place : Chennai
Date : 23.09.2020

Annexure to Form No. MR-3

To
The Members,
Kumbakonam Mutual Benefit Fund Nidhi Limited,
145, Big Street, Kumbakonam - 612 001.

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd.xxxxxx

(P. Sriram)

Proprietor

P. Sriram & Associates

FCSNo. 4862 CP No : 3310

UDIN : F004862B000884807

Place : Chennai
Date : 23.09.2020

ANNEXURE - B TO THE BOARDS' REPORT
ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20
1. A brief outline of the company's CSR Policy, including overview of projects, activities, programme proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company's CSR Policy is to enhance the living standards of the Society, ensure social economic development, achieve environmental sustainability and to be a socially responsible citizen. In accordance with it, the main area of focus for the financial year 2019-20 was Animal Welfare, Health and Sanitation, Promoting Education, Environmental Protection, Empowerment of Women, Infrastructural development and ensuring availability of drinking water. The projects and programmes undertaken are within the framework of the Schedule VII of the Companies Act, 2013 and as per the policy of the Company. The CSR Policy and projects and programmes undertaken are available on the website under the following link: www.kmbf.co

2. The Composition of the CSR Committee:

1. Sri. Rama.Ramanathan - Chairman
2. Sri. N.D.Narasimhan - Member
3. Sri. L.Meiyappan - Member

3. Average net profit of the company for last three financial years : Rs.4912.00 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : Rs.98.23 Lakhs

5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year : Rs.98.23 Lakhs

b) Amount unspent, if any : Rs.68.01 Lakhs

c) Manner in which the amount spent during the financial year is detailed below :

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects / Programs Sub-heads (1)Direct expenditure on projects / programs. (2) Overheads: (in Rs.)	Cumulative expenditure upto to the reporting period Amount spent: (in Rs.)	Direct or through implementing agency
1	LOCAL ADMINISTRATION	Poverty, Hunger and Malnutrition	THANJAVUR TAMILNADU-TN	3,44,852	3,44,852	3,44,852	DIRECTLY BY THE COMPANY
2	LOCAL ADMINISTRATION	Promoting health care including preventive health care.	THANJAVUR TAMILNADU-TN	22,294	22,294	3,67,146	DIRECTLY BY THE COMPANY
3	LOCAL ADMINISTRATION	Promoting education and enhancing vocation skills especially among the children	THANJAVUR TAMILNADU-TN	94,274	94,274	4,61,420	DIRECTLY BY THE COMPANY
4	LOCAL ADMINISTRATION	Making available safe drinking water	THANJAVUR TAMILNADU-TN	73,321	73,321	5,34,741	DIRECTLY BY THE COMPANY

5	LOCAL ADMINISTRATION	Ensuring environmental sustainability & to protect flora and fauna	THANJAVUR TAMILNADU-TN	28,560	28,560	5,63,301	DIRECTLY BY THE COMPANY
6	LOCAL ADMINISTRATION	Protection of national heritage art & culture	THANJAVUR TAMILNADU-TN	5000	5000	5,68,301	DIRECTLY BY THE COMPANY
7	LOCAL ADMINISTRATION	Promotion of Road Safety Safety traffic engineering and awareness through print, audio and visual media	THANJAVUR TAMILNADU-TN	24,50,000	24,50,000	30,18,301	DIRECTLY BY THE COMPANY
8	LOCAL ADMINISTRATION	Social business projects (Printing of route map for public)	THANJAVUR TAMILNADU-TN	4032	4032	30,22,333	DIRECTLY BY THE COMPANY
			Total	30,22,333	30,22,333	30,22,333	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount.

As regards the short fall on spending money on CSR as required by Section 135 (5) of the Companies Act, 2013 it is explained that your Company has been consistently carrying out certain social activities every year ranging from community focused activities in the area of general health care and sanitation and extending donations for promoting Education, Art & Cultural activities. However your Company spending on the CSR activities for the financial year 2019-20 has not taken place as per Companies Act, 2013 since your Company has to now adopt a comprehensive approach to outreach society with meaningful and innovative CSR activities viz., learning from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the Community. The Board is taking all the necessary initiatives to identify the suitable and concrete CSR spending, as at present the Board is not satisfied in various proposals received.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

We hereby ensure that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd. xxxxxxxx
V.Kanakaraj
 Chief Executive Officer

Sd. xxxxxxxx
Rama.Ramanathan
 Chairman - CSR Committee

Place : Kumbakonam
 Date : 23rd September, 2020

AUDITOR'S CERTIFICATE

DPV & Associates, Chennai.
Ganesh Venkat & Co., Chennai.
G.Giridharan & Co., Kumbakonam
 Chartered Accountants

To
 The Members of
 Kumbakonam Mutual Benefit Fund Nidhi Limited,
 Kumbakonam.

This is to certify that we have audited the accounts for the year ending 31-03-2020 of Kumbakonam Mutual Benefit Fund Nidhi Limited, Kumbakonam ("the Company") and that the company has followed the instructions issued by The Ministry of Law Justice and Company Affairs (Department of Company Affairs) vide their Notification No. GSR 258 (E) dated 31.03.2014 and there is no violation of any of the conditions mentioned therein. They have also maintained proper books of account according to the recognized principles of accounting.

The Company has satisfactorily attained the ratio of incremental Deposit to incremental Net Owned Fund during the year as per the Notification No. GSR 258 (E) dated 31.03.2014 as amended from time to time.

M/s.DPV & Associates
 Chartered Accountants
 F.R.No. 011688S

M/s.Ganesh Venkat & Co.,
 Chartered Accountants
 F.R.No.005293S

M/s.G.Giridharan & Co.,
 Chartered Accountants
 F.R.No.009362S

CA.K.Vaira Mutthu
 Membership No. 218791
 UDIN : 20218791AAAACE1240
 Partner

CA.G.Adhisivan
 Membership No. 029647
 UDIN : 20029647AAAACI8053
 Partner

CA.G.Giridharan
 Membership No.209405
 UDIN : 20209405AAAACU6007
 Partner

Place : Kumbakonam
 Date : 09.09.2020

Independent Auditor's Report

To
The Members of
Kumbakonam Mutual Benefit Fund Nidhi Limited, Kumbakonam.

Opinion

We have audited the accompanying financial statements of Kumbakonam Mutual Benefit Fund Nidhi Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 March 31, 2020, and profit and loss 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 Act. 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 Act and the Rules thereunder, 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.

Emphasis of Matter

We draw attention to Note No. 22 relating to impact of COVID 19 Pandemic in the financial statements in which the management has described the probable impact on the company and the environment in which it operates. This note also indicates that uncertainties exist and it is currently not possible to reasonably estimate the future impact. The measures taken to deal with these circumstances were explained by the management. Our opinion is not modified in this matter.

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 Act with respect to the preparation of these 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, 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, intentional 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 exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 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 Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - 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 the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a Director 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".
 - g) As regards Managerial Remuneration paid to Directors, refer to note no. 11 of "Annexure B" to this Report.
 - 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, in our opinion and to the best of our information and according to the explanations given to us :
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1.18 to the financial statements.
 - ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) During the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund to the exception of certain share capital amounts.

For **DPV & Associates**
Chartered Accountants
FRN : 011688S

For **Ganesh Venkat & Co.,**
Chartered Accountants
FRN : 005293S

For **G.Giridharan & Co.,**
Chartered Accountants
FRN : 009362S

CA.K.Vaira Mutthu
Membership No. 218791
UDIN : 20218791AAAACE1240
Partner

CA.G.Adhisivan
Membership No. 029647
UDIN : 20029647AAAACI8053
Partner

CA.G.Giridharan
Membership No.209405
UDIN : 20209405AAAACU6007
Partner

Place : Kumbakonam
Date : 09.09.2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Kumbakonam Mutual Benefit Fund Nidhi Limited of even date)

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

We have audited the internal financial controls over financial reporting of Kumbakonam Mutual Benefit Fund Nidhi Limited ("the Company") as at March 31, 2020 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements 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 the Institute of Chartered Accountants of India 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 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 to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to financial statements 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 with reference to financial statements over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, 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 control system with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal controls over financial reporting with reference to financial statements 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 ICAI.

For **DPV & Associates**
Chartered Accountants
FRN : 011688S

CA.K.Vaira Mutthu
Membership No. 218791
UDIN : 20218791AAAACE1240
Partner

Place : Kumbakonam
Date : 09.09.2020

For **Ganesh Venkat & Co.,**
Chartered Accountants
FRN : 005293S

CA.G.Adhisivan
Membership No. 029647
UDIN : 20029647AAAACI8053
Partner

For **G.Giridharan & Co.,**
Chartered Accountants
FRN : 009362S

CA.G.Giridharan
Membership No.209405
UDIN : 20209405AAAACU6007
Partner

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date)

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013 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 during the course of the audit, we report that,

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
b) Fixed assets have been physically verified by the Management during the year, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
c) According to the information and explanations given to us, the title deeds of the immovable properties are held in the name of the Company.
2. Since the company is a Nidhi Company, there is no stock of raw materials, finished goods, etc. No material discrepancy was noticed on physical verification of stocks of stationery by the management as compared to book records.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), iii (b) and iii (c) of the Order are not applicable to the Company.
4. As the Company is a Nidhi Company, section 185 is not applicable vide Notification No. G.S.R. 465(E) dated 05/06/2015. Also, according to the explanations given to us, there were no such cases of loans, investments, guarantees and security as mentioned in section 186 of Companies act, 2013. Hence, we do not comment on compliance with the respective sections.
5. The Company being a Nidhi Company accepts deposits only from its members. Thus, the provisions of Section 73 to 76 of the Act are not applicable. Hence the Para 3(V) of the order is not applicable.
6. In our opinion and according to the explanations given to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. a) In our opinion and according to the information and explanation given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanation given to us, there are no arrears of statutory dues which are outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.

b) The following dues of Income Tax have not been deposited by the Company on account of disputes :

Nature of Statute	Nature of Due	Amount ₹ in lakhs	Period which the amount relates (A/Y)	Forum
Income Tax Act, 1961	Income Tax	334.52	2006-07	Commissioner of Income tax (Appeals) Trichy
Income Tax Act, 1961	Income Tax	598.15	2011-12	Commissioner of Income tax (Appeals) Trichy

8. According to the records of the company, the company has not defaulted in repayment of borrowings from banks. There are no borrowings from financial institutions, government or debenture holders during the year.
9. The Company being a Nidhi Company accepts deposits only from its members and has not raised any money by way of initial public offer or further public offer during the year. In respect of the term loans, the company has not obtained any term loans. Hence, comments under this clause are not applicable.
10. To the best of our knowledge and belief and according to the information and explanations obtained by us, during the year, no frauds by the company or no material frauds on the Company were noticed or reported during the course of our audit.

The Board of Directors appointed a firm of independent Chartered Accountants to look into certain procedural lapses and repayment of ELDS. The report has been submitted and is under the review of the Board of Directors.

11. According to information and explanations furnished to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V of Companies Act 2013.
12. The company has complied with the Nidhi Rules 2014, ratio of Net Owned Funds to Deposits in the ratio of 1:8.07 to meet out the liability and the company is maintaining 10.07% unencumbered term deposits to meet out the liability.
13. On the basis of examination of relevant records and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The Company has disclosed the details of transactions with related parties in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or Private placement of shares or fully or partly convertible debentures during the year. Therefore, Para 3(xiv) of the order is not applicable to the company.
15. In our opinion, according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with them.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DPV & Associates**
Chartered Accountants
FRN : 011688S

CA.K.Vaira Mutthu
Membership No. 218791
UDIN : 20218791AAAACE1240
Partner

Place : Kumbakonam
Date : 09.09.2020

For **Ganesh Venkat & Co.,**
Chartered Accountants
FRN : 005293S

CA.G.Adhisivan
Membership No. 029647
UDIN : 20029647AAAACI8053
Partner

For **G.Giridharan & Co.,**
Chartered Accountants
FRN : 009362S

CA.G.Giridharan
Membership No.209405
UDIN : 20209405AAAACU6007
Partner

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in lakhs)

PARTICULARS	NOTE	As at March 31, 2020	As at March 31, 2019
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	2,970.35	2,954.24
(b) Reserves and surplus	3	24,259.04	20,392.13
		27,229.39	23,346.37
Share application money pending allotment	4	1.01	1.64
Non-Current liabilities			
(a) Long-term borrowings	5	1,229.88	1,125.18
(b) Other Long Term Liabilities	6	17,539.44	11,857.93
(c) Long Term Provisions	7	434.37	214.11
		19,203.69	13,197.22
Current liabilities			
(a) Short-term borrowings	8	2,14,784.14	1,96,085.55
(b) Other current liabilities	9	2,869.16	12,465.74
(c) Short-term provisions	10	4,602.21	4,769.01
		2,22,255.51	2,13,320.30
TOTAL - EQUITY AND LIABILITIES		2,68,689.60	2,49,865.53
II. ASSETS			
Non-current assets			
(a) Fixed Assets	11		
(i) Tangible assets		1,271.81	1,284.74
(ii) Intangible assets		7.89	9.16
(b) Long-term loans and advances	12	726.23	675.22
(c) Other non current assets	13	717.78	710.80
(d) Deferred Tax Assets (Net)	1.15	9.31	10.08
		2,733.02	2,690.00
Current assets			
(a) Cash and cash equivalents	14	32,732.14	38,427.57
(b) Short-term loans and advances	15	2,20,078.83	1,96,456.46
(c) Other current assets	16	13,145.61	12,291.50
		2,65,956.58	2,47,175.53
TOTAL - ASSETS		2,68,689.60	2,49,865.53

For and on behalf of Kumbakonam Mutual Benefit Fund Nidhi Limited

Rama.Ramanathan

Chairman

N.D.Narasimhan

Director

L.Meiyappan

Director

V.Kanakaraj

Chief Executive Officer

R.Padmanabhan

General Manager & CFO

K.Murali

Company Secretary

As per our report of even date attached.

For DPV & Associates,
 Chartered Accountants
 FRN : 011688S

CA.K.Vaira Mutthu
 Membership No. 218791
 UDIN : 20218791AAAACE1240
 Partner

 Place : Kumbakonam
 Date : 09.09.2020

For Ganesh Venkat & Co.,
 Chartered Accountants
 FRN : 005293S

CA.G.Adhisivan
 Membership No. 029647
 UDIN : 20029647AAAACI8053
 Partner

For G.Giridharan & Co.,
 Chartered Accountants
 FRN : 009362S

CA.G.Giridharan
 Membership No.209405
 UDIN : 20209405AAAACU6007
 Partner

Statement of Profit and Loss for the year ended March 31, 2020 (₹ in lakhs)

PARTICULARS	NOTE	As at March 31, 2020	As at March 31, 2019
I. Revenue from operations	17	31,694.85	28,287.03
II. Other income (net)	18	219.26	509.88
TOTAL REVENUE	(A)	31,914.11	28,796.91
III. Expenses :			
(a) Employee Benefit Expenses	19	6,408.71	6,192.43
(b) Finance costs	20	17,874.92	15,399.82
(c) Administrative and Other Expenses	21	1,106.49	1,031.22
(d) Depreciation and amortization expenses	11	160.63	133.99
TOTAL EXPENSES	(B)	25,550.75	22,757.46
IV. PROFIT BEFORE TAX	(A-B)	6,363.36	6,039.45
Prior Period Expenses			
V. Tax Expense :			
(a) Current Tax		1,843.78	1,618.24
(b) Prior Period Taxes		-	-
(c) Deferred Tax	1.15	0.77	1.82
VI. PROFIT AFTER TAX FOR THE YEAR		4518.81	4419.39
VII. Earnings per share of Rs. 10 each			
- Basic		₹ 15.21	₹ 14.96
- Diluted		₹ 15.26	₹ 14.99
Significant accounting policies and notes of the accounts	1		

For and on behalf of Kumbakonam Mutual Benefit Fund Nidhi Limited

Rama.Ramanathan
Chairman

N.D.Narasimhan
Director

L.Meiyappan
Director

V.Kanakaraj
Chief Executive Officer

R.Padmanabhan
General Manager & CFO

K.Murali
Company Secretary

As per our report of even date attached.

For DPV & Associates,
Chartered Accountants
FRN : 011688S

CA.K.Vaira Mutthu
Membership No. 218791
UDIN : 20218791AAAACE1240
Partner

For Ganesh Venkat & Co.,
Chartered Accountants
FRN : 005293S
CA.G.Adhisivan
Membership No. 029647
UDIN : 20029647AAAACI8053
Partner

For G.Giridharan & Co.,
Chartered Accountants
FRN : 009362S
CA.G.Giridharan
Membership No.209405
UDIN : 20209405AAAACU6007
Partner

Place : Kumbakonam
Date : 09.09.2020

Notes forming part of Financial Statements for the year ended 31st March 2020
2. SHARE CAPITAL

(₹ in lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
The authorised, issued, subscribed and the fully paid - up share capital comprises of Equity Shares having a par value of ₹10 each.		
Authorised		
4,00,00,000 Equity Shares of ₹10 each (4,00,00,000)	4,000.00	4,000.00
	4,000.00	4,000.00
Issued		
2,97,03,536 Equity Shares of ₹ 10 each fully paid up (2,95,42,411)	2,970.35	2,954.24
	2,970.35	2,954.24
Issued, Subscribed and Fully paid-up		
2,97,03,536 Equity Shares of ₹ 10 each fully paid up (2,95,42,411)	2,970.35	2,954.24
Total	2,970.35	2,954.24

2.1 Reconciliation of number of shares

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount / ₹	No. of Shares	Amount / ₹
Opening Balance	2,95,42,411	29,54,24,110	2,94,25,783	29,42,57,830
Additions during the year	1,61,125	16,11,250	1,16,628	11,66,280
Closing Balance	2,97,03,536	29,70,35,360	2,95,42,411	29,54,24,110

2.2 Share holding pattern of number of shares

There are no share holders holding more than 5% of the shares in the Company.

2.3 Right attached to equity shares : The company has issued only one class of shares having a face value of Rs.10 per share. Each holder of equity share is entitled to one vote per share, subject to the limit that no member shall exercise voting rights in excess of 5% of total voting rights of equity share holders vide Notification No.G.S.R.465(E) dated 05th June 2015 of Ministry of Corporate Affairs.

3. RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
(a) General Reserve		
(i) Opening Balance	20,391.49	16,754.37
Add :- Transferred from profit and loss a/c	3,866.91	3,637.12
Add/(Less) : Depreciation Write back	-	-
Closing Balance (a)	24,258.40	20,391.49
(b) Surplus In Statement of Profit and Loss a/c		
(i) Opening Balance	0.64	0.64
(ii) Add : Profit for the year	4,518.81	4,419.39
	4,519.45	4,420.03
(iii) Less: Appropriations		
(a) Proposed dividend	651.90	648.88
(b) Dividend Distribution Tax	-	133.40
(c) General Reserve	3,866.91	3,637.12
Closing Balance (b)	0.64	0.64
Total (a + b)	24,259.04	20,392.13
4. SHARE APPLICATION MONEY PENDING ALLOTMENT	1.01	1.64

Notes forming part of Financial Statements (contd.)
5. LONG-TERM BORROWINGS

(₹ in lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Unsecured		
Recurring Deposits	1,176.22	1,125.18
Savings Deposits	53.66	-
Total	1,229.88	1,125.18

6. OTHER LONG-TERM LIABILITIES

Locker Key Deposit	1,512.26	1,476.44
Overdue Deposits	16,027.18	10,381.49
Total	17,539.44	11,857.93

7. LONG-TERM PROVISIONS

Provision against mortgage loans	103.80	103.80
Provision against short term loans and advances	330.57	110.31
Total	434.37	214.11

8. SHORT-TERM BORROWINGS

(a) Secured Loans from banks		
Working Capital demand loans (Secured by lien on fixed deposits made by the company with various banks)	206.71	21.90
Sub Total	206.71	21.90
(b) Unsecured		
Fixed Deposit	58,367.72	59,589.54
Recurring Deposits	7,807.76	140.24
Savings Deposits	22,664.25	20,553.57
Sowbhagyalakshmi Deposit	1,25,737.70	1,15,780.30
Sub Total	2,14,577.43	1,96,063.65
Total	2,14,784.14	1,96,085.55

9. OTHER CURRENT LIABILITIES

Current maturities of long term deposits	2,341.96	11,811.74
Unclaimed Dividend	253.62	252.47
Withholding & Other Taxes Payable	100.34	106.89
Remuneration Payable	64.28	60.38
Jewel Auction Payable	54.75	23.51
Other Payables	54.21	210.75
Total	2,869.16	12,465.74

Notes forming part of Financial Statements (contd.)
10. SHORT-TERM PROVISIONS

(₹ in lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
(a) (i) Provision for employee benefits	1,878.09	1,692.15
(ii) Provision for Current year Tax	1,843.78	1,618.24
(iii) Provision for Others	228.44	311.80
(b) Provisions		
(i) Proposed dividend	651.90	648.88
(ii) Dividend Distribution Tax	-	133.40
(iii) Provision on Short Term Advances	-	364.54
Total	4,602.21	4,769.01

11 - FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31ST MARCH 2020

NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	AS ON 31-03-2019	Additions	Deletions	AS ON 31-03-2020	AS ON 31-03-2019	For the year			AS ON 31-03-2020	AS ON 31-03-2020	AS ON 31-03-2019
						To P&L	Write back to Reserves	With Drawals			
i) Tangible Assets											
Furniture & Fixtures	1,272.01	66.86	4.05	1,334.82	857.06	41.34	-	3.85	894.55	440.27	414.95
Computer	718.59	53.16	19.40	752.35	578.22	85.10	-	18.43	644.89	107.46	140.37
Plant & Machinery	295.93	12.50	11.61	296.82	218.86	15.14	-	10.01	223.99	72.83	77.07
Buildings	404.99	-	-	404.99	221.99	9.00	-	-	230.99	174.00	183.00
Vehicles	38.32	15.09	9.73	43.68	29.62	5.93	-	8.47	27.08	16.60	8.70
Land	460.65	-	-	460.65	-	-	-	-	460.65	460.65	460.65
Total	3,190.49	147.61	44.79	3,293.31	1,905.75	156.51	-	40.76	2,021.50	1,271.81	1,284.74
ii) Intangible Assets -											
Software	28.90	2.85	-	31.75	19.74	4.12	-	-	23.86	7.89	9.16
Total Fixed Assets	3,219.39	150.46	44.79	3,325.06	1,925.49	160.63	-	40.76	2,045.36	1,279.70	1,293.90

12. LONG TERM LOANS AND ADVANCES

1. a) Secured		
Mortgage Loan	-	-
b) Doubtful		
Debts due by directors (Nil)/officers-Refer Note 24	-	-
c) Others		
Mortgage Loan Suit filed	103.80	103.80
2) Unsecured considered good -		
(Debts due by directors (Nil)/officers-Refer Note 24)	-	-
Others		
Special Loan	622.43	571.42
Staff Housing Scheme	-	-
Total	726.23	675.22

Notes forming part of Financial Statements (contd.)
13. OTHER NON-CURRENT ASSETS

(₹ in lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Income Tax paid under protest	425.90	425.90
Sub Total	425.90	425.90
Rent Advance	283.22	276.84
Telephone Deposit	0.90	0.87
Electricity Deposit	7.46	6.89
Municipality Deposit	0.30	0.30
Sub Total	291.88	284.90
Total	717.78	710.80

14. CASH AND CASH EQUIVALENTS

(i) Cash and Cash Equivalents		
(a) Balance with Banks		
Current Accounts and credit balances in OD a/c	197.52	398.29
(b) Cash on hand	1,237.60	597.48
(ii) Ear marked balances		
For Dividend Payable	253.62	252.47
For Share Application Money	1.01	1.64
Fixed Deposits with Banks		
With Maturity of twelve months and less	30,982.39	27,677.25
More than twelve months	60.00	9,500.44
Total	32,732.14	38,427.57
Balances with banks to the extent held as security against borrowings	2,737.19	4213.02

Notes 14.1 : The above Fixed Deposit with bank includes Rs.23,605 lakhs un encumbered statutory deposit as per rule 14 of Nidhi rules 2014.

15. SHORT TERM LOANS AND ADVANCES

1. Secured considered good (Debts due by directors (Nil)/officers-Refer Note 24)	-	-
Jewel Loans	2,17,016.21	1,93,838.45
Simple Loan	156.41	223.75
Other Pledge Loan	2,878.41	2,366.36
Decreed Loans	2.55	2.55
Sub Total	2,20,053.58	1,96,431.11
2) Unsecured considered good - Debts due by directors (Nil)/officers-Refer Note 24)	-	-
Loan to employees	25.25	25.35
Sub Total	25.25	25.35
Total	2,20,078.83	1,96,456.46

Notes forming part of Financial Statements (contd.)
16. OTHER CURRENT ASSETS

(₹ in lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Interest accrued on fixed deposits and other loans and advances	11,238.63	10,503.27
Festival Advance	81.40	69.90
Sundry Advance	45.64	6.89
Sundry Receivable	30.67	0.84
Stock of Books and Forms	30.67	30.53
Insurance Prepaid	75.62	70.42
Group Gratuity Prepaid	10.00	10.00
Group Insurance EDLI Prepaid	29.33	27.50
Input GST	11.93	13.42
Prepaid AMC	0.15	5.20
Advance Income tax and TDS	1,591.57	1,553.53
Total	13,145.61	12,291.50

17. REVENUE FROM OPERATIONS

Interest	31,656.95	28,237.33
Other Financial Services	37.90	49.70
Total	31,694.85	28,287.03

18. OTHER INCOME (NET)

Income from letting of property	2.18	5.81
Net gain on sale of assets	5.21	1.39
Other non operating income	67.49	3.81
Provision written back	144.27	498.61
Rent recovered from Quarters	0.11	0.26
Total	219.26	509.88

19. EMPLOYEE BENEFIT EXPENSES

Salaries	5,671.75	5,400.39
Contribution to provident and other funds	642.07	702.57
Remuneration	64.28	60.38
Staff welfare expenses	30.61	29.09
Total	6,408.71	6,192.43

Notes forming part of Financial Statements (contd.)
20. FINANCE COSTS

(₹ in lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Interest on borrowings from banks	226.25	129.63
Interest on deposits	17,644.72	15,266.33
Other Financial Charges	3.95	3.86
Total	17,874.92	15,399.82

21. ADMINISTRATIVE AND OTHER EXPENSES

Audit Fees		
for audit	23.33	21.24
for taxation matters	1.18	3.70
for reimbursement of expenses	-	1.70
Advertisement	17.58	21.45
Communication expenses	125.86	114.09
CSR Expenses	30.22	12.77
Directors' Sitting Fees	14.04	15.24
Donation	1.86	14.47
Power and Fuel	103.96	100.45
Insurance	105.64	94.59
Law Charges	2.69	3.17
Printing and Stationery	77.77	68.90
Professional fees	5.17	3.45
Rates and Taxes	22.36	14.17
Rent	359.66	341.36
Repairs and Maintenance		
Building	3.20	0.29
Machinery	21.62	15.82
Others	66.49	72.43
Travelling and conveyance	41.75	35.58
Miscellaneous Expenses	82.11	76.35
Total	1,106.49	1,031.22

Gratuity Report under AS – 15 (Revised 2005) for year ended 31.03.2020

In respect of : Kumbakonam Mutual Benefit Fund Nidhi Limited Employees Group Gratuity Life Assurance Scheme Policy No.34148 & 01726

1) Assumption	As on 31.03.2020	As on 31.03.2019
Discount Rate	7.25%	7.50%
Salary Escalation	7.25%	7.00%
2) Table showing changes in present value of obligation as on 31.03.2020	₹	₹
Present value of obligations as at beginning of year	30,48,45,413	26,97,99,479
Interest Cost	2,28,63,406	2,15,75,425
Current Service Cost	1,22,08,832	1,18,23,443
Benefits Paid	(1,82,98,744)	(1,09,61,482)
Actuarial (gain)/loss on obligations	23,20,290	1,26,08,548
Present value of obligations as at end of year	32,39,39,197	30,48,45,413
3) Table showing changes in the fair value of plan assets as on 31.03.2020		
Fair value of plan assets at beginning of year	29,96,43,276	26,23,53,752
Expected return on plan assets	2,09,22,043	2,03,60,605
Contributions	2,00,93,937	2,78,90,401
Benefits Paid	(1,82,98,744)	(1,09,61,482)
Actuarial gain/(loss) on Plan assets	(23,20,290)	-
Fair value of plan assets at the end of year	32,23,60,512	29,96,43,276
4) Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	29,96,43,276	26,23,53,752
Actual return on plan assets	2,09,22,043	2,03,60,605
Contributions	2,00,93,937	2,78,90,401
Benefits Paid	(1,82,98,744)	(1,09,61,482)
Fair value of plan assets at the end of year	32,23,60,512	29,96,43,276
Funded status	15,78,685	52,02,136
Excess of Actual over estimated return on plan assets	-	-
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
5) Actuarial Gain/Loss recognized as on 31.03.2020		
Actuarial (gain)/loss on obligations	23,20,290	(1,26,08,548)
Actuarial (gain)/loss for the year – plan assets	-	-
Actuarial (gain)/loss on obligations	23,20,290	1,26,08,548
Actuarial (gain)/loss recognized in the year	23,20,290	1,26,08,548
6) Amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	32,39,39,197	30,48,45,413
Fair value of plan assets at the end of year	32,23,60,512	29,96,43,276
Funded status	(15,78,685)	52,02,136
Net asset/(Liability) recognized in balance sheet	(15,78,685)	52,02,136
7) Expenses Recognized in statement of Profit and loss		
Current Service cost	1,22,08,832	1,18,23,443
Interest Cost	2,28,63,406	2,15,75,425
Expected return on plan assets	(2,09,22,043)	(2,03,60,605)
Net Actuarial (gain)/loss recognized in the year	23,20,290	1,26,08,548
Expenses recognized in statement of Profit and loss	1,64,70,484	2,56,46,810

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**Corporate Information:**

Kumbakonam Mutual Benefit Fund Nidhi Limited ("the Company") is a public limited company domiciled in India, incorporated in the year 1903 under the provisions of the Companies Act, 1882 and notified as a Nidhi Company under section 620A of the Companies Act, 1956. The main objective of the company is to encourage thrift, saving habits and to render all financial assistance to its members by receiving long and short term deposits and in particular Savings, Recurring, Fixed and other deposits from members and to lend or advance monies only to its members with security, as are allowed by law. The company is governed by the Notifications issued from time to time by the Ministry of Corporate Affairs.

1. Summary of significant accounting policies**1. AS 1 – Disclosure of Accounting Policies:**

The financial Statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (India GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The financial statement are prepared and presented in the form set out in Part I and Part II of Schedule III of the Companies Act, 2013 so far as they are applicable thereto. The previous year figures are regrouped wherever necessary.

These financial statements are presented in Indian rupees and rounded off to nearest rupees unless otherwise stated.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Although these estimates are based upon the managements' best knowledge of current events and actions, actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material their effects are disclosed in the notes to the financial statements.

3. AS 2-Valuation of Inventories:

Since the company is a Nidhi Company, there is no stock of raw materials, finished goods, etc. The company holds stock of books and forms, which is classified under Other Current Assets.

4. AS 3 - Cash Flow Statements:

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The Cash Flows from Operating, investing & financing Activities of the company are segregated on the available information.

Cash and cash equivalents:

Cash and cash equivalents comprise of cash on hand, balances in current accounts. Cash equivalents are short term liquid investments that are readily convertible into known amounts of cash. Fixed Deposits having maturity period of more than 12 months are considered as cash Equivalents.

Notes forming part of Financial Statements (contd.)**5. AS 4 - Events Occurring After the Balance Sheet Date:**

In respect of Jewel loans, the company has made a detailed study in respect of fluctuations provisions in the value of Gold Prices and has made a provision and disclosed in the respective notes. The management is conducting comprehensive review of these accounts and is bringing these accounts to auction. Further, since there is no major fluctuation in the value of Jewels there is no additional provision made.

6. AS 9 - Revenue recognition :

- a) Income of the company is derived from interest on loans and advances made. Interest income from all loans and advances other than Non-Performing Assets (As per Nidhi Rules-Jewel Loan Accounts which are more than 15 Months) is recognized on accrual basis.
- b) Interest income on deposit accounts with banks is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- c) In respect of Books & Forms, Bond Fees, Share Transfer Fees, Loan Commission, Lockers, locker service charges are recognized on accrual basis.
- d) Rent income due to the company is accounted for on accrual basis

7. AS 10 - Plant Property & Equipment :

- a) Fixed assets are stated at historical cost, less accumulated depreciation.
- b) The cost comprises of purchase price and directly attributable cost for bringing the asset to its working condition for the intended use.
- c) Any trade discounts and rebates are deducted in arriving at the purchase price.
- d) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenditure is incurred.
- e) Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.
- f) Depreciation on tangible assets has been provided as per the written down value method as per the useful life's prescribed under Schedule II of the Companies Act, 2013 except in case of Safe and Safe Lockers useful life is determined by the company as 60 years.
- g) All fixed assets individually costing Rs.5,000 or less are fully depreciated in the year of installation. Depreciation on assets acquired/sold during the year is recognized on prorata basis in the statement of profit and loss from the date of acquisition or till the date of sale.
- h) Intangible assets represent Computer software whose cost is amortised over their expected useful life, on a straight-line basis.

8. AS 13 - Investments

The company does not hold any investment in securities.

Notes forming part of Financial Statements (contd.)**9. AS 15 - Retirement and other employee benefits:****a) Provident Fund :**

All the employees of the company are entitled to receive benefits under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, a defined contribution plan in which both the employees and the company contribute monthly at a stipulated rate. The company has no liability for future Provident Fund benefits other than its annual contributions and recognizes such contributions as expenses in the year it is incurred.

b) ESI :

The company is paying ESI premium for the covered Employees as per the provisions of Employees' State Insurance Act, 1948.

c) Gratuity :

The company makes an annual contribution to a gratuity fund administered and managed by the Life Insurance Corporation of India (LIC). The company accounts its liability based on an actuarial valuation using the Projected Unit Credit Method as at the Balance Sheet date determined every year by LIC.

d) Superannuation :

The company makes fixed contributions as a percentage on salary to the superannuation fund which is administered and managed by LIC. The above contributions are charged to the statement of profit and loss.

e) Leave Encashment :

The company contributes to a staff leave encashment scheme managed by LIC.

10. AS 16 - Borrowing costs :

Borrowing costs relate to revenue items only and hence are charged to statement of profit and loss in the year in which they are incurred.

11. AS 17 - Segment Reporting :

The company operates in single reportable segment. Therefore, the segment wise reporting has not been given.

12. AS 18 - Related Party Disclosures:

Related Party Transactions for the year ended 31st March 2020

(Rs. In Lakhs)

S. No.	Name of the related party	Nature of related party	Nature of the Payment	FY 2019-20	FY 2018-19
1	V.Kanakaraj	Key Managerial Personnel	Remuneration	15.84	15.73
2	R.Padmanabhan	Key Managerial Personnel	Remuneration	16.12	13.74
3	Nithya Pasupathy	Company Secretary	Remuneration	1.80	3.60

13. AS 19 – Leases:

There are no finance leases or operating leases.

14. AS 20 - Earnings per share (EPS):

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

Notes forming part of Financial Statements (contd.)

Particulars	(₹ in lakhs)	
	FY 2019 - 2020	FY 2018 - 2019
Profit available for Equity share holders	4,518.81	4,419.39
Total number of equity shares	297.04	295.42
Weighted Average Number of shares	296.21	294.90
Basic Earnings per share	₹ 15.21	₹ 14.96
Diluted Earnings per share	₹ 15.26	₹ 14.99

15. AS 22- Provision for Current and Deferred Tax:

- a) Provision for Current Tax is made after taking into considerations benefits admissible under the provisions of the Income Tax Act, 1961.
- b) Deferred tax resulting from timing differences between taxable and accounting income that originate in one period and is capable of reversal in one or more subsequent years, is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. Deferred tax liability is recognized for timing differences that will result in taxable amounts in future years.

Particulars	(₹ in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Deferred Tax Asset		
Amount amortized under VRS Scheme	-	-
NPA Provision	-	-
Aggregate of above amounting to DTA	-	-
Deferred Tax Liability		
WDV as per Companies Act	819.06	833.25
WDV as per Income Tax Act	851.04	867.88
Difference – DTL	(31.98)	(34.62)
Net Difference amounting to DTA/ (DTL)	31.98	34.62
Tax thereon @ 25%	8.00	8.66
Surcharge thereon @ 12%	0.96	1.04
Education and Health Cess @ 4%	0.35	0.39
Total Deferred Tax Asset/ (Deferred Tax Liability)	9.31	10.08
Deferred Tax Asset/(Liability) already in books	10.08	11.90
Aggregate of Deferred Tax Asset written off and Deferred Tax Liability Created	0.77	1.82

Notes forming part of Financial Statements (contd.)
16. AS 26 - Intangible assets

Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are stated at cost and will be carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Computer software which does not form an integral part of the related hardware is classified as an intangible asset and will be amortized over the estimated useful life.

17. AS 28 – Impairment of Assets

There was no indication of any potential impairment of any of the fixed assets of the company.

18. AS 29 - Provisions, Contingent Liabilities
a) Provisions :

A provision is recognized when the company has a present obligation as result of past event. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

b) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events, which are beyond the control of the company. A contingent liability also includes a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where a liability cannot be measured reliably. The company does not recognize a contingent liability in the accounts but discloses its existence in the financial statements.

Claims against the company not acknowledged as debts:

(₹ in Lakhs)

Sí. No.	Statute	Nature of Dues	Forum in which dispute is pending	Assessment Year to which the amount relates	Amount
1	Income Tax Act, 1961	No provision has been made in respect of Income Tax of certain disputed demands pending disposal of appeals to be filed by the Company with the appellate authorities	High Court, Chennai	* 2003-04	Nil
			High Court, Chennai	* 2004-05	Nil
			Commissioner of Income tax (Appeals) Trichy	2006-07	334.52
			Commissioner of Income tax (Appeals) Trichy	2011-12	598.15

* In respect of the above assessment years 2003-2004 & 2004-2005, the Income Tax Department has to give effect to the Honourable High Court order in favour of the company.

Guarantees & other money for which the company is contingently liable : Nil

19. Capital advance

The company has not made any material capital advance during the year.

Notes forming part of Financial Statements (contd.)**20. Overdue deposits**

Overdue deposits are classified as long term liabilities.

21. Provision for assets

The company has reversed provision for fluctuation in the value of jewels and also for auction loss.

Particulars	(₹ in Lakhs)	
	Amount 31.03.2020	Amount 31.03.2019
Opening provision for rate fluctuation in jewels	364.54	817.29
Less : Provision reversal made during the year	(364.54)	(452.75)
Closing provision for rate fluctuations in jewels	Nil	364.54

The company has made provision for legal cases during the year:

Particulars	(₹ in Lakhs)	
	Amount 31.03.2020	Amount 31.03.2019
Opening provision for legal cases against jewel loan	110.31	110.31
Add : Provision made during the year	163.73	Nil
Closing provision for legal cases against jewel loans	274.04	110.31

22. **Disclosures** required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
Any liability to such companies are discharged then and there, without any credit being availed from them.
23. **Statutory Deposits:** In terms of Nidhi Rules the company is maintaining unencumbered statutory deposits with scheduled commercial banks.
24. **Debts due by the Directors or other Officers** of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a partner or Director or a members.

Debts due by	(₹ in Lakhs)		
	As on 31.03.2020		
	Secured	Unsecured	Interest Receivable
Directors	Nil	Nil	Nil
Officers			
Loans	157.24	220.07	41.56
Festival Advance		28.71	
Firm/Companies	Nil	Nil	Nil
	As on 31.03.2019		
Directors	Nil	Nil	Nil
Officers			
Loans	200.46	188.95	54.56
Festival Advance		27.53	
Firm/Companies	Nil	Nil	Nil

Notes forming part of Financial Statements (contd.)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(₹ in lakhs)

PARTICULARS	31.03.2020	31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit as per Statement of Profit and Loss	6,363.36	6,039.45
Add: Depreciation	160.63	133.99
Provision for Income Tax	(1,843.78)	(1,618.24)
Loss / (Profit) on sale of assets (net)	(5.21)	(1.39)
	(1,688.36)	(1,485.64)
Operating profit before working capital changes	4,675.00	4,553.81
<i>Adjustments for:</i>		
Current Assets		
Increase in Long-Term Loans and Advances	(51.01)	42.42
Increase in Other Non-Current Advances	(6.98)	4.92
Increase in Short-Term Loans and Advances	(23,622.36)	(23,301.08)
Increase in Other Current Assets	(2,472.36)	(4,276.61)
Change in Current Assets	(26,152.71)	(27,530.35)
Increase in long term borrowings	104.70	(2,153.11)
Increase in other long term liabilities	5,681.52	68.82
Increase in other long term provisions	220.26	-
Increase in short-term borrowings	18,698.59	24,358.07
Decrease in other current liabilities	(9,596.58)	4,666.87
Decrease in short-term provisions	(819.39)	684.20
Increase in Current Liabilities	14,289.10	27,624.85
Net decrease		
Cash flow before taxation	(7,188.61)	4,648.31
Less: Taxes paid	1,618.24	1,636.28
CASH GENERATED\ (USED) FROM OPERATING ACTIVITIES	(5,570.37)	6,284.59
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(150.45)	(166.88)
Sale of fixed assets	9.90	3.37
CASH GENERATED\ (USED) IN INVESTING ACTIVITIES	(140.55)	(163.51)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Money Received during the year for fresh issue of shares	16.11	11.66
Share application money pending Allotment	(0.62)	0.40
CASH GENERATED\ (USED) FROM FINANCING ACTIVITIES	15.49	12.06
Increase in cash and cash equivalents	(5,695.43)	6,133.14
Add: Opening cash	38,427.57	32,294.43
CLOSING CASH BALANCE	32,732.14	38,427.57

BRANCHES TELEPHONE NUMBER					
01.	Aduthurai	0435-2472205	57.	Palani	04545-243148
02.	Ambattur	044-26584899	58.	Pallavaram	044-22641332
03.	Ammappettai	04374-232636	59.	Panruti	04142-242077
04.	Arani	04173-226865	60.	Papanasam	04374-222854
05.	Ariyalur	04329-220990	61.	Pattukkottai	04373-252348
06.	Ashok Nagar	044-24899584	62.	Peralam	04366-238579
07.	Avadi	044-26554899	63.	Perambalur	04328-276548
08.	Attur	04282-250102	64.	Perambur	044-25510490
09.	Batlagundu	04543-262369	65.	Periyakulam	04546-231821
10.	Chengalpattu	044-27429510	66.	Pollachi	04259-229426
11.	Cheyyar	04182-223107	67.	Ponneri	044-27973103
12.	Chidambaram	04144-223009	68.	Poonamallee	044-26495583
13.	Chinmaya Nagar	044-24791217	69.	Porur	044-24769124
14.	Chinnamanur	04554-248149	70.	Pudukkottai	04322-222154
15.	Chintadripet	044-28456700	71.	Rajapalayam	04563-220525
16.	Chromepet	044-22655767	72.	Ramanathapuram	04567-222101
17.	Coimbatore	0422-2599944	73.	Saidapet	044-24340484
18.	Cuddalore	04142-236753	74.	Salem	0427-2210203
19.	Dharmapuri	04342-265005	75.	Sankarankoil	04636-222269
20.	Dindigul	0451-2433206	76.	Sirkali	04364-270985
21.	East Tambaram	044-22273055	77.	Srirangam	0431-2433158
22.	Erode	0424-2264290	78.	T.Nagar (Fax : 044-28144286)	044-28141334
23.	Gandarvakottai	04322-275337	79.	Tambaram	044-22266043
24.	Guduvanchery	044-27462001	80.	Tenkasi	04633-224112
25.	Jayankondam	04331-250211	81.	Thanjavur	04362-231641
26.	K.Pudur, Madurai	0452-2564666	82.	Theni	04546-254472
27.	Kallakkurichi	04151-223875	83.	Tirukkoyilur	04153-253110
28.	Kanchipuram	044-27233104	84.	Thirukkattupalli	04362-280545
29.	Karaikal	04368-223294	85.	Thirumangalam	04549-280284
30.	Karaikudi	04565-234277	86.	Thiruppanandal	0435-2456020
31.	Karur	04324-264138	87.	Thiruppurambiyam	0435-2455472
32.	Koothanallur	04367-232737	88.	Thiruthuraiipoondi	04369-222851
33.	Krishnagiri	04343-237005	89.	Thiruvaiyaru	04362-260551
34.	Kulithalai	04323-222390	90.	Thiruvallur	044-27662664
35.	Kumbakonam Bazaar	0435-2420790	91.	Thiruvanmiyur	044-24421789
36.	Kumbakonam Besant Road	0435-2421041	92.	Thiruvarur	04366-222367
37.	Kumbakonam	0435-2431648	93.	Thiruverumbur	0431-2510197
38.	Madipakkam	044-22423130	94.	Thiruvottriyur	044-25737701
39.	Madukkur	04373-260252	95.	Thoothukudi	0461-2323548
40.	Madurai	0452-2344187	96.	Thuraiyur	04327-256109
41.	Mangalapuram	04362-246100	97.	Tindivanam	04147-222074
42.	Mannachanallur	0431-2560879	98.	Tiruchirapalli	0431-2419856
43.	Manapparai	04332-260402	99.	Thirunelveli	0462-2333548
44.	Mannargudi	04367-252237	100.	Tirupattur	04179-221006
45.	Mayiladuthurai	04364-223067	101.	Tiruppur	0421-2203150
46.	Melur	0452-2417194	102.	Thiruvannamalai	04175-223182
47.	Mylapore	044-24981439	103.	Triplicane	044-28480609
48.	Nachiarkoil	0435-2466622	104.	Udumalaipettai	04252-224033
49.	Nagapattinam	04365-240776	105.	Valangaiman	04374-264455
50.	Nagercoil	04652-220677	106.	Vandavasi	04183-226106
51.	Namakkal	04286-223129	107.	Velachery	044-22431109
52.	Nanganallur	044-22242749	108.	Vellore	0416-2222201
53.	Nannilam	04366-230111	109.	Villivakkam	044-26171108
54.	Needamangalam	04367-260202	110.	Villupuram	04146-222956
55.	Neyveli	04142-263444	111.	Virudhachalam	04143-230337
56.	Orathanadu	04372-232446	112.	Virudhunagar	04562-246093

KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED

CIN: U65991TN1903PLC001246

145, Big Street, Kumbakonam - 612 001

Form No.MGT - 11**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

116th Annual General Meeting - 26th November, 2020

Name of the member(s)	
Registered address	
E-mail ID	
Folio No.	

I/We, being the member(s) holding Shares of the above named Company, hereby appoint

- Name
Address
Email Id: Signature or failing him/her
- Name
Address
Email Id: Signature or failing him/her
- Name
Address
Email Id: Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **116th Annual General Meeting** of the Company, to be held on **Thursday, the 26th November, 2020, at 09.00 A.M. at JANARANJANI HALL, GOPAL RAO LIBRARY BUILDINGS, TOWN HALL ROAD, KUMBAKONAM - 612 001** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon.
2	To declare dividend for the year 2019-20.
3	To appoint a Director in the place of Sri.N.D.Narasimhan (DIN 03603479) who retires by rotation and being eligible for re-election as Director.
Special Business	
4	To ratify the payment of remuneration paid to Sri.V.Kanakaraj as Chief Executive Officer of the Company
5	To consider regularization of the appointment of Sri.V.Kanakaraj (DIN: 08205976) as an Additional Director
6	To consider regularization of the appointment of Sri.R.S.Selvaraj (DIN : 07910673) as an Additional Director
7	To consider regularization of the appointment of Sri.R.K.Bharathimohan (DIN:08805859) as an Additional Director.
8	To consider regularization of the appointment of Sri.A.V.K.Ashokkumar (DIN : 08802925) as an Additional Director
9	To consider regularization of the appointment of Sri.K.Arivalagan (DIN : 08802927) as an Additional Director

Signed this.....day of.....,2020.

Signature of shareholder(s)

Signature of Proxyholder(s).....

Affix
Revenue
Stamp
Re.1/-

- Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details of member(s) in the above box before submission.

Kumbakonam Mutual Benefit Fund Nidhi Limited

(Regd. Office: 145, Big Street, Kumbakonam – 612 001)

CIN : U65991TN 1903 PLC 001246. Ph: 0435 – 2401548

Fax : 0435-2431682 Website : www.kmbf.co e-mail : kmbf@kmbf.co

Attendance Slip

Please sign this slip and hand it over at the entrance of the meeting hall.

Name of Member	Name of the Proxy
Mr/Ms.	Mr/Ms.
Share Certificate Number :	Proxy Acknowledge Number :
Number of Shares:	Number of Shares:

I hereby record my presence at the **116th** Annual General Meeting on **Thursday, the 26th November, 2020** at **09.00 a.m** at “**Janaranjani Hall**”, **Gopal Rao Library Buildings, Town Hall Road, Kumbakonam.**

Signature of the Member/Proxy

Kumbakonam Mutual Benefit Fund Nidhi Limited

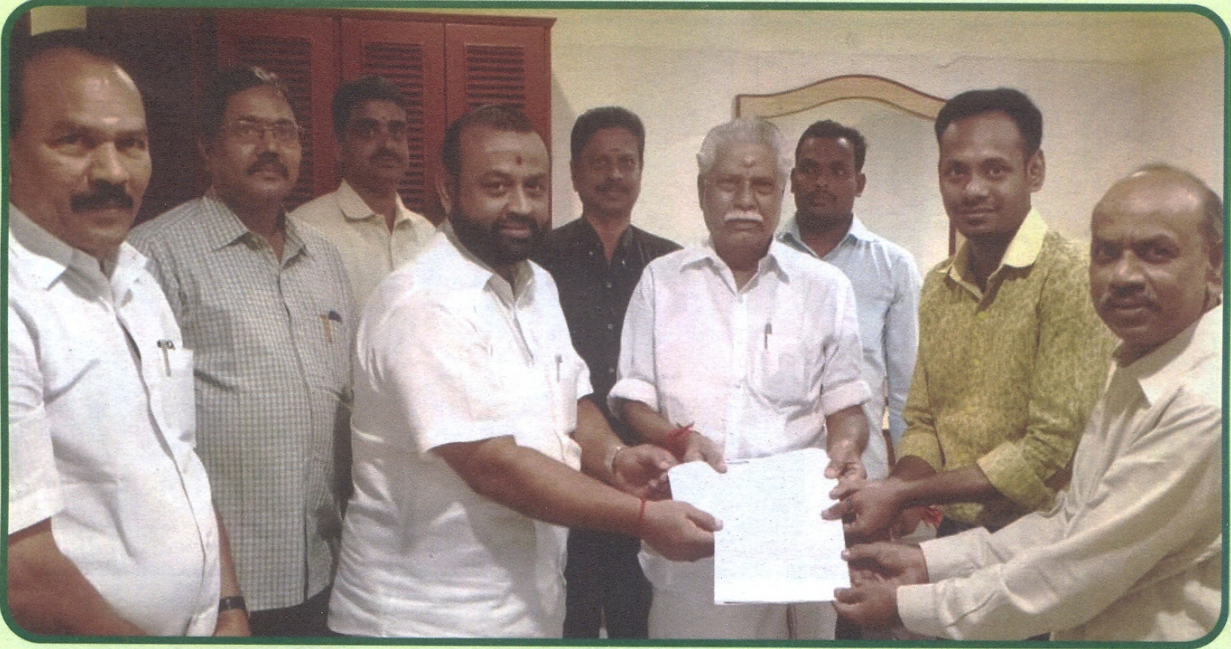
(Regd. Office: 145, Big Street, Kumbakonam – 612 001)

Attendance Slip Counterfoil

Annual General Meeting : 26-11-2020, Time 09.00 a.m.

Name of Member	Name of the Proxy
Mr/Ms.	Mr/Ms.
Share Certificate Number :	Proxy Acknowledge Number :
Number of Shares:	Number of Shares:

பாபநாசம் சட்டமன்ற தொகுதியில் உள்ள சுவாமிமலை, காவல் நிலைய எல்லைக்குட்பட்ட பகுதிகளில் கண்காணிப்பு கேமரா (CCTV) மற்றும் ஒலி பெருக்கியுடன் (Audio) கூடிய Public Announcement System (PAS) உபகரணங்களை “சமூகப் பொறுப்புணர்வு திட்டத்தின்” (CSR) கீழ் KMBF நிதி லிமிடெட்-ன் சார்பாக நிதியின் தலைவர் திரு.ராம.ராமநாதன் அவர்கள் முன்னிலையில் தமிழக வேளாண்துறை அமைச்சர் மாண்புமிகு **இரா.துரைக்கண்ணு** அவர்கள் கும்பகோணம் M/s. World Radios நிறுவனத்தாரிடம் காசோலை வழங்குதல்



கொரோனா பாதுகாப்பு மருத்துவ உபகரணங்கள்

தமிழக வேளாண்துறை அமைச்சர் மாண்புமிகு. **இரா.துரைக்கண்ணு** அவர்கள் கும்பகோணம் நகராட்சி ஆணையரிடம் கொரோனா பாதுகாப்பு மருத்துவ உபகரணங்கள் வழங்குதல்



நகராட்சி தூய்மைப்பணியாளர்களுக்கு தஞ்சாவூர் மாவட்ட ஆட்சித்தலைவர் முன்னிலையில்
ஊட்டச்சத்து பவுடர் (Protinex) வழங்குதல்



நகராட்சி தூய்மைப்பணியாளர்களுக்கு - Pulse Oximeter வழங்குதல்



115th Annual General Meeting - 26.09.2019



STATEMENT OF PROGRESS

(₹ in lakhs)

Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Paid up capital	2904.11	2910.51	2919.95	2929.33	2942.58	2954.24	2970.35
Reserves & Surplus	9350.81	10937.26	12369.08	14056.40	16755.01	20392.13	24259.04
Deposits	160735.01	157074.43	166455.18	180662.87	191636.25	220912.16	235688.72
Advances	133918.31	142477.03	138452.42	162083.09	173916.32	197129.13	220802.51
Profit	4036.95	3767.26	3569.10	3737.39	4959.14	6039.45	6363.36
Dividend (p.a.)	22%	22%	22%	22%	22%	22%	22%
No. of Branches	99	103	107	107	108	109	112

To



If undelivered, please return to :



KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED

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