



117th Annual Report



2020 - 21



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

கோவிந்தபுரம் கோசாலை - பசுக்கள் பராமரிப்பில் நிதியின் பங்கேற்பு



பெருமைமிகு நிதியின் 114-வது கிளை திறப்பு விழா - அண்ணாநகர் - மதுரை



பெருமைமிகு நீதியின் 113-வது கிளை திறப்பு விழா - காங்கேயம்



கும்பகோணம் நகர போக்குவரத்து காவல்துறைக்கு - சாலை தடுப்புகள்



கொரோனா நிவாரண பணிகளில் - நிதியின் பங்களிப்பு





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

Sri. **R.K.Bharathimohan** Ex.MP
Director

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

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

Sri. **C.Chinnaiyan**
Director

Sri. **G.Jayakumar** B.E.,
Director

Executives

Sri. **V.Kanakaraj**
Director & CEO

Sri. **R.Padmanabhan**
General Manager

Sri. **B.Chakrapani**
DGM & CFO

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. **G.Sutharsan**
Regional Manager

Sri. **G.Ramesh**
Regional Manager

Sri. **R.Radhakrishnakumar**
Regional Manager

Sri. **K.Swaminaathan**
Regional Manager

Statutory Auditors

M/s.
Chartered Accountants
(F.R.No. 011688S)
UDIN : 21218791AAAACR2327
Chennai - 600 017.

M/s.
Chartered Accountants
(F.R.No.005293S)
UDIN : 21029647AAAAHM9932
Chennai - 600 023.

M/s.
Chartered Accountants
(F.R.No.009362S)
UDIN : 21209405AAAAEU5534
Kumbakonam - 612 001.

Secretarial Auditor

M/s.
(C.P.No.3310)
UDIN : F004862C001085227
Chennai - 600 028.

Company Secretary

Ms. **Neha Sancheti**
Company Secretary
M.No. A65976
Chennai.

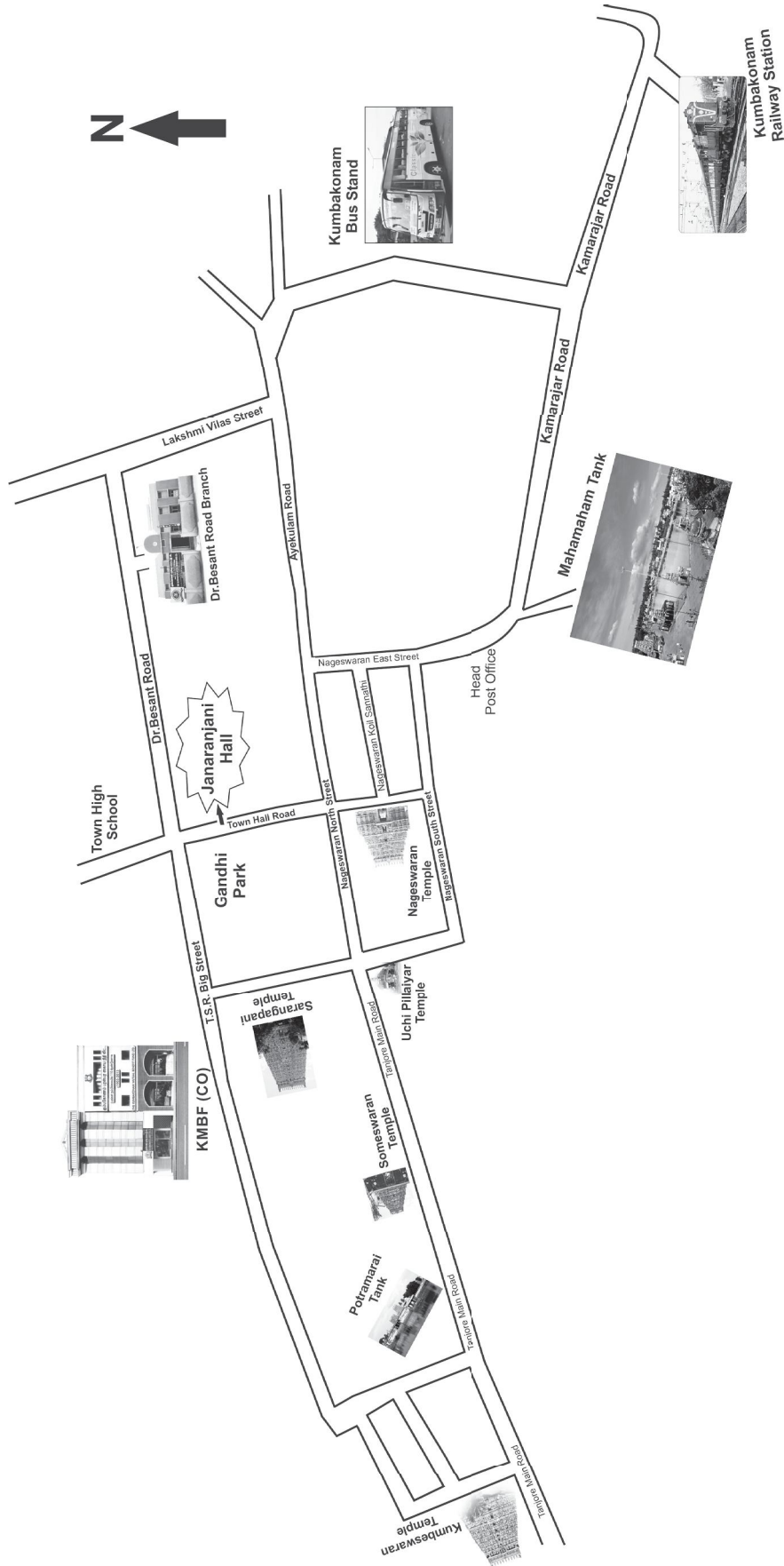
Legal Advisors

Sri. B.A., B.L.,
Advocate, Kumbakonam.

Sri. B.Sc., B.L.,
Advocate, Kumbakonam.

Sri. B.Com., B.L.,
Advocate, Trichy.

Route Map to Janaranjani Hall



Notice for 117th Annual General Meeting

Notice is hereby given pursuant to Section 96 and other applicable provisions of the Companies Act, 2013 that the **117th Annual General Meeting [“AGM”] of the shareholders of Kumbakonam Mutual Benefit Fund Nidhi Limited will be held at 12.06 p.m on Monday, the 08th November, 2021 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, 2021 and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year 2020-21.
3. To appoint a director in the place of Sri.Visvalingam Kanakaraj (DIN: 08205976) who retires by rotation and, being eligible, offers himself for re-appointment as Director.
4. To appoint a director in the place of Sri.K.Arivalagan (DIN: 08802927) who retires by rotation and, being eligible, offers himself for re-appointment as Director.

Special Business

5. **Appointment of Sri.R.S.Selvaraj as an Independent Director.**

To consider and if thought fit, to pass with or without modification/s the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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) be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years from 26.5.2021 to 25.5.2026.”

6. **To consider re-appointment and 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 confirmation of re-appointment and payment of remuneration to Sri.V.Kanakaraj who was appointed as Chief Executive Officer at the Board Meeting held on 26-05-2021 for a period of one year from 01-06-2021 to 31-05-2022 or upto the date of the 117th Annual General Meeting subject to passing of the resolution as mentioned in item no:17 favourably for removal of Sri.V.Kanakaraj.

"RESOLVED FURTHER THAT any one of the Board of Directors or Key Managerial Personnel be and is hereby authorised to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution and to settle any question, difficulty or doubt that may arise in this regard and to file necessary Forms with Registrar of Companies, Chennai."

7. To consider regularization of the appointment of Additional Director

To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment Sri.G.Jayakumar as 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.G.Jayakumar (DIN : 08968507), who was appointed as an Additional Director with effect from 26th November, 2020 by the Board of Directors of the Company and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation".

8. Increase in Borrowing Limit.

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

"RESOLVED THAT pursuant to Sec.180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers or acceptance of deposits from shareholders in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs.7,000 Crores (Rupees Seven thousand Crores only)".

9. Payment of One percent remuneration to Directors.

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

"Resolved that subject to the provisions of Sec.197 (1) (ii) of the Companies Act, 2013 & Nidhi Rules, 2014 read with notifications & exemptions under the Act issued by the Central Government, approval of the members is hereby accorded for payment of remuneration by way of commission for an amount not exceeding 1% (One percent) of the net profits of the Company in every financial year for a period of three years commencing from 01-04-2021 to 31-03-2024 to all the Non-Executive Directors of the Company."

The following items No.10 to 17 are proposed based on the special notice received under section 115 of the Companies Act, 2013.

10. To remove Sri.Rama.Ramanathan [DIN: 05240708], Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sri.Rama.Ramanathan [DIN: 05240708], be and is hereby removed from the office of Director of the Company with effect from the date of this meeting.”

11. To remove Sri.R.S.Selvaraj [DIN: 07910673], Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sri.R.S.Selvaraj [DIN: 07910673], be and is hereby removed from the office of Director of the Company with effect from the date of this meeting.”

12. To remove Sri.C.Chinnayan [DIN: 07581332] Director of the Company

To consider and if thought fit to pass the following resolution as Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to the provisions of section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sri.C.Chinnayan [DIN: 07581332], be and is hereby removed from the office of Director of the Company with effect from the date of this meeting.”

13. To remove Sri.A.V.K.Ashokkumar [DIN: 08802925] Director of the Company

To consider and if thought fit to pass the following resolution as Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to the provisions of section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sri.A.V.K.Ashokkumar [DIN: 08802925], be and is hereby removed from the office of Director of the Company with effect from the date of this meeting.”

14. To remove Sri.K.Arivalagan [DIN: 08802927] Director of the Company

To consider and if thought fit to pass the following resolution as Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to the provisions of section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sri.K.Arivalagan [DIN: 08802927], be and is hereby removed from the office of Director of the Company with effect from the date of this meeting.”

15. To remove Sri.R.K.Bharathimohan [DIN: 08805859] Director of the Company

To consider and if thought fit to pass the following resolution as Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to the provisions of section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sri.R.K.Bharathimohan [DIN: 08805859], be and is hereby removed from the office of Director of the Company with effect from the date of this meeting.”

16. To remove Sri.G.Jayakumar [DIN: 08968507] Director of the Company

To consider and if thought fit to pass the following resolution as Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to the provisions of section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sri.G.Jayakumar [DIN: 08968507], be and is hereby removed from the office of Director of the Company with effect from the date of this meeting.”

17. To remove Sri.V.Kanakaraj [DIN: 08205976], Director and Chief Executive Officer of the Company

To consider and if thought fit to pass the following resolution as Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to the provisions of section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sri.V.Kanakaraj [DIN: 08205976], be and is hereby removed from the office of Director and as CEO of the Company with effect from the date of this meeting.”

18. To appoint Sri.S.Kalyanasundaram [DIN: 00829647] as an Independent Director in the Board of the Company

To consider and if thought fit to pass the following resolution as Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to Sections 149 and 152 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Sri.S.Kalyanasundaram [DIN: 00829647], be and is hereby appointed as an Independent Director not liable to retire by rotation for a term of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 122nd Annual General Meeting and shall exercise all such powers as are conferred under the provisions of the Companies Act, 2013 and the Articles of Association of the Company.”

19. To appoint Sri.G.Anbalagan [DIN: 01469646] as an Independent Director in the Board of the Company

To consider and if thought fit to pass the following resolution as an Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to Sections 149 and 152 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Sri.G.Anbalagan [DIN: 01469646], be and is hereby appointed as an Independent Director not liable to retire by rotation for a term of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 122nd Annual General Meeting and shall exercise all such powers as are conferred under the provisions of the Companies Act, 2013 and the Articles of Association of the Company.”

20. To appoint Sri.S.Ramalingam [DIN: 00829529] as a Director in the Board of the Company

To consider and if thought fit to pass the following resolution as an Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Sri.S.Ramalingam [DIN: 00829529], be and is hereby appointed as Director of the Company with effect from the date of this Annual General Meeting and shall exercise all such powers as are conferred under the provisions of the Companies Act, 2013 and the Articles of Association of the Company, including filing of e-forms and returns with the statutory authorities henceforth.”

21. To appoint Sri.PR.P.Velappan [DIN: 01892661] as a Director in the Board of the Company

To consider and if thought fit to pass the following resolution as an Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Sri.PR.P.Velappan [DIN: 01892661], be and is hereby appointed as Director of the Company with effect from the date of this Annual General Meeting and shall exercise all such powers as are conferred under the provisions of the Companies Act, 2013 and the Articles of Association of the Company, including filing of e-forms and returns with the statutory authorities henceforth.”

22. To appoint Sri.S.Hariharan [DIN: 02693765] as the Director in the Board of the Company

To consider and if thought fit to pass the following resolution as an Ordinary Resolution with or without modification(s):-

“RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Sri.S.Hariharan [DIN: 02693765], be and is hereby appointed as Director of the Company with effect from the date of this Annual General Meeting and shall exercise all such powers as are conferred under the provisions of the Companies Act, 2013 and the Articles of Association of the Company, including filing of e-forms and returns with the statutory authorities henceforth.”

Place : Kumbakonam

Date : 08th October, 2021.

By Order of the Board
Kumbakonam Mutual Benefit Fund Nidhi Limited,
Neha Sancheti
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 02nd November, 2021 to 08th November, 2021 (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.
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 2012 2013 has been transferred to Investor Education and Protection Fund and the dividends which remain unclaimed for a period of seven years for F.Y 2013-14 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 15th September, 2021 from Registrar of Companies, Chennai, till 31st December, 2021.

Explanatory Statements under section 102 of the Companies Act, 2013**Item No: 5 Appointment of Sri.R.S.Selvaraj as an Independent Director**

Sri.R.S.Selvaraj (DIN : 07910673) was elected as Director of our Nidhi in the Annual General Meeting held on 26.11.2020.

Subsequently, pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and based on the recommendation of the Nomination and Remuneration Committee meeting held on 26th May 2021, Sri.R.S.Selvaraj has been appointed as an Independent Director of our Company with effect from 26th May, 2021 not liable to retire by rotation for a term of five consecutive years, subject to the approval of the Shareholders of our Company in the ensuing Annual General Meeting.

In terms of Section 149 (10) of the Companies Act, 2013 an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company.

In the opinion of the Board of Directors, Sri.R.S.Selvaraj. fulfills the condition specified in the Companies Act, 2013 and the Rules made there under and meet the criteria of Independence as provided under section 149(6) of the Companies Act, 2013.

The Board of Directors recommended the appointment of Sri.R.S.Selvaraj as an Independent Director of the Nidhi from 26th May, 2021 not liable to retire by rotation for a term of five consecutive years, subject to approval of the Shareholders of our Company at the 117th Annual General Meeting by passing Ordinary Resolution.

About the Independent Director

Sri.R.S.Selvaraj has wide exposure in the fields Business, Public and Social Service.

Declaration by the Independent Director

Sri.R.S.Selvaraj has given a declaration to the Board to meet the criteria of Independence as provided under section 149(6) of the Act and he has not been disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and has given consent to act as Director.

Inspection by Members

The terms and conditions of appointment of Sri.R.S.Selvaraj would be available for inspection without fee by the members at the Registered Office of the Company, during business hours on any working day, excluding Saturday.

Interest of Directors

Except Sri.R.S.Selvaraj, none of the other Directors, Key Managerial Personnel of the Company and their relatives thereof are in any way concerned or interested in this resolution. The appointment/continuance of Shri.R.S.Selvaraj as an Independent Director shall be subject to his continuance as Director in the Board which depends on passing of resolution as set out in Item No.11.

Item No. 6 To consider re-appointment and to ratify the payment of remuneration paid to Sri.V.Kanakaraj as Chief Executive Officer of the Company

As per the recommendation of Nomination and Remuneration Committee and Board Meeting held in the even date on 26-05-2021, Shri.V.Kanakaraj was appointed as Chief Executive Officer (KMP) of the Company for the period of one year from 01st June, 2021 to 31st May, 2022 on a remuneration of Rs.75,000/- (Rupees Seventy five thousand only) per month along with other benefits viz., use of phone/Car for official purpose, 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 monthly remuneration shall be paid to him as minimum remuneration/benefits even in the absence of or inadequacy of profits in any year.

The above mentioned appointment and remuneration has to be ratified by the members of the company at the General meeting. Accordingly, consent of the Members is sought for passing the special resolution as set out in Item No.6 of the Notice for re-appointment and ratification of the remuneration payable to Chief Executive Officer (KMP).

However the continuation of the said director as CEO beyond the date of 117th AGM shall be subject to passing of the resolution as mentioned in item No.17 for removal of Sri.V.Kanakaraj, based on the special notice received under section 115 of the Companies Act, 2013 for his removal, in which case his reappointment as CEO/Director shall cease w.e.f. the date of the ensuing 117th AGM and the remuneration shall be payable till the date of this 117th AGM.

Except Sri.V.Kanakaraj, 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 appointment/continuance of Sri.V.Kanakaraj as Director shall be subject to his continuance as Director in the Board which depends on passing of resolution as set out in Item No.17.

Item No.7 To consider regularization of the appointment of Sri.G.Jayakumar as Director

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 26th November 2020 Sri.G.Jayakumar, holding DIN : 08968507 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 26th November, 2020. As per Section 152, 161 of the Act, Sri.G.Jayakumar holds office up to the date of Annual General Meeting of the Company. The Appointment of Sri.G.Jayakumar as an Additional Director requires the approval of the shareholders. Sri.G.Jayakumar has given his consent to act as director of the company if appointed by the members at the ensuing 117th AGM.

Except Sri.G.Jayakumar, 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 resolution as Ordinary Resolution with regard to regularization of appointment of said directors as set out in Item No.7 in the Agenda for the 117th Annual General Meeting. The appointment/continuance of Sri.G.Jayakumar as Director shall be subject to his continuance as Director in the Board which depends on passing of resolution as set out in Item No.16.

Item No.8 Increase in borrowing limit

The borrowing limit of the Board of Directors of the Company was increased to Rs.3000 Crores in the 108th Annual General Meeting held on 29th August, 2012 by passing Ordinary resolution. As per Section 180 of the Companies Act, 2013, read with General Circular No.4/2014, dated 26-03-2014 of Ministry of Corporate Affairs, any resolution passed prior to 12-09-2013 under section 293(1)(d) of the Companies Act 1956 as an Ordinary Resolution has to be passed as Special Resolution. In compliance of the above, the subject related to enhancement of borrowing limit to Rs.3,000 Crores (Rupees Three thousand crores only) was again placed in the 110th Annual General Meeting held on 10th December, 2014 and the same was approved by the Shareholders by way of passing Special Resolution.

Considering the rapid progress, consent is now sought to raise the limit to Rs.7,000 Crores. Such borrowing may be by way of acceptance of deposits from shareholders or by way of borrowings from the bankers or a combination of both. In terms of section 180(1)(c) of the Companies Act, 2013, the Board of directors of a public company shall not, except with the consent of the shareholders in general meeting, borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose. The deposits as on 31.03.2021 stood at Rs.2737.74 crores and aggregate of Net Worth Rs.324.14 crores. Hence, the Board of Directors commends this resolution as Special Resolution.

None of the Directors/ Relatives / Key Managerial Personnel / Manager is interested in any respect in the resolution, except in their capacity of Directors and Shareholders of the Company. It is further declared with reference to the provision to sub-section 2 of Section 102 of the Companies Act, 2013, that the proposed resolution does not have any bearing with the business of any other Company.

The members are requested to pass necessary special resolution as set out in Item No.8 of the notice of the meeting.

Item No.9 Payment of 1% remuneration to Directors.

As the shareholders are aware the Non-Executive Directors are required to devote more time and attention. Taking into consideration the current competitive business environment which require enhanced levels of decision making thereby making the responsibilities of the Directors more onerous, it is proposed to remunerate the Director(s) of the Company, who are neither in the whole time employment nor Managing Director with such remuneration up to a ceiling of 1% of the net profits of the Company for every year, as computed in the manner referred to in Sections 197, 198 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 for a period of three years for each financial year from 01.04.2021 to 31.03.2024. The provisions of Section 197(1) of the Companies Act, 2013 read with Nidhi Rules, 2014 and the exemption notification GSR 465(E), dated 05th June, 2015 provides that such remuneration shall be paid to the Non-Executive Directors of the Company, subject to the approval of the shareholders by way of Special Resolution in the general meeting. Hence the above item is put forth before the shareholders for their approval. The Shareholders may also be well aware that the shareholders had granted approval to the Company for payment of remuneration @ 1% of Net Profit for every financial year to the Non-Executive Directors at the Annual General Meeting held on 23rd September, 2015. The said approval of the shareholders was valid till 31st March, 2021. Hence approval of the shareholders is sought afresh for the period from 01.04.2021 to 31.03.2024.

The Directors shall be deemed to be interested to the extent of their remuneration.

The documents in respect of the above special business including the aforesaid notification will be open for inspection at the Registered Office of the Company, during office hours.

Item No.10 to 17:

A Special Notice dated September 27, 2021 under section 115 of the Companies Act, 2013 has been submitted to the Board by 2005 Shareholders through their authorised representative Sri.PR.P.Velappan (hereinafter referred as the requisitionists) who are the members of our Nidhi and holds in aggregate as on the date hereof 89,99,705 equity shares aggregating to 30.08% of the total shareholding of the Nidhi's voting capital. As per the notice, the requisitionists have requested to remove all the existing Board of Directors of the Nidhi pursuant to the provisions of section 169 of the Companies Act, 2013 and proposed for appointment of new Directors on the Nidhi's Board pursuant to the provisions of section 152 of the Companies Act, 2013. For the proposed removal/appointment, the requisitionists have requested the Board to call for an Extraordinary General Meeting (EGM) of the members of the Nidhi, within the time prescribed under section 100(4) of the Companies Act, 2013 read with Rules made thereunder, failing which, an EGM will be called by the requisitionists themselves on Sunday, the 14th November, 2021 at 11:00 A.M. at the registered office of the Nidhi.

In the Board of Directors meeting dated 08th October, 2021, the above stated were discussed and deliberated. The Directors concerned were also informed in the said meeting that they can make a written representation to the company and can request its notification to members of the company, pursuant to the provisions of section 169(4) of the Act. Directors gave representations against requisitionists' proposal.

During the tenure, all the Directors performed very well for the growth and goodwill of the Nidhi, Business, Networth, Profits, Dividend and Welfare of the Employees under the chairmanship of Sri.Rama.Ramanathan. They thanked shareholders for westin confidence. The Board of Directors decided to put forth the requisitionists' request before the members at the 117th Annual General Meeting, in order to comply with the provisions of Companies Act, 2013.

Accordingly the Board thought it fit appropriate to place the resolutions in item Nos.18 to 22 for appointment of Sri.S.Kalyanasundaram, Sri.G.Anbalagan, Sri.S.Ramalingam, Sri.PR.P.Velappan and Sri.S.Hariharan as Directors of the Company before the shareholders for their consideration.

A copy of special notice submitted by the requisitionists, along with annexures are available for inspection of the shareholders during business hours.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the resolution set out as Item Number 10 to 17 of the Notice, except to the extent of their Directorship.

Item No. 18 to 22 :

As stated above, subject to passing of resolutions in Item No.10 to 17, owing to the vacancy created due to removal of the existing Board, it is proposed by the requisitionists to appoint below mentioned persons on the Board of the Nidhi as Director(s) with effect from the date of resolution, pursuant to provisions of Section 152 of the Companies Act, 2013 read with the Rule 8, 9 and 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and the relevant Rules made thereunder:

Sr. No.	Name of Proposed Director Sarva Sri.	DIN	Proposed Designation
1.	S.Kalyanasundaram	00829647	Appointment as an Independent Director
2.	G.Anbalagan	01469646	Appointment as an Independent Director
3.	S.Ramalingam	00829529	Appointment as a Director
4.	PR. P.Velappan	01892661	Appointment as a Director
5.	S.Hariharan	02693765	Appointment as a Director

The requisitionists have deposited a sum of Rs. 10,000/- for each of the person whose names are proposed for the Directorships in the Item nos. 20, 21 and 22 as detailed below:

Name of Proposed Director Sarva Sri.	DIN	DD No.	Date	Amount (in Rs.)
S. Ramalingam	00829529			
PR. P. Velappan	01892661	001015	27.09.2021	30,000/-
S. Hariharan	02693765			

The Company has received a consent / declaration in writing to act as Director from each of the proposed Directors mentioned above in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Appointment of Sri.S.Kalyanasundaram [DIN: 00829647] as an Independent Director

It is proposed by the requisitionists to appoint Sri.S.Kalyanasundaram [DIN: 00829647] on the Board of the Nidhi as an Independent Director with effect from the date of resolution, pursuant to provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014.

In terms of Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company.

In the opinion of the Board of Directors, Sri.S.Kalyanasundaram [DIN: 00829647] fulfills the condition specified in the Companies Act, 2013 and the Rules made there under and meet the criteria of Independence as provided under section 149(6) of the Companies Act, 2013.

The Board of Directors places the appointment of Sri.S.Kalyanasundaram [DIN: 00829647] as an Independent Director of the Nidhi from the date of ensuing Annual General Meeting, not liable to retire by rotation for a term of five consecutive years, subject to approval of the Shareholders of our Company at the 117th Annual General Meeting by passing Special Resolution.

About the Independent Director

Sri.S.Kalyanasundaram [DIN: 00829647] has wide exposure in the fields of business, public and social service. He is aged 81 years as on the date of proposal. Considering his experience in the Nidhi Companies, the requisitionists desired to appoint him as an Independent Director.

Declaration by the Independent Director

Sri.S.Kalyanasundaram has given a declaration to the Board to meet the criteria of Independence as provided under section 149(6) of the Act and he has not been disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and has given consent to act as Director.

Inspection by Members

The terms and conditions of appointment of Sri.S.Kalyanasundaram would be available for inspection without fee by the members at the Registered Office of the Company, during business hours on any working day, excluding Saturday.

Interest of Directors

Except Sri.S.Kalyanasundaram, none of the other Directors, Key Managerial Personnel of the Company and their relatives thereof are in any way concerned or interested in this resolution.

Appointment of Sri.G.Anbalagan [DIN: 01469646] as an Independent Director

It is proposed by the requisitionists to appoint Sri.G.Anbalagan [DIN: 01469646] on the Board of the Nidhi as an Independent Director with effect from the date of resolution, pursuant to provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014.

In terms of Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company.

In the opinion of the Board of Directors, Sri. G. Anbalagan [DIN: 01469646] fulfills the condition specified in the Companies Act, 2013 and the Rules made there under and meet the criteria of Independence as provided under section 149(6) of the Companies Act, 2013.

The Board of Directors recommends the appointment of Sri.G.Anbalagan [DIN: 01469646] as an Independent Director of the Nidhi from the date of ensuing Annual General Meeting, not liable to retire by rotation for a term of five consecutive years, subject to approval of the Shareholders of our Company at the 117th Annual General Meeting by passing Ordinary Resolution.

About the Independent Director

Sri.G.Anbalagan [DIN: 01469646] is sitting Member of Legislative Assembly and has wide exposure in the fields of business, public and social service.

Declaration by the Independent Director

Sri.G.Anbalagan has given a declaration to the Board to meet the criteria of Independence as provided under section 149(6) of the Act and he has not been disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and has given consent to act as Director.

Inspection by Members

The terms and conditions of appointment of Sri. G. Anbalagan would be available for inspection without fee by the members at the Registered Office of the Company, during business hours on any working day, excluding Saturday.

Interest of Directors

Except Sri.G.Anbalagan, none of the other Directors, Key Managerial Personnel of the Company and their relatives thereof are in any way concerned or interested in this resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the resolution set out as Item Number 18-22 of the Notice.

The Board places the Ordinary Resolutions set out in Item Numbers 18 to 22 of the notice before the members.

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

Name & Qualification	Shri. V.Kanakaraj, B.Sc.,
Age	62 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	Rs.75,000
Date of first appointment on Board	As Director : 26.11.2020 As CEO : 26-05-2021
Shareholding in Company	3001
Relationship with other Directors	Nil
Number of Meetings of Board attended	13 (During FY 2020-21)
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

Name & Qualification	Shri.K.Arivalagan, M.A., B.L.,
Age	61 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	NA
Date of first appointment on Board	26.11.2020
Shareholding in Company	510
Relationship with other Directors	Nil
Number of Meetings of Board attended	7 (During FY 2020-21)
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

Name & Qualification	Shri.R.S.Selvaraj, M.A., BGL.,
Age	71 Years
Experience	Wide exposure in the fields Business, Public and Social Service
Terms and conditions of appointment and details of remuneration	Independent Director Not liable to Retire by Rotation.
Remuneration last drawn	NA
Date of first appointment on Board	26.11.2020
Shareholding in Company	510
Relationship with other Directors	Nil
Number of Meetings of Board attended	7 (During FY 2020-21)
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

Name & Qualification	Shri.G.Jayakumar, B.E.,
Age	38 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	NA
Date of first appointment on Board	26.11.2020
Shareholding in Company	500
Relationship with other Directors	Nil
Number of Meetings of Board attended	5 (During FY 2020-21)
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

Name & Qualification	Shri.S.Kalyanasundaram
Age	81 Years
Experience	Wide exposure in the fields Business, Public and Social Service
Terms and conditions of appointment and details of remuneration	Independent Director not liable to retire by rotation
Remuneration last drawn	NA
Date of first appointment on Board	Nil
Shareholding in Company	8,873
Relationship with other Directors	Nil
Number of Meetings of Board attended	Nil
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

Name & Qualification	Shri.G.Anbalagan
Age	72 Years
Experience	Sitting MLA. Wide exposure in the fields Business, Public and Social Service
Terms and conditions of appointment and details of remuneration	Independent Director not liable to retire by rotation
Remuneration last drawn	NA
Date of first appointment on Board	Nil
Shareholding in Company	50,000
Relationship with other Directors	Nil
Number of Meetings of Board attended	Nil
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

Name & Qualification	Shri.S.Ramalingam, B.A.,
Age	76 Years
Experience	Sitting MP. Wide exposure in the fields Business, Public and Social Service
Terms and conditions of appointment and details of remuneration	Director. Liable to retire by rotation
Remuneration last drawn	NA
Date of first appointment on Board	Nil
Shareholding in Company	33,001
Relationship with other Directors	Nil
Number of Meetings of Board attended	Nil
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

Name & Qualification	Shri.PR.P.Velappan, B.A.,
Age	68 Years
Experience	Wide exposure in the fields Business, Public and Social Service
Terms and conditions of appointment and details of remuneration	Director. Liable to retire by rotation
Remuneration last drawn	NA
Date of first appointment on Board	Nil
Shareholding in Company	5,025
Relationship with other Directors	Nil
Number of Meetings of Board attended	Nil
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

Name & Qualification	CA S.Hariharan, B.Com.,F.C.A.,
Age	67 Years
Experience	Wide exposure in the field of Audit.
Terms and conditions of appointment and details of remuneration	Director. Liable to retire by rotation
Remuneration last drawn	NA
Date of first appointment on Board	Nil
Shareholding in Company	10
Relationship with other Directors	Nil
Number of Meetings of Board attended	Nil
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

BOARDS' REPORT FOR THE YEAR ENDED 31st MARCH, 2021

To

The Members of Kumbakonam Mutual Benefit Fund Nidhi Limited,

Your Directors have pleasure in presenting the 117th 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, 2021.

1. The highlights of financial results for the year ended 31st March, 2021 are as under:

(` in lakhs)

Particulars	31.03.2021	31.03.2020
Deposits	273774.31	235645.95
Advances	260890.66	220069.60
Total Income	35447.87	33540.34
Profit before Depreciation & tax	8055.89	6666.67
Depreciation	540.26	492.89
Profit after depreciation	7515.63	6173.78
Income Tax, including Surcharge & Cess	1861.29	1843.78
Deferred Tax (Liability / Asset)	(176.02)	309.81
Dividend Rate (% p.a.)	22%	22%
Dividend Amount	654.89	651.90
Transfer to General Reserve	5518.86	3519.09

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 and the date of Board's Report. However, due to nationwide COVID-19 pandemic and application of Ind AS finalization of financial statements took time. The Company obtained extension of time to hold the Annual General Meeting for financial year 2020-21 from the Registrar of Companies, Chennai till 31.12.2021.

3. Dividend

Your directors are pleased to recommend a dividend of 22% p.a. (period based pro-rata) for the year ended 31st March, 2021. This will involve an amount of Rs.654.89 lakhs as dividend.

4. Board Meetings

During the fiscal 2020-21, your Company had 13 Board meetings, as detailed below:

29.04.2020	28.05.2020	26.06.2020	22.07.2020	14.08.2020
09.09.2020	23.09.2020	21.10.2020	26.11.2020	30.12.2020
	23.01.2021	26.02.2021	28.03.2021	

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

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 – Up to 2020 November	08	08
L.Meiyappan – Up to 2021 August	13	13
V.Kanakaraj	13	13
R.S.Selvaraj – from 23.09.2020	07	07
R.K.Bharathimohan – from 23.09.2020	07	07
A.V.K.Ashokkumar – from 23.09.2020	07	07
K.Arivalagan – from 23.09.2020	07	07
C.Chinnaiyan – from 26.11.2020	05	05
G.Jayakumar – from 26.11.2020	05	05

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.13.92 lakhs from Rs.2970.35 lakhs as on 31.03.2020 to Rs.2984.27 lakhs as on 31st March, 2021.

6. Reserves

As on 31.03.2020, General Reserve was Rs.23,911.22 lakhs. For the year ended 31st March, 2021 it is Rs.29,430.08 lakhs (ie.,) an increase of Rs.5,518.86 lakhs. During 2010-11 General Reserve was only Rs.30.02 crores. Comparing now it is increased about 10 times, it shows the well growth of the Nidhi.

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), Thirukkivilur, Thiruverkadu, Kangeyam & Thuraiyur. Consequently, the Company's 109th, 110th, 111th, 112th & 113th new branches were opened at Thuraiyur, Thirukkivilur, Nannilam, Tenkasi & Kangeyam on 15.07.2019, 02.12.2019, 05.02.2020, 12.02.2020 & 05.03.2021 respectively. Anna Nagar (Madurai) branch was opened on 16.07.2021.

Efforts are being taken to open the branches of the Company at the above said remaining 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 Controls 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 2020-21.

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. Particulars of loans, guarantees or investments under section 186

During the period under review there were no cases of loans, investments, guarantees and security as mentioned in section 186 of Companies Act, 2013.

13. Directors

During the period under review Sri.N.D.Narasimhan (DIN: 03603479) retired by way of rotation but was not re-elected by the members in the 116th Annual General Meeting and Sri.L.Meyyappan ceased as the Director of the Company due to completion of his term of office of 10 years as per the provisions prescribed under Nidhi Rules, 2014.

In terms of Articles 68 of Articles of Association of the Company, Sri.V.Kanakaraj (DIN : 08205976) and Sri.K.Arivalagan (DIN : 08802927), Directors are liable to retire by rotation in the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Further, as per recommendation of Nomination & Remuneration Committee Meeting Sri.G.Jayakumar (DIN : 08968507), has been appointed as an Additional Director of the company in the Board Meeting held on 26th November, 2020, whose term of office expires at the ensuing Annual General Meeting.

Sri.R.S.Selvaraj has been appointed as an Independent Director with effect from 26th May, 2021 not liable to retire by rotation for a term of five consecutive years

Since the re-appointment and confirmation of appointment of Additional Director and Independent Director as above, requires the approval of the shareholders, the same is placed before the shareholders for their approval at this 117th Annual General Meeting.

Further, the Company has received special notice under section 115 of the Companies Act, 2013 for removal of all existing Board of Directors and CEO and appointment of new Directors on the Board. The details of the such removal and appointment is included in the notice convening 117th AGM of the Company.

14. 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.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation made by the Statutory Auditors. The Notes on financial statements are self-explanatory, and needs no further explanation. The Statutory Auditor of the Company has not reported any Fraud under section 143 of the Act.

Further the Auditors' Report for the financial year ended, 31st March, 2021 is annexed herewith for your kind perusal and information.

15. 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 appointed M/s.P.Sriram & Associates, Company Secretaries in practice, Chennai to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2021. The Secretarial Report in Form MR3 is attached as Annexure – A. As regards to the observation on transfer of shares to IEPF, we inform that representation has been made to Ministry of Corporate Affairs by our Nidhi Company and through Chamber of Nidhis to get exemption.

As regards the observation, provisions of Section 149 (1) read with Rule 3 of Companies (Appointment and Qualification of Directors) Rule, 2014 for appointment of Woman Director, our Company is taking necessary steps to comply with the above section.

As regards the observation of CSR amount, for the Financial Year 2020-21, your Company spent Rs.14.36 lakhs on CSR obligations and an amount of Rs.101.45 lakhs sent to PM CARES FUND by Indian Bank DD u/s 135 of Companies Act 2013 and rules made thereunder.

16. 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	12.11.1984 Permanent	B.Sc.,	60	16.80	0.000	No	Nil
2	R.Subash	R.M	16.03.1987 Permanent	B.Com.,	55	16.01	0.000	No	Ni
3	S.Milevahanan	R.M	05.06.1989 Permanent	B.Com.,	58	15.94	0.008	No	Nil
4	R.S.Venkatesan	DGM	16.03.1987 Permanent	B.A.,	56	15.83	0.000	No	Nil
5	B.Chakrapani	DGM&CFO	05.11.1992 Permanent	M.B.A.,	50	15.36	0.006	No	Nil
6	V.Ganesan	Mgr (Sys)	03.11.1994 Permanent	M.Sc.,	51	15.10	0.010	No	Nil
7	R.Lourdhu Josephraj	B.M	10.11.1984 Permanent	M.Com.,	57	14.30	0.008	No	Nil
8	V.Sridhar	B.M	10.10.1988 Permanent	B.Com.,	54	14.01	0.008	No	Nil
9	K.Swaminathan,	B.M	05.10.1988 Permanent	B.Com.,	55	13.98	0.008	No	Nil
10	K.Soundararajan	B.M	16.06.1989 Permanent	B.Com.,	57	13.96	0.008	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 shall not apply to your company, considering the nature of its business operations.

17. 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 :

- in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- 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 2020-21.
- 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;
- they have prepared the annual accounts on a going concern basis, and
- 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.

18. 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.

19. Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the company, www.kmbf.co.

20. 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.

During the year under review your Company has an independent - Audit Committee met two times, Stakeholders Relationship Committee met twelve times, Corporate Social Responsibility (CSR) Committee met one time, under the chairmanship of Sri.Rama.Ramanathan. Nomination & Remuneration Committee met four times under the chairmanship of Sri.L.Meiyappan.

21. Corporate Social Responsibility

Your Company has been supporting various philanthropic activities and making initiatives under CSR. During the financial year 2020-2021, the Company has spent Rs.14.36 lakhs for CSR obligations. There was no ongoing CSR project, Rs.1,01,44,960/- was sent to PM CARES FUND vide Indian Bank DD No.600983 dated 30.09.2021 and thereby complied with the provisions of section 135 of companies act 2013 and rules made there under.

A Report on CSR activities as required under the provisions of Companies Act, 2013 is annexed herewith marked as Annexure – C and forms part of this report. Copy of the CSR Policy of the Company is placed on the website of the Company at www.kmbf.co.

22. Key Managerial Personnel

During the period under review, Sri.V.Kanakaraj has been appointed as Chief Executive Officer (CEO) of the Company with effect from 01st June, 2021. Company Secretary Sri.K.Murali has resigned on 30th April, 2021 and Ms.Neha Sancheti has been appointed as Company Secretary with effect from 01st July, 2021. Sri.B.Chakrapani was appointed as Deputy General Manager & Chief Financial Officer and Sri.R.Padmanabhan was appointed as General Manager with effect from 01st July, 2021.

23. 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 27th March, 2021 and the performance of the board was evaluated by them and satisfactory performance was found by them.

24. Statement of declaration by Independent Director

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.

25. 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.

26. 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.

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

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

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

29. Insolvency and Bankruptcy Code, 2016

During the year under review there were no application made or any proceedings were instigated under the Insolvency and Bankruptcy Code, 2016.

30. Loan from Banks or Financial Institution and settlement thereof

During the year under review there were no instances of one time settlement and/or the valuation done while taking loan from the Banks or Financial Institutions.

31. Deposits

Nidhi Company Deposits are not covered by the definition of Deposits, as per Rule 2(1)(c)(xiv) of the Companies (Deposits) Rules, 2014. Hence, the provisions of Deposits under Chapter V of the Companies Act, 2013 is not applicable to your Nidhi. However, your Company has duly complied with the Nidhi Rules, 2014, as amended from time to time.

32. Journey

From the Temple Town to Temple Town ie., Kumbakonam to Madurai (Anna Nagar) 114th Branch, we have traversed a long journey since 1903 to over more than 117 Years. Today our Nidhi is a name of Synonymous with Jewel Loans. The Slogan “*âçî Âî | ÐÂZ âD , Âçî KMBF \â | ¼*” is pronounced all walks of life throughout Tamil Nadu. It was achieved by the grace of almighty and the blessings of our Founder **Sri Rao Bahadur Krishnaswamy Iyengar** and the dedicated services of our employees. We proudly said that we are the pioneer and *numerouno* in the field of Nidhi Industries.

33. Acknowledgements

Your Directors take this opportunity to convey their deep sense of gratitude to the Government of India, Ministry of Corporate Affairs and Government of Tamilnadu. 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, Service Tax Department, Income Tax Department, Sales 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 : 08th October, 2021.

For and on behalf of the Board

Rama.Ramanathan M.Com., LLB.,
Ex.MLA

Chairman

ANNEXURE - A TO THE BOARDS' REPORT
Form No.MR-3
SECRETARIAL AUDIT REPORT
FINANCIAL YEAR ENDED 31st MARCH, 2021

[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 on 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, 2021 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, 2021 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 KMBF Nidhi Limited and through 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.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors & Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review was pursuant to the provisions of the Act.

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

As there was no CSR ongoing project Rs. 1,01,44,960/- was sent to PM CARES FUND vide Indian Bank DD No. 600983 dated 30.09.2021 as compliance under section 135 of the Companies Act 2013, read with rules made thereunder. As such there was no unspent CSR Amount.

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.

Place : Chennai
Date : 07.10.2021

Sd.xxxxxxx
(P. Sriram)
Proprietor

P. Sriram & Associates
FCS No. 4862 CP No : 3310
UDIN : F004862C001085227

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.

Place : Chennai
Date : 07.10.2021

Sd.xxxxxxx
(P. Sriram)
Proprietor

P. Sriram & Associates
FCSNo. 4862 CP No : 3310
UDIN : F004862C001085227

ANNEXURE - B TO THE BOARDS' REPORT
ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2020-21
1. Brief outline on CSR policy of the company

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 2020-2021 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 of the Company (www.kmbf.co)

2. Composition of CSR Committee as on 31.3.2021

- | | | | | | |
|--------------------------|---|----------------|-------------------------|---|----------|
| 1. Sri.Rama.Ramanathan | - | Chairman | 5. Sri.A.V.K.Ashokkumar | - | Director |
| 2. Sri.V.Kanakaraj | - | Director & CEO | 6. Sri.K.Arivalagan | - | Director |
| 3. Sri.R.S.Selvaraj | - | Director | 7. Sri.C.Chinnaiyan | - | Director |
| 4. Sri.R.K.Bharathimohan | - | Director | 8. Sri.G.Jayakumar | - | Director |

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company	www.kmbf.co		
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules 2014, if applicable	Not Applicable		
5	Details of the amount available for set off in pursuance of sub-rule(3) of Rule 7 of the Companies (Corporate Social responsibility policy) Rules, 2014 and amount required for set off for the financial year, if any	Not applicable		
6	Average net profit of the company as per section 135 (5)	Rs. 5790.41 Lakhs		
7	(a) 2% of average net profit of the company as per section 135(5)	Rs. 115.81 Lakhs		
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil		
	(c) Amount required to be set off for the financial year, if any	Nil		
	(d) Total CSR obligation for the financial year (7a+7b-7c).	Rs. 115.81 Lakhs		
8.	CSR amount spent details:			
	(a) Spent on CSR Obligations	Rs. 14.36 lakhs		
	(b) Amount transferred to PM CARES Fund	Rs. 101.45 lakhs		
	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	Name of the Fund	Amount	Date of transfer
		PM CARES Fund	101.45 lakhs	30.09.2021

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
Sl. No.	Name of the project or Activity Identified	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No.)	Location of the project	Amount spent for the project (Rs. in lakhs)	Mode of implementation Direct (Yes / No)	Mode of implementation – Through implementing agency
1	LOCAL ADMINISTRATION	Poverty, Hunger and Malnutrition	Yes	THANJAVUR TAMILNADU-TN	3,69,763	Yes	NA
2	LOCAL ADMINISTRATION	Promoting health care including preventive health care / creating health infrastructure for COVID care	Yes	THANJAVUR TAMILNADU-TN	3,40,603	Yes	NA
3	LOCAL ADMINISTRATION	Promoting Road safety activities	Yes	THANJAVUR TAMILNADU-TN	2,25,500	Yes	NA
4	LOCAL ADMINISTRATION	Animal Welfare	Yes	THANJAVUR TAMILNADU-TN	5,00,000	Yes	NA

9.	Unspent and details on ongoing project	
	(a) Details of Unspent CSR amount for the preceding three financial years	Not applicable
	(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)	Not applicable
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year	Not applicable

As there was no ongoing CSR Project an amount of Rs.1,01,44,960/- was sent to PM CARES FUND vide Indian Bank DD No. 600983 dated 30.09.2021 for as compliance under Section 135 of the Companies Act 2013, read with rules made there under.

Sd. xxxxxxxx
V.Kanakaraj
 Chief Executive Officer

Sd. xxxxxxxx
Rama.Ramanathan
 Chairman
 CSR Committee

Place : Kumbakonam
 Date : 08.10.2021

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 31-03-2021 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 subsequent notifications thereon 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 : 21218791AAAACR2327
Partner

CA.G.Adhisivan
Membership No. 029647
UDIN : 21029647AAAAM9932
Partner

CA.G.Giridharan
Membership No.209405
UDIN : 21209405AAAAEU5534
Partner

Place : Kumbakonam

Date : 08.10.2021

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 31st March 2021, the Statement of Profit and Loss, (including other comprehensive income) the Statement of Changes in Equity and Statement of Cash Flows for the year then ended 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 Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit and total comprehensive income, changes in equity 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 ("ICAI") 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 4.8 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 respect of this matter.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Adoption of New Accounting framework (Ind AS)</p> <p>Effective April 1, 2020, the Company adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of April 1, 2019.</p> <p>The following are the major impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> • Classification and measurement of Financial Assets and Financial Liabilities • Measurement of Loan losses (expected credit losses) • Accounting and measurement of finance leases <p>The migration to the new accounting framework (Ind AS) is a process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p> <p>We identified transition date accounting as a Key Audit Matter because of significant degree of management judgment and application on the areas noted above.</p>	<ul style="list-style-type: none"> • We confirmed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance/ acceptability under Ind AS 101. • Evaluated management's transition date choices and exemptions for compliance/ acceptability under Ind AS 101. • Understood, the methodology implemented by management to give impact on the transition and assessed the accuracy of the computations. <p>We confirm the accuracy of accounting and adequacy of disclosures in the Financial Statements.</p>
<p>Interest in Gold Loan</p> <p>Interest on Gold Loan is based on the various gold loan schemes launched by the Company. The calculation of the interest on gold loan as per the applicable scheme involves complexities, including rebates in the nature of reduced prospective interest rates for prompt payment and penal interest for delayed payment. Due to such variety of schemes and involvement of complexity in calculating the interest income on gold loan we have considered this as Key Audit Matter.</p>	<p>We assessed the Company's process on interest income computation.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>Since the entire interest computation is system driven, we tested</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to interest income computation. • Selected a sample of continuing and new gold loan schemes and tested the operating effectiveness of the internal control, relating to interest income computation. We carried out a combination of procedures involving inquiry and observation, inspection of evidence in respect of operation of these controls.

	<ul style="list-style-type: none"> • Tested the relevant information technology systems' access and change management controls relating to interest income computation and related information used in interest computation. • Obtained the list of modifications made in the interest scheme master during the year and test checked the same on sample basis. • Performed analytical procedures and test of details procedures for testing the accuracy of the revenue recorded.
<p>Provision for Expected Credit Losses (ECL) on Loans</p> <p>Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:</p> <ul style="list-style-type: none"> • Timely identification and classification of the impaired loans, and • Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors. <p>The estimation of Expected Credit Loss (ECL) on financial instruments involves significant judgements and estimates. Following are points with increased level of audit focus:</p> <ul style="list-style-type: none"> • Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 • Accounting interpretations, modelling assumptions and data used to build and run the models; • Measurement of individual borrowers' provisions including Covid-19 impact assessment; • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic and • The disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 40.1 to the financial statements. 	<p>We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL.</p> <p>These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual/collective provisions and production of journal entries and disclosures.</p> <p>We tested the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2021.</p> <p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.</p> <p>For samples of exposure, we tested the appropriateness of determining Exposure at Default (EAD), PD and LGD.</p> <p>We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.</p> <p>We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.</p>

Accounting for Leases

The company as a lessee has entered into lease contracts mainly relating to the branch premises of the Company with different lease terms including the options to extend or terminate the leases.

Ind AS 116 is applicable from April 1, 2019 and introduces a new lease accounting model wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability in their balance sheet in respect of contracts which qualify as a lease.

The company has implemented Ind AS 116 from April 1, 2019 and is required to disclose the impact of implementation Ind AS 116 in the financial statements.

In implementing Ind AS 116, the Company has opted for the Modified Approach for transition to Ind AS 116. Therefore, the cumulative effect of implementing Ind AS 116 up to April 1, 2019 is recognised as an adjustment to the opening balance of retained earnings as at that date without restating the comparative information.

The assessment of the impact of transition to Ind AS 116 is significant to our audit as it involves selection of the transition option and identification and processing all relevant data associated with the leases which is complex and voluminous. Significant judgement is required in the assumptions and estimates made in the measurement of the ROU asset and lease liability. Such assumptions and estimates include assessment of lease term including termination and renewal options and determination of appropriate discount rates.

In view of the above the adjustments arising from the first-time adoption of Ind AS 116 are material and are considered as a key audit matter.

In view of the significance of the matter we applied the following audit procedures in this area among others to obtain sufficient appropriate audit evidence:

- Assessed the appropriateness of the accounting policy for leases as per relevant accounting standard with special reference to methodology of the selected transition approach to this standard.
- Evaluated and tested company's internal control processes in relation to lease identification assessment of the terms and conditions of lease contracts and the calculation of the related lease liability and ROU asset.
- evaluated the reasonableness of company's key judgements and estimates made in preparing the transition adjustments specifically in relation to the lease term and discount rate.
- Testing the completeness and accuracy of underlying lease data and Ind AS 116 adjustments by checking its reconciliation with the number of operating lease contracts and relevant records of the company.
- For samples selected using statistical sampling tested the accuracy and existence of the ROU asset and lease liability recognised on transition by examining the original lease agreements and re-performing the calculations after considering the impact of the variable lease payments if any.
- Assessed the adequacy of the disclosures included in the financial statements.

IT Systems and Controls

The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems.

We have considered this as Key Audit Matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated.

We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.

We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.

We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.

Reliance was also placed on the System Audit report of the Company. Based on our review no weakness was found in the IT Systems and Controls.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the financial highlights, board's report, corporate governance report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015. 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 statements 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Act, we give in the Annexure A to this Report, 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, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 B.
 - g) As regards Managerial Remuneration paid to Directors, refer to Note 37 of Annexure A 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 36 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.

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 : 21218791AAAACR2327
Partner

CA.G.Adhisivan
Membership No. 029647
UDIN : 21029647AAA AHM9932
Partner

CA.G.Giridharan
Membership No.209405
UDIN : 21209405AAA AEU5534
Partner

Place : Kumbakonam
Date : 08.10.2021

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

- i) 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.
- ii) 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.
- iii) 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.
- iv) 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.
- v) 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.
- vi) 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.
- vii)
 - 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, 2021 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:

Name of Statute	Nature of Dues	Amount involved (in Lakhs)	Period which the amount relates	Forum
Income Tax Act, 1961	Income Tax	334.52	AY 2006-07	Commissioner of Income tax (Appeals), Trichy
Income Tax Act, 1961	Income Tax	598.15	AY 2011-12	Commissioner of Income tax (Appeals), Trichy

- viii) According to the records of the company, there are no borrowings from financial institutions, government or debenture holders during the year. Accordingly, comments under this clause pertaining to default in repayment of borrowings is not applicable.
- ix) 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.
- x) 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 has appointed a firm of independent Chartered Accountants to look into certain procedural lapses and repayment of ELDS. It is under review.
- xi) 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.
- xii) The Company has complied with the Nidhi Rules 2014, ratio of Net Owned Funds to Deposits in the ratio of 1:8.45 to meet out the liability and the company is maintaining 10.50% unencumbered term deposits to meet out the liability.
- xiii) 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.
- xiv) 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.
- xv) 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 and hence provisions of section 192 of the Act are not applicable.
- xvi) The Company is not required to be registered under section 45-I A of the RBI Act, 1934.

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 : 21218791AAAACR2327
Partner

CA.G.Adhisivan
Membership No. 029647
UDIN : 21029647AAAAM9932
Partner

CA.G.Giridharan
Membership No.209405
UDIN : 21209405AAAAEU5534
Partner

Place : Kumbakonam
Date : 08.10.2021

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)

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, 2021 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, 2021, based on the internal controls over financial reporting with reference to these Ind AS 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.

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 : 21218791AAAACR2327
Partner

CA.G.Adhisivan
Membership No. 029647
UDIN : 21029647AAAAM9932
Partner

CA.G.Giridharan
Membership No.209405
UDIN : 21209405AAAAEU5534
Partner

Place : Kumbakonam

Date : 08.10.2021

BALANCE SHEET AS AT MARCH 31, 2021

(` in lakhs)

PARTICULARS	Note No.	31st March 2021	31st March 2020	1st April 2019
I Assets:				
(1) Financial Asset				
(a) Cash and Cash Equivalents	6	22,014.60	9,909.65	2,725.24
(b) Bank Balance other than (a) above	7	8,273.05	22,485.11	24,033.47
(c) Loans	8	2,60,890.66	2,20,069.60	1,96,615.89
(d) Other Financial assets	9	16,725.37	11,638.70	20,873.83
(2) Non-Financial Assets				
(a) Current tax assets (Net)	10	235.89	1,591.56	1,553.53
(b) Deferred tax assets (Net)	31	600.04	294.85	604.66
(c) Investment Property	11	238.78	51.15	53.81
(d) Property Plant and Equipment	12	6,773.32	1,220.66	1,230.94
(e) Right of Use Asset	13	1,596.89	1,894.83	2,182.05
(f) Other Intangible Assets	14	2.64	7.89	9.16
(g) Other Non Financial assets	15	1,085.44	1,159.81	2,315.80
Total Assets		3,18,436.68	2,70,323.81	2,52,198.38
II Liabilities & Equity				
Liabilities				
(1) Financial Liabilities				
(a) Deposits	16	2,73,774.31	2,35,645.95	2,20,688.25
(b) Other financial liabilities	17	2537.78	2,551.98	2,760.97
(2) Non Financial Liabilities				
(a) Provisions	18	3,672.96	4,914.23	4,839.10
(b) Other Non Financial Liabilities	19	430.78	366.58	411.25
(3) Equity				
(a) Equity Share Capital	20	2,984.27	2,970.35	2,954.24
(b) Other Equity		35,036.58	23,874.72	20,544.57
Total Liabilities and Equity		3,18,436.68	2,70,323.81	2,52,198.38
Significant Account Policies	1-5			
See a accompanying Notes forming part of the financial statements.	6-46			

For and on behalf of Kumbakonam Mutual Benefit Fund Nidhi Limited

Rama.Ramanathan

 Chairman
DIN : 05240708

R.S.Selvaraj
Director
DIN : 07910673

R.K.Bharathimohan
Director
DN : 08805859

A.V.K.Ashokkumar
Director
DN : 08802925

K.Arivalagan
Director
DIN : 08802927

C.Chinnaiyan
Director
DN : 07581332

G.Jayakumar
Director
DN : 08968507

V.Kanakaraj
Director & CEO
DN : 08205976

R.Padmanabhan
General Manager

B.Chakrapani
DGM & CFO

Neha Sancheti
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 : 21218791AAAACR2327
Partner

Place : Kumbakonam Date : 08.10.2021

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

CA.G.Adhisivan
Membership No. 029647
UDIN : 21029647AAAAHM9932
Partner

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

CA.G.Giridharan
Membership No.209405
UDIN : 21209405AAAAEU5534
Partner

Statement of Profit and Loss for the year ended March 31, 2021 (₹ in lakhs)

PARTICULARS	Note No.	31st March 2021	31st March 2020
Revenue from operations			
(i) Interest income	21	34,747.72	31,656.95
(ii) Rental income		1.69	2.28
(iii) Fees and commission income	22	34.53	37.90
(iv) Net gain on fair value changes	23	572.58	1,626.23
(I) Total Revenue from operations		35,356.52	33,323.36
(II) Other Income	24	91.35	216.98
(III) Total Income (I + II)		35,447.87	33,540.34
Expenses			
(i) Finance Costs	25	18,401.02	18,023.25
(ii) Net loss on derecognition of financial instruments under amortised cost category	26	571.39	1,616.41
(iii) Impairment on financial instruments	27	431.59	63.25
(iv) Employee Benefits Expenses	28	7,064.86	6,354.40
(v) Depreciation, amortization and impairment	29	540.26	492.89
(vi) Other expenses	30	923.12	816.36
(IV) Total Expenses (IV)		27,932.24	27,366.56
(V) Profit/(loss) before exceptional items and tax (III-IV)		7,515.63	6,173.78
(VI) Exceptional items	-	-	
(VII) Profit/(loss) before tax (V -VI)		7,515.63	6,173.78
(VIII) Tax Expense :			
(1) Current tax	31	1,861.29	1,843.79
(2) Excess provision of earlier years		(343.39)	-
(3) Deferred Tax	31	(176.02)	309.80
(IX) Profit/ (loss) for the period (VII-VIII)		6,173.75	4,020.19
(X) Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)			
(a) Gain on Revaluation of Land and Building		5,771.35	-
(b) Actuarial gains/(losses) on post retirement benefit plans		(257.94)	(37.51)
(c) Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)		-	-
(d) Additional Deferred Tax on account of items that will not be reclassified to Profit & Loss		129.16	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (A)		5,642.57	(37.51)

PARTICULARS	Note No.	31st March 2021	31st March 2020
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		5,642.57	(37.51)
(XI) Total Comprehensive Income for the period (IX + X)		11,816.32	3,982.68
(XII) Earnings per equity share (for continuing operations)			
Basic (Rs.)		20.69	13.53
Diluted (Rs.)		20.74	13.57
(XIII) Earnings per equity share (for continuing and discontinued operations)			
Basic (Rs.)		20.69	13.53
Diluted (Rs.)		20.74	13.57

For and on behalf of Kumbakonam Mutual Benefit Fund Nidhi Limited

Rama.Ramanathan
Chairman
DIN : 05240708

R.S.Selvaraj
Director
DIN : 07910673

R.K.Bharathimohan
Director
DN : 08805859

A.V.K.Ashokkumar
Director
DN : 08802925

K.Arivalagan
Director
DIN : 08802927

C.Chinnaiyan
Director
DN : 07581332

G.Jayakumar
Director
DN : 08968507

V.Kanakaraj
Director & CEO
DN : 08205976

R.Padmanabhan
General Manager

B.Chakrapani
DGM & CFO

Neha Sancheti
Company Secretary

As per our report of even date attached.

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 : 21218791AAAACR2327
Partner

CA.G.Adhisivan
Membership No. 029647
UDIN : 21029647AAAAM9932
Partner

CA.G.Giridharan
Membership No.209405
UDIN : 21209405AAAAEU5534
Partner

Place : Kumbakonam
Date : 08.10.2021

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31.03.2021

A. EQUITY SHARE CAPITAL

Equity shares of Rs.10/- each issued, subscribed and fully paid

(` in lakhs)

PARTICULARS	Balance at the beginning of the reporting period
As at April 1, 2018	2,942.58
Shares issued during the year	11.66
As at March 31, 2019	2,954.24
Shares issued during the year	16.11
As at March 31, 2020	2,970.35
Shares issued during the year	13.92
As at March 31, 2021	2,984.27

B. OTHER EQUITY
Reserves and Surplus
Other Comprehensive Income

Particulars	Share Application Money Pending Allotment	General Reserves	Retained earnings	#Revaluation Surplus	Other items of Other Comprehensive Income (specify nature)	Total
Balance as at April 01, 2019	1.64	20,392.13	150.80	-	-	20,544.57
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Profit for the year after Income Tax	-	-	4,020.19	-	-	4,020.19
Remeasurement of Defined benefit plans	-	-	-	-	(37.51)	-
On Account of Fair valuation of Deposits	-	-	-	-	-	-
On Account of IND AS 116	-	-	-	-	-	-
Dividends	-	-	-	-	-	(651.90)
Tax on Dividends	-	-	-	-	-	-
Transfer to/from retained earnings	-	3,519.09	(3,519.09)	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(37.51)	(37.51)
Income tax on OCI	-	-	-	-	-	-
Shares Allotted during the year	(0.63)	-	-	-	-	(0.63)
Balance at the March 31st, 2020	1.01	23,911.22	-	-	(37.51)	23,874.72
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Profit for the year after Income Tax	-	-	6,173.75	-	-	6,173.75
Revaluation of Land and Building	-	-	-	5,771.35	-	-
Remeasurement of Defined benefit plans	-	-	-	-	(257.94)	-
On Account of IND AS 116	-	-	-	-	-	-
Dividends	-	-	(654.89)	-	-	(654.89)
Transfer to/from retained earnings	-	5,518.85	(5,518.85)	-	-	-
Total Comprehensive Income for the year	-	-	-	5,771.35	(295.45)	5,513.41
Income tax on OCI	-	-	-	195.27	(66.10)	129.17
Share Application money received during the year pending allotment	0.44	-	-	-	-	0.44
Balance at the March 31st, 2021	1.45	29,430.07	-	5,966.62	(361.55)	35,036.58

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

(₹ in lakhs)

PARTICULARS	31.03.2021	31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	7,515.63	6,173.78
<i>Adjustments for:</i>		
Depreciation and amortization expenses		
Depreciation on Intangible	5.26	4.12
Depreciation on Property plant equipment	197.25	156.51
Provision for Tax	(2,204.67)	(1,533.98)
Re-measurement of defined benefit plan	(257.94)	(37.51)
Fair Valuation changes	329.36	(28.46)
	(1,930.75)	(1,439.32)
Operating profit before working capital changes	5,584.88	4,734.46
Changes in working capital:		
Increase/(Decrease) in Loans	(40,821.06)	(23,453.71)
Increase/(Decrease) in Other Financial Assets	(5,086.67)	9,235.13
Increase/(Decrease) in Current tax Assets	1,355.67	(38.03)
Increase/(Decrease) in Other Non-Financial Assets	74.36	1,155.99
	(44,477.71)	(13,100.61)
Increase/(Decrease) in Deposits	38,128.36	14,957.70
Increase/(Decrease) in Other Financial Liabilities	(14.20)	(208.99)
Increase/(Decrease) in Provisions	(1,241.26)	75.13
Increase/(Decrease) in Other Non-Financial Liabilities	64.19	(44.66)
	36,937.09	14,779.17
	(7,540.61)	1,678.56
Net cash flows from/ (used in) operating activities	(1,955.74)	6,413.02
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure on Fixed Assets	(168.53)	(150.45)
Disposals	2.80	9.90
Net cash flows from/ (used in) investing activities	(165.73)	(140.55)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Money received during the year for fresh issue of shares	13.92	16.11
Share application money pending allotment	0.44	(0.63)

Dividend Paid	-	(651.90)	
CASH GENERATED\ (USED) FROM FINANCING ACTIVITIES		14.36	(636.42)
Net increase/ (decrease) in cash and cash equivalents		(2,107.11)	5,636.05
Cash and cash equivalents at the beginning of the year		32,394.76	26,758.71
		30,287.65	32,394.76
Cash and Cash Equivalents		22,014.60	9,909.65
Balance with Banks		8,273.05	22,485.11
Cash and cash equivalents at the end of the year		30,287.65	32,394.75

For and on behalf of Kumbakonam Mutual Benefit Fund Nidhi Limited

Rama.Ramanathan
Chairman
DIN : 05240708

R.S.Selvaraj
Director
DIN : 07910673

R.K.Bharathimohan
Director
DN : 08805859

A.V.K.Ashokkumar
Director
DN : 08802925

K.Arivalagan
Director
DIN : 08802927

C.Chinnaiyan
Director
DN : 07581332

G.Jayakumar
Director
DN : 08968507

V.Kanakaraj
Director & CEO
DN : 08205976

R.Padmanabhan
General Manager

B.Chakrapani
DGM & CFO

Neha Sancheti
Company Secretary

As per our report of even date attached.

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 : 21218791AAAACR2327
Partner

CA.G.Adhisivan
Membership No. 029647
UDIN : 21029647AAAAM9932
Partner

CA.G.Giridharan
Membership No.209405
UDIN : 21209405AAAEEU5534
Partner

Place : Kumbakonam
Date : 08.10.2021

Note 6 Cash and Cash Equivalents

(₹ in lakhs)

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
(a)	Cash on Hand	1,412.63	1,237.60	597.48
(b)	Balances with banks (of the nature of cash and cash equivalents)			
	In Current Accounts	545.97	197.52	398.29
	In Fixed Deposits (maturing within a period of three months)	20,056.00	8,474.53	1,729.47
(c)	Cheques, drafts on hand; and	-	-	-
(d)	Others (specify nature).	-	-	-
	Total	22,014.60	9,909.65	2,725.24

Short-term bank deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 7 Bank Balance other than Cash and Cash Equivalents

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
(a)	Fixed deposits with bank (maturing after period of three months but less than 12 months)	8,015.20	22,230.48	23,779.36
(b)	Balance in escrow accounts	-	-	-
	- For Share Application Money	1.45	1.01	1.64
	- Unpaid Dividend (Unclaimed) Dividend Account	256.40	253.62	252.47
	Total	8,273.05	22,485.11	24,033.47

Note 8 Loans
Carried at Amortized Cost

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
		Amortised cost	Amortised cost	Amortised cost
	Loans			
(A)				
(i)	Jewel Loans	2,58,505.45	2,17,016.21	1,93,838.45
(ii)	Simple Loan	155.88	156.41	223.74
(iii)	Other Pledge Loan	2,804.02	2,878.41	2,366.36
(iv)	Decreed Loans	2.55	2.55	2.55
(v)	Loan to employees	257.58	419.25	524.77
(vi)	Mortgage Loan Suit filed	103.80	103.80	103.80
	Total (A) - Gross	2,61,829.28	2,20,576.63	1,97,059.67
	Less: Impairment loss allowance	938.62	507.03	443.78
	Total (A) - Net	2,60,890.66	2,20,069.60	1,96,615.89

(₹ in lakhs)

(B)				
(i)	Secured by tangible assets			
	- Gold Loan	2,58,508.01	2,17,018.76	1,93,841.01
	- Covered by Deposits and Mortgage	2,907.82	2,982.22	2,470.16
(ii)	Unsecured			
	(a) Staff Loan	413.45	575.65	748.50
	(b) Other Loans	-	-	-
	Total (B) - Gross	2,61,829.28	2,20,576.63	1,97,059.67
	Less: Impairment loss allowance	938.62	507.03	443.78
	Total (B) - Net	2,60,890.66	2,20,069.60	1,96,615.89
(C)				
(I)	Loans in India			
(i)	Public Sector	-	-	-
(ii)	Others - retail	2,61,829.28	2,20,576.63	1,97,059.67
	Total (C) - Gross	2,61,829.28	2,20,576.63	1,97,059.67
	Less: Impairment loss allowance	938.62	507.03	443.78
	Total (C)(I) - Net	2,60,890.66	2,20,069.60	1,96,615.89
(II)	Loans outside India			
	Less: Impairment loss allowance	-	-	-
	Total (C)(II) - Net	-	-	-
	Total (C) - Net	2,60,890.66	2,20,069.60	1,96,615.89

Note 9 Other Financial Assets

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
(a)	Interest accrued on loan portfolio (Secured, considered good)	12,560.30	10,821.35	10,052.45
(b)	Interest accrued on fixed deposits and investment	175.47	301.66	323.01
(c)	Bank deposits with original maturity exceeding 12 months	3,414.50	-	10,094.34
(d)	Security deposits	9.50	8.65	8.06
(e)	Rental Advance	234.12	207.06	196.14
(f)	Prepaid Staff Welfare	331.48	299.98	199.83
	Total	16,725.37	11,638.70	20,873.83

Note 10 Current Tax Assets (Net)

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
	Advance tax and tax deducted at source (net of provisions)	235.89	1,591.56	1,553.53
	Total	235.89	1,591.56	1,553.53

Note 11 Investment Property (₹ in lakhs)

PARTICULARS	Amount
Cost	
At 1 April 2019	93.90
Additions	-
Disposals	-
At 31 March 2020	93.90
Additions	-
Revaluation Gain	157.10
Disposals	-
At 31 March 2021	251.00
Depreciation and impairment	
At 1 April 2019	40.09
Additions	-
Depreciation Charge for the period	2.65
At 31 March 2020	42.74
Additions	-
Depreciation Charge for the period	12.22
Disposals	(42.74)
At 31 March 2021	12.22
Net Book Value:	
At 1 April 2019	53.81
At 31 March 2020	51.15
At 31 March 2021	238.78

Note 12 Property, Plant and Equipment

Particulars	Land - Freehold	Buildings	Furniture and Fixtures	Computers	Plant and Equipment	Vehicles	Total
Cost:							
At 1 April, 2019	460.65	311.09	1272.01	718.59	295.93	38.32	3096.59
Additions	-	-	66.86	53.15	12.50	15.09	147.60
Disposals	-	-	4.04	19.40	11.60	9.72	44.79
At 31 March, 2020	460.65	311.09	1334.81	752.34	296.83	43.69	3199.40
Additions	-	-	43.13	116.96	8.44	-	168.53
Disposals	-	-	2.32	21.32	6.78	-	30.41
Revaluation Gain	5,009.35	373.91	-	-	-	-	5383.26
At 31 March, 2021	5470.00	685.00	1375.62	847.98	298.49	43.69	8720.78
Accumulated Depreciation:							
At 1 April, 2019	-	181.89	857.05	578.22	218.86	29.62	1865.65
Depreciation charge for the year	-	6.35	41.34	85.10	15.14	5.94	153.86
Disposals	-	-	3.85	18.43	10.00	8.47	40.76
At 31 March, 2020	-	188.24	894.54	644.88	224.00	27.09	1978.74
Depreciation charge for the year	-	33.36	46.90	87.91	12.57	4.29	185.03
Disposals	-	(188.24)	2.21	20.24	5.63	-	(160.17)
At 31 March, 2021	-	33.36	939.23	712.55	230.94	31.38	1947.46
Carrying Amount							
At 1 April, 2019	460.65	129.20	414.96	140.37	77.07	8.70	1,230.94
At 31 March, 2020	460.65	122.85	440.28	107.45	72.83	16.60	1,220.66
At 31 March, 2021	5,470.00	651.64	436.39	135.42	67.55	12.30	6,773.32

Note on Revaluation of Property:

- (a) Effective Date of Revaluation: 31st March 2021
- (b) An External valuer was appointed for the revaluation exercise of Land and Buildings. The values mentioned in the Financial Statements have been adopted from the report of the Registered Valuer.
- (c) Value of Land and Buildings had the assets been valued as per the **Cost Model**:
- (i) Freehold Land - Rs.460.65
- (ii) Buildings - Rs.116.82

Note 13 Right of Use - Assets

(₹ in lakhs)

Particulars	ROU Buildings	Total
GROSS BLOCK AT COST		
As at 31.03.2019		
Reclassified on account of adoption of IND AS 116	2,182.05	2,182.05
Additions	45.04	45.04
Deductions	-	-
As at 31.03.2020	2,227.09	2,227.09
Additions	39.82	39.82
Deductions	-	-
As at 31.03.2021	2,266.91	2,266.91
Depreciation		
As at 31.03.2019		
Reclassified on account of adoption of IND AS 116		
Additions	332.26	332.26
Deductions	-	-
As at 31.03.2020	332.26	332.26
Additions	337.75	337.75
Deductions	-	-
As at 31.03.2021	670.02	670.02
Carrying Value as at 01.04.2019	2,182.05	2,182.05
Carrying Value as at 31.03.2020	1,894.83	1,894.83
Carrying Value as at 31.03.2021	1,596.89	1,596.89

Note 14 Intangible Assets

Particulars	Computer Software
Gross block-at cost	
Deemed cost as at 1 April , 2019	28.90
Additions	2.86
Disposals	-
As at March 31,2020	31.76
Additions	-
Disposals	-
As at March 31,2021	31.76
Accumulated amortisation	
As at 1 April, 2019	19.74
Charge for the year	4.12
Disposals	-
As at March 31, 2020	23.86
Charge for the year	5.26
Disposals	-
As at March 31, 2021	29.12
Carrying Amounts	
At 1 April, 2019	9.16
At 31 March, 2020	7.89
At 31 March, 2021	2.64

Note 15 Other Non Financial Assets

(in lakhs)

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
(a)	Group Gratuity Prepaid	10.00	10.00	10.00
(b)	Group Insurance EDLI Prepaid	28.65	29.33	27.50
(c)	Other receivables	92.17	127.06	76.80
(d)	Prepaid Expenses	68.44	75.76	75.62
(e)	Income Tax paid under protest	425.90	425.90	425.90
(f)	Sundry Receivables	1.01	30.67	0.84
(g)	Stock of Books and Forms	19.20	30.68	30.51
(h)	Other Advances	32.65	11.93	13.42
(i)	IND AS Prepaid Asset	407.42	418.48	1,655.21
	Total	1085.44	1159.81	2315.80

Note 16 Deposits

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
	At Amortised Cost			
(a)	Public Deposits	2,73,774.31	2,35,439.24	2,20,666.36
(b)	Working Capital Demand Loans	-	206.71	21.90
	Total	2,73,774.31	2,35,645.95	2,20,688.25

Note 17 Other Financial Liabilities

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
(a)	Interest accrued on borrowings			
(b)	Unclaimed dividend	256.39	253.62	252.47
(c)	Unclaimed matured deposits and interest accrued thereon	264.43	222.58	302.94
(d)	Auction surplus	200.53	54.75	23.51
(e)	Lease Liability	1,816.43	2,021.03	2,182.05
	Total	2,537.78	2,551.98	2,760.97

Note 18 Provisions

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
(a)	Provision against mortgage loans	103.80	103.80	103.80
(b)	Provision against Fluctuation of Jewel Loan	-	-	364.54
(c)	Statutory Dues Payable	238.20	100.34	158.91
(d)	Provision for Employee benefits	2,486.29	1,877.99	1,692.14
(e)	Provision for Current year Tax	-	1,843.79	1,751.66
(f)	Litigation	244.86	330.57	110.31
(g)	Proposed dividend	589.40	651.90	648.88
(h)	Other Provisions	10.41	5.84	8.86
	Total	3,672.96	4,914.23	4,839.10

Movement of provisions other than employee benefits during the year: (in lakhs)

PARTICULARS	Litigation	Other Assets	Total
At 1 April,2019	110.31	468.34	578.65
Provided /(reversed) during the year	220.26	(364.54)	(144.28)
At 31 March,2020	330.57	103.80	434.37
Provided /(reversed) during the year	(85.71)	-	(85.71)
At 31 March,2021	244.86	103.80	348.66

***Litigation** : Litigation provisions arise out of current or potential claims or pursuits alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may arise in claims from customers, counterparties or other parties in civil litigations.

Note 19 Other Non-Financial Liabilities

	PARTICULARS	31-03-2021	31-03-2020	01-04-2019
(a)	Other Liabilities	228.38	118.49	165.45
(b)	IND AS Outstanding Liability	202.40	248.09	245.80
	Total	430.78	366.58	411.25

Note 20 Equity Share Capital

PARTICULARS	31-03-2021	31-03-2020	01-04-2019
Authorised			
4,00,00,000 Equity Shares of Rs.10 each (4,00,00,000)	4,000.00	4,000.00	4,000.00
	4,000.00	4,000.00	4,000.00
Issued			
2,98,42,715 Equity Shares of Rs.10 each fully paid up (2,97,03,536)	2,984.27	2,970.35	2,954.24
Issued, Subscribed and Fully paid-up			
2,98,42,715 Equity Shares of Rs.10 each fully paid up (2,97,03,536)	2,984.27	2,970.35	2,954.24
Total	2,984.27	2,970.35	2,954.24

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

PARTICULARS	No. in Lakhs	Rs. in Lakhs
As at 1 April, 2018	294.26	2,942.58
Issued during the year	1.17	11.66
As at 1 April, 2019	295.43	2,954.24
Issued during the year	1.61	16.11
As at 1 April,2020	297.04	2,970.35
Issued during the year	1.39	13.92
As at 31st March 2021	298.43	2,984.27

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March, 2021, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 2.20 per share (31 March, 2020: Rs. 2.20 per share, 1 April, 2019: Rs. 2.20 per share)

Revenue from Operations
Note 21 Interest income

(₹ in lakhs)

	PARTICULARS	31-03-2021	31-03-2020
	<u>On financial assets measured at amortised cost:</u>		
(a)	Interest on gold loans	32,443.16	28,734.41
(b)	Interest on deposits with banks	2,304.56	2,922.54
	Total	34,747.72	31,656.95

Note 22 Fees and commission income

	PARTICULARS	31-03-2021	31-03-2020
(a)	Documentation fees	15.06	23.00
(b)	Service Charges	19.47	14.90
	Total	34.53	37.90

Note 23 Net gain on Amortized Cost

	PARTICULARS	31-03-2021	31-03-2020
	Net gain on financial instruments at fair value through Amortized cost - On Financial Instruments designated at Amortized Cost	572.58	1,626.23
	Total net gain on fair value changes (A)	572.58	1,626.23
	Fair value changes:		
	- Unrealized	-	-
	Total net gain on fair value changes (B)	572.58	1,626.23

Note 24 Other Income

	PARTICULARS	31-03-2021	31-03-2020
(a)	Net gain/ (loss) on derecognition of property, plant and equipment	0.48	5.21
(b)	Provisions no longer required written back	85.71	-
(c)	Other income	5.16	211.77
	Total	91.35	216.98

Note 25 Finance Costs

	PARTICULARS	31-03-2021	31-03-2020
	<u>On financial liabilities measured at amortised cost:</u>		
(a)	Interest on deposits	18,111.78	17,644.72
(b)	Interest on borrowings	146.49	226.25
(c)	Finance Costs on Lease Liability	135.38	148.33
(d)	Other interest expense	7.37	3.95
	Total	18,401.02	18,023.25

Note 26 Net loss on fair value changes

(₹ in lakhs)

PARTICULARS	31-03-2021	31-03-2020
Net loss on financial instruments at fair value through profit or loss on trading portfolio		
- On trading portfolio	-	-
- On Financial Instruments designated at Amortized Cost	571.39	1,616.41
Total net loss on fair value changes (A)	571.39	1,616.41
Fair value changes:		
- Unrealized	-	-
Total net loss on fair value changes (B)	571.39	1,616.41

Note 27 Impairment of Financial Instruments

	PARTICULARS	31-03-2021	31-03-2020
	On financial liabilities measured at amortised cost:		
(a)	Loans	431.59	63.25
	Total	431.59	63.25

Note 28 Employee Benefit Expenses

	PARTICULARS	31-03-2021	31-03-2020
(a)	Salaries and wages	6,310.57	5,799.94
(b)	Contribution to provident and other funds	670.53	476.30
(c)	Staff welfare expenses	83.76	78.16
	Total	7,064.86	6,354.40

Defined benefit plan exposes the Group to a number of risks, the most significant of which are detailed below:

a) Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

b) Interest risk : A decrease in bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

c) Salary cost Inflation risk : The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. Increase in salary due to adverse Inflationary pressures might lead to higher liabilities.

d) Longevity risk : The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants. Increase or decrease in such rate will affect the plan liability.

Note 29 Depreciation and Amortization

	PARTICULARS	31-03-2021	31-03-2020
(a)	Depreciation of tangible assets	185.03	153.86
(b)	Depreciation of Investment property	12.22	2.65
(c)	Amortisation of intangible assets	5.26	4.12
(d)	Depreciation on Right-of-Use Assets	337.75	332.26
	Total	540.26	492.89

Note 30 Other expenses

(₹ in lakhs)

	PARTICULARS	31-03-2021	31-03-2020
(a)	Rent	-	5.26
(b)	Energy Costs	84.56	103.96
(c)	Repairs and maintenance		
	- Vehicles	0.36	0.62
	- Others	66.05	90.68
(d)	Rates and Taxes	22.83	22.35
(e)	Printing and stationery	89.05	80.31
(f)	Advertising and publicity	6.63	17.58
(g)	Director's fees, allowances and expenses	102.06	78.32
(h)	Auditor's fees and expenses - Refer Note (i)	33.22	24.51
(i)	Communication costs	153.10	125.86
(j)	Legal and Professional Charges	11.68	7.86
(k)	Insurance	109.76	105.64
(l)	Other expenditure	243.82	153.41
	Total	923.12	816.36

Note (i)

	Payment to auditors as	31-03-2021	31-03-2020
	Auditors	32.72	23.33
	For taxation matters	0.50	1.18
	For company law matters	-	-
	For other services	-	-
	For reimbursement of expenses	-	-
	Total	33.22	24.51

Note (ii) Details of CSR expenditure present as a part of Note 30(i) present above :

	Details of CSR expenditure	31-03-2021	31-03-2020
a)	Gross Amount required to be spent by the Company during the year	115.41	97.89
b)	Amount spent during the year ended on 31 March, 2021		
	i) Construction/acquisition of any asset		
	- In Cash	-	-
	- Yet to be paid Cash	-	-
	ii) On purpose other than (i) above -		
	- In Cash	14.36	30.22
	- Yet to be paid Cash	101.45	-
	Total	115.81	30.22

Note 31 Income Tax

(₹ in lakhs)

PARTICULARS	31-03-2021	31-03-2020
Current tax	1,861.29	1,843.79
Adjustment in respect of current income tax of prior years	(343.39)	-
Deferred tax relating to origination and reversal of temporary differences	(176.02)	309.80
Income tax expense reported in statement of profit and loss	1,341.88	2,153.59
Income tax recognised in other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the period:		
- Fair value changes on equity instruments through other comprehensive income		
- Remeasurement of defined benefit plans	129.17	-
Income tax charged to OCI	-	-
Current tax	-	-
Deferred tax	129.17	-
Profit before tax as per IND AS	7,515.63	6,173.78
Add: Ind AS Adjustments on profit before tax	(250.99)	189.59
Profit before tax for computation	7,264.64	6,363.36
Allowances / disallowances (Net)	165.80	(105.78)
Adjusted profit before tax for income tax	7,430.44	6,257.58
Current tax as per Books (Effective rate of 25.63%, 2021: 25.63%)	1,861.29	1,843.79
Adjustment of earlier year taxes	(343.39)	-
Total tax as given in Books	1,517.90	1,843.79

	PARTICULARS	Deferred Tax Assets 31-Mar-21	Deferred Tax Liabilities 31-Mar-21	Reserve and Surplus 2020-21	OCI 2020-21
(a)	Timing difference:Property, plant and equipment	15.37	-	7.18	-
(b)	Impairment allowance for financial assets	240.52	-	110.60	-
(c)	Remeasurement gain / (loss) on defined benefit plan	-	66.10	-	(66.10)
(d)	Debt instrument measured at amortised cost	-	52.25	11.68	-
(e)	Financial assets measured at amortised cost	210.96	-	22.64	-
(f)	Revaluation gain on property,plant and equipment	195.27	-	-	195.27
(g)	Right of Use Assets	56.26	-	23.92	-
	Total	718.38	118.35	176.02	129.17

(₹ in lakhs)

	PARTICULARS	Deferred Tax Assets 31-Mar-20	Deferred Tax Liabilities 31-Mar-20	Reserve and Surplus 2019-20	OCI 2019-20
(a)	Property, plant and equipment	8.20	-	(1.88)	-
(b)	Impairment allowance for financial assets	129.92	-	0.70	-
(c)	Derivative instruments in Cash flow hedge relationship	-	-	-	-
(d)	Debt instrument measured at amortised cost	-	63.93	7.65	-
(e)	Financial assets measured at amortised cost	188.32	-	(348.60)	-
(f)	Right of Use Assets (Net of Lease liabilities)	32.34	-	32.34	-
	Total	358.78	63.93	(309.81)	-

	PARTICULARS	Deferred Tax Assets 31-Mar-19	Deferred Tax Liabilities 31-Mar-19	Reserve and Surplus 2018-19	OCI 2018-19
(a)	Property, plant and equipment	10.08	-	-	-
(b)	Impairment allowance for financial assets	129.23	-	129.23	-
(c)	Debt instrument measured at amortised cost	-	71.58	(71.58)	-
(d)	Financial assets measured at amortised cost	536.94	-	536.94	-
	Total	676.23	71.58	594.58	-

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**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.

2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**2.1 Statement of Compliance**

The financial statements have been prepared as a going concern for the first time in accordance with the Indian Accounting Standard ('Ind AS'), notified under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendments Rules, 2016 issued by the Ministry of Corporate Affairs (MCA). The financial statements of the previous year ended March 31, 2020 which was previously prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with para 7 of the Companies (Accounts) rules 2014 (herein referred to as Previous GAAP) have been now restated as per Ind AS to provide comparability. The date of transition to Ind AS being April 1, 2019, the financial statements for the year ended March 31, 2019 prepared under Previous GAAP has now been restated as per Ind AS as on April 1, 2019. Reconciliations and explanations of the effect of the transition from the Previous GAAP to Ind AS on the Company's Balance Sheet & Statement of Profit and Loss are provided in Note 41.

In addition, the guidance notes and announcements issued by the Institute of Chartered Accountants of India are also applied, except where the compliance with other statutory provisions requires different treatment.

2.2 Accounting Convention

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 3 - Significant accounting judgements, estimates and assumptions.

2.3 Basis of Measurement

The Financial Statements have been prepared under the historical cost convention except for certain financial instruments and fixed assets that are measured at fair values at the end of each reporting period.

2.4 Presentation of Financial Statement

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to Non-Banking Financial Companies (NBFCs), as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i) The normal course of business
- ii) The event of default

iii) The event of insolvency or bankruptcy of the Company and/or its counterparties.

2.5 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest Lakh, except when otherwise indicated.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 REVENUE FROM OPERATIONS

3.1.1 Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL. The EIR in case of a financial asset is computed:

- a) As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset;
- b) By considering all the contractual terms of the financial instrument in estimating the cash flows; and
- c) Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

3.1.2 Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1 : Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 : Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 : Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 : Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue is recognised upon transfer of control of promised services to customer in an amount that reflects the consideration we expect to receive as per the agreement with the customer. The Company has applied revenue recognition criteria for each distinct performance obligation in relation to service income. The transaction price is allocated to each performance obligation based on the standalone selling price.

3.1.3 Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/ loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain/ loss on fair value changes. As at the reporting date, the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI. However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

3.1.4 Other Income

Other Income includes rental income generated by the Company from Investment Property. Leases for which the company is a lessor is classified as finance lease or operating lease based on the terms and conditions of the lease agreement. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Assets leased out on Operating Lease are recognised as an Investment Property in the Balance Sheet. Lease income from operating lease is recognised as income on straight line basis over the lease term.

3.1.5 Disaggregate Revenue Information

Since the requirement of application of Ind AS 115 on Company's revenue is insignificant, the Company believes that disaggregation of data about the nature, amount, timing of our revenues is not required.

3.2 EXPENSES

3.2.1 Finance Costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. The EIR in case of a financial liability is computed:

- a) as the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability,
- b) by considering all the contractual terms of the financial instrument in estimating the cash flows,
- c) including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

3.2.2 Retirement and other employee benefits

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-ratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits
a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid, if the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit Schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to LIC without routing it through Trust bank account. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are classified to profit and loss in subsequent periods.

c) Other Long Term Employee Benefits

Company's liabilities towards compensated absences to employees are accrued based on the past history of the Company after taking into account the effects of changes in assumptions and are recognised immediately in the Statement of Profit and Loss. The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

3.2.3 Rent Expense

Identification of Lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payment

Rent Expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Leases that do not transfer substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

3.2.4 Other income and expenses

All Other income and expense are recognized in the period they occur.

3.2.5 Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects the current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

3.2.6 Taxes

a) Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

c) Minimum Alternate Tax (MAT)

As the Company has adopted reduced rates of Income tax under section 115BAA of the Income Tax Act, 1961, Minimum alternate tax (MAT) provisions are not applicable to it. Further, in accordance with the provisions of the Act, the Company is also not eligible to claim MAT Credit, if any, available. Accordingly, the Company does not have any outstanding MAT Credit in its books of accounts.

- d) Goods and Services Tax Goods and services tax paid on acquisition of assets or on incurring expenses. Expenses and assets are recognised net of the goods and services tax paid, except:
- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
 - ii. When receivables and payables are stated with the amount of tax included the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.3 FINANCIAL INSTRUMENTS

3.3.1 Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

- 1) Financial assets to be measured at amortised cost
- 2) Financial assets to be measured at fair value through other comprehensive income
- 3) Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets cash flows and the Company's business model for managing financial assets. The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- Reports reviewed by the entity's key management personnel on the performance of the financial assets
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Company also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding. **'Principal' is defined as the fair value of the financial asset at initial recognition and may change over the life of** the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

3.3.2 Financial assets measured at amortised cost

These Financial assets comprise Bank balances, Loans, Investments and Other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

3.3.3 Financial assets measured at fair value through other comprehensive income

The Company does not have any financial instruments required to be measured through other comprehensive income in accordance with Ind AS 109.

3.3.4 Items at fair value through profit or loss

Items at fair value through profit or loss comprise :

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial Instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship. The Company does not have any such instruments in the current year.

3.3.5 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

3.3.6 Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. All financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

3.3.7 Impairment of financial assets - Expected Credit Loss (ECL)

The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments (not fair valued through P&L) are classified under three stages.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL – credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement.

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Company uses three main components to measure ECL. These are, Exposure at Risk (EAR), Probability of Default (PD) and Loss Given Default (LGD). Exposure at Risk (EAR) is defined as the sum of Principal outstanding and interest accrued at the reporting date. PD is defined as the probability of borrowers defaulting on their obligations. LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the cash shortfalls over the expected life of the financial asset. The Company believes that the cash inflows (whether through recovery or through auction) will be received within the next 12 months and accordingly discounting is not applicable. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company has grouped its various financial assets into pools containing loans bearing homogeneous risks characteristics. The probability of default for the pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Company computes the Loss Given Default based on the recovery rates.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

ECL on Debt instruments measured at fair value through OCI The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral obtained by the Company primarily constitutes Gold. The Company also extends loans against deposits placed with itself. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of the gold pledged and disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

Apart from the above, the Company issues loans against fixed and recurring deposits placed with it by customers. Loans issued against the said collateral have not been considered for impairment as the loss given default is almost negligible.

Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. External valuers are involved for valuation of significant assets, such as Property, Plant and Equipment.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition:

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

3.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.5 PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, Plant and Equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible assets are added to its gross value only if it increases the future benefits of the existing assets, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation is calculated using the Written Down Value (WDV) method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful lives are, as follows:

Particulars	Useful Life estimated by the company
Computer	
- End user equipment	3 years
- Server	6 years
Furniture and Fixtures	
- Safe and Strong rooms*	60 years
- Others	10 years
Buildings	60 years
Vehicles	10 years
Plant & Equipment	15 years

- * The Company has estimated useful life which is different for Schedule II useful life's based on technical advise obtained by the Management

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.6 INTANGIBLE ASSETS

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year, if any, is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the written down value method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised over a period of 3 years, akin to computers, as they cannot be used separately.

The Company's intangible assets consist of computer software with definite life. Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

During the year, the Company has transitioned to a new software (.Net). As the backup for the previous years are maintained in the old software (FoxPro), the Management has decided not to impair the old software and continue to carry it in books.

3.7 PROVISIONS

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.8 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 beyond the control of the Company or a present obligation that is not recorded because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.9 EARNINGS PER SHARE

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings Per Share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.10 SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, and for which discrete financial information is available. The Company has only one operating segment - Gold Loans. Accordingly, the Company has not presented segment reporting required under Ind AS 108. However, the Company has presented entity-wide disclosures as required under Ind AS 108.

3.11 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are altered. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes :

4.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

4.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 3.3.7 Overview of ECL principles.

4.5 Contingent liabilities and provisions other than impairment on loan portfolio

The Company operates on a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4.6 Effective Interest Rate (EIR) Method

The Company's EIR methodology recognized interest income/ expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/ expense that are integral parts of the instrument.

4.7 Other Estimates

These include contingent liabilities, useful lives of tangible and intangible assets, etc.

4.8 COVID-19 Impact

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The Company's financial statements, includes the potential impact of the COVID-19 pandemic which are dependent on future developments, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Group and its subsequent impact on the recoverability of the Group's assets.

Further, the company has, based on current available information and based on the policy approved by the board, determined the prudential estimate of provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered all available internal and external information up to the date of approval of these financial statements. Accordingly, the Company has made prudential estimate of provision for expected credit loss on financial assets as at March 31, 2021. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

The extent to which the COVID-19 pandemic will further impact the Company's financial statements will depend on developments, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Accordingly, the impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

5 NATURE AND PURPOSE OF RESERVE

5.1 General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

5.2 Retained Earnings

Retained Earnings represent reserves and surplus of generic nature like debit or credit balance of profit and loss account, general reserves, etc.

5.3 Revaluation Surplus

A revaluation surplus is an equity account in which is stored any upward changes in the value of Property, Plant and Equipment.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

5.4 Other items of Other Comprehensive Income

Other items of other comprehensive income consist of remeasurement of net defined benefit liability / asset including the corresponding tax effect thereon.

NOTE 32: EARNINGS PER SHARE

PARTICULARS	31-03-2021	31-03-2020
Net profit for calculation of basic earnings per share (Rs. In Lakhs)	6,173.75	4,020.19
Weighted average number of equity shares in calculating basic earning per share (Nos.)	2,98,42,715	2,97,03,536
Effect of dilution:	82,368	82,312
Weighted average number of equity shares in calculating diluted earning per share (Nos.)	2,97,60,347	2,96,21,224
Basic Earnings per share (INR)	20.69	13.53
Diluted earnings per share (INR)	20.74	13.57

NOTE 33 : RETIREMENT BENEFIT PLAN
Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized INR 184.19 Lakhs (31 March, 2020: INR 185.58 Lakhs) for Provident Fund contributions and INR 9.52 Lakhs (31 March, 2020: INR 7.46 Lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. 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 using the Projected Unit Credit Method as at the Balance Sheet date determined every year by an independent actuary.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan:

(Rupees)

Components of employer expense	31-03-2021	31-03-2020
Current Service Cost	1,36,11,217	1,27,99,746
Past Service Cost	-	-
Net interest on net defined benefit liability/ (asset)	20,85,908	1,07,396
Total employer expense	1,56,97,125	1,29,07,142

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31-03-2021	31-03-2020
Actuarial (Loss)/ Gain from changes in financial assumptions	72,70,243	(1,37,94,817)
Actuarial (Loss)/ Gain from experience over the past year	2,23,99,921	1,60,84,348
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	(1,25,225)	14,61,310
Balance at end of year (Loss)/ Gain	2,95,44,939	37,50,841

Changes in the present value of the defined benefit obligation are as follows :

(Rupees)

Particulars	31-03-2021	31-03-2020
Opening defined benefit obligation	32,39,30,635	30,48,22,981
Transfer in/ out	-	-
Interest cost	2,21,56,855	2,27,70,277
Current service cost	1,27,99,746	1,23,46,590
Benefits paid	(2,93,66,171)	(1,82,98,744)
Past service cost	-	-
Actuarial loss/ (gain) from changes in financial assumptions	72,70,243	(1,37,94,817)
Actuarial loss/ (gain) from experience over the past year	2,23,99,921	1,60,84,348
Closing defined benefit obligation	35,91,91,229	32,39,30,635

Changes in the fair value of plan assets are as follows :

Particulars	31-03-2021	31-03-2020
Opening fair value of plan assets	32,23,60,512	29,96,43,276
Transfer in/ out	-	-
Expected Return	2,21,74,684	2,09,22,043
Contributions by employer	1,16,32,331	2,00,93,937
Benefits paid	(2,93,66,171)	(1,82,98,744)
Actuarial gains/ (losses)	-	-
Closing fair value of plan assets	32,68,01,356	32,23,60,512
Closing Liability (net) recognized in Balance Sheet	(3,23,89,873)	(15,70,123)
Expected contribution to fund to be made in the next year	2,42,23,412	1,43,69,869

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	31-03-2021	31-03-2020
Discount Rate	6.44%	6.84%
Salary growth rate	7.86%	7.86%
Attrition rate	1.00%	1.00%
Expected rate of return on assets*	6.44%	6.84%

Percentage Break-down of total plan assets

Particulars	31-03-2021	31-03-2020
Investment Funds with Insurance Company		
<i>Of which Unit Linked</i>	32,68,01,356	32,23,60,512
<i>Of which Traditional / Non-Unit Linked</i>	-	-
Cash and cash equivalents	-	-
Total	32,68,01,356	32,23,60,512

Percentage Break-down of total plan assets

(Rupees)

Assumptions	31st March 2021				31st March 2020			
	Discount Rate		Future Salary increase		Discount Rate		Future Salary increase	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	(1,76,13,715)	1,96,32,833	1,91,71,979	(1,75,48,088)	(1,68,44,690)	1,87,24,779	1,83,58,485	(1,68,41,704)

Maturity Analysis of the Benefit Payments

Particulars	31-03-2021	31-03-2020
1st Following Year	5,79,09,310	4,12,77,249
2nd Following Year	2,55,02,221	2,20,57,186
3rd Following Year	3,11,26,344	3,25,55,720
4th Following Year	4,12,03,442	2,92,55,469
5th Following Year	4,22,88,064	3,87,96,589
Sum of Years 6 to 10	19,66,42,107	19,87,76,931
Sum of Years 11 and above	14,66,55,923	14,88,99,887

The weighted average duration of the defined benefit obligation as at 31 March, 2021 is 7 years (2020: 7 years)

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets & the description of the Asset-Liability matching strategies used by the plan has not been disclosed.

NOTE 34: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

(Rs. In Lakhs)

Particulars	31st March 2021			31st March 2020			1st April 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial Assets									
Cash and cash equivalents	22,014.60	-	22,014.60	9,909.65	-	9,909.65	2,725.24	-	2,725.24
Bank balance other than above	8,273.05	-	8,273.05	22,485.11	-	22,485.11	24,033.47	-	24,033.47
Loans	2,60,786.86	103.80	2,60,890.66	2,19,965.80	103.80	2,20,069.60	1,96,512.09	103.80	1,96,615.89
Other Financial Assets	12,735.77	3,989.60	16,725.37	11,123.00	515.69	11,638.69	10,375.46	10,498.37	20,873.83
Non-financial Assets									
Current tax assets (net)	210.13	-	210.13	1,591.56	-	1,591.56	1,553.53	-	1,553.53
Deferred tax assets (net)	-	600.04	600.04	-	294.85	294.85	-	604.66	604.66
Investment Property	-	238.78	238.78	-	51.15	51.15	-	53.81	53.81
Property, plant and equipment	-	6,773.32	6,773.32	-	1,220.66	1,220.66	-	1,230.95	1,230.95
Right of Use Asset	-	1,596.89	1,596.89	-	1,894.83	1,894.83	-	2,182.05	2,182.05
Other intangible assets	-	2.64	2.64	-	7.89	7.89	-	9.16	9.16
Other Non-Financial Assets	252.13	833.31	1,085.44	315.43	844.38	1,159.81	234.70	2,081.10	2,315.80
Total Assets	3,04,272.54	14,138.38	3,18,410.92	2,65,390.55	4,933.25	2,70,323.80	2,35,434.49	16,763.90	2,52,198.39
Liabilities									
Financial Liabilities									
Deposits	2,73,151.60	622.71	2,73,774.31	2,34,598.59	1,047.36	2,35,645.95	2,19,652.67	1,035.58	2,20,688.25
Other Financial Liabilities	-	2,537.78	2,537.78	-	2,551.98	2,551.98	-	2,760.97	2,760.97
Non-financial liabilities									
Provisions	3,569.16	103.80	3,672.96	4,810.43	103.80	4,914.23	4,735.29	103.80	4,839.09
Other non-financial liabilities	228.24	202.40	430.64	118.49	248.09	366.58	165.45	245.80	411.25
Total Liabilities	2,76,949.00	3,466.69	2,80,415.69	2,39,527.51	3,951.23	2,43,478.74	2,24,553.41	4,146.15	2,28,699.56
Net	27,323.54	10,671.69	37,995.23	25,863.04	982.02	26,845.06	10,881.08	12,617.75	23,498.83

NOTE 35 : CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The Company does not have any borrowings and accordingly, there is no change in liabilities arising from financing transactions.

NOTE 36: CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS
(A) 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. The Company has taken legal opinion on the matter and based on such opinion the management is confident of a favourable outcome.

Nature of Dues		Period to which it relates to	Forum in which dispute is pending	Amount
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	Income Tax Act, 1961	Commissioner of Income Tax (Appeals) Trichy.	2006 - 07	334.52
		Commissioner of Income Tax (Appeals) Trichy.	2011 - 12	598.15

(B) Commitments

The Company does not have any outstanding financial commitments to fulfill as of the date of this Financial Statement.

(C) Lease Disclosures - Lease of Branch Premises

- (i) Ind AS 116 "Leases" is applied the standard to all lease contracts The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset measured at the amount of the initial measurement of the lease liability.
- (ii) The following is the summary of practical expedients elected on initial application:
 1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. Discount rate has been taken as the Incremental Borrowing rate of borrowings with similar tenure.
 2. Excluded initial direct costs from the measurement of the right-of-use asset at the date of transition to Ind AS.
- (iii) The Group takes branch premises on lease. Below are the changes made during the year in the carrying value of:

Right of Use Assets :

Particulars	Amount
Initial Recognition on transition date i.e. 1st April 2019	21,82,04,900
Additions	45,04,529
Amortization of ROU assets	(3,33,26,275)
Balance as at 31st March 2020	18,93,83,154
Additions	39,81,708
Deletion	-
Amortization of ROU assets	(3,37,75,369)
Balance as at 31st March 2021	15,95,89,493

Lease Liabilities

Particulars	Amount
Initial Recognition on transition date i.e. 1st April 2019	21,82,04,900
Additions	45,04,529
Payment of lease liabilities	(3,54,39,942)
Finance cost accrued during the period	1,48,33,023
Balance as at 31st March 2020	20,21,02,510
Additions	39,81,708
Payment of lease liabilities	(3,79,79,385)
Finance cost accrued during the period	1,35,37,668
Balance as at 31st March 2021	18,16,42,501

Amounts recognised in Profit and Loss

Particulars	31-03-2021	31-03-2020
Depreciation expense on right-of-use assets	3,37,75,369	3,33,26,275
Interest expense on lease liabilities	1,35,37,668	1,48,33,023

The total cash outflow for leases amount to INR 376.68 Lakhs (31st March 2020 INR 352.01 Lakhs)

Maturity analysis of Lease Liability

Particulars	31-03-2021	31-03-2020
Not later than one year	2,66,91,542	2,05,75,085
Later than one year but not later than four years	6,82,04,749	7,24,93,241
Later than four years	8,67,46,210	10,90,34,183

The entity does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored closely by the Entity's finance team.

NOTE 37: RELATED PARTY DISCLOSURE AND TRANSACTIONS DURING THE YEAR

(Rs. In Lakhs)

Particulars	Nature of related party	31st March 2021				31st March 2020			
		Sitting Fees	Remuneration	Int. Paid	Dividend Paid	Sitting Fees	Remuneration	Int. Paid	Dividend Paid
Sarva Sri									
Rama Ramanathan	KMP	4.04	14.93	2.21	4.50	4.68	21.43	1.50	4.03
Narasimhan .N .D	KMP	2.54	9.77	2.58	0.01	4.68	21.43	Nil	0.01
Meiyappan .L	KMP	4.04	14.93	Nil	0.32	4.68	21.43	Nil	0.30
Ashokkumar .A.V.K	KMP	1.90	7.77	Nil	Nil	Nil	Nil	Nil	Nil
Arivalagan .K	KMP	1.80	7.77	Nil	Nil	Nil	Nil	Nil	Nil
Selvaraj .R.S	KMP	1.90	7.77	Nil	Nil	Nil	Nil	Nil	Nil
Bharathimohan .R.K	KMP	1.90	7.77	Nil	Nil	Nil	Nil	Nil	Nil
Jayakumar .G	KMP	1.40	5.15	Nil	Nil	Nil	Nil	Nil	Nil
Chinnaiyan .C	KMP	1.50	5.15	Nil	Nil	Nil	Nil	Nil	Nil

Particulars	Nature of related party	31st March 2021			31st March 2020		
		Int. Paid	Dividend Paid	Salary Paid	Int. Paid	Dividend Paid	Salary Paid
Sarva Sri							
Kanakaraj .V	KMP	Nil	0.07	9.00	Nil	0.07	15.84
Padmanabhan .R	KMP	Nil	0.00	16.80	0.07	0.06	16.12
Nithya Pasupathy	Company Secretary	Nil	Nil	Nil	Nil	Nil	1.80
Murali .K	Company Secretary	Nil	Nil	2.00	Nil	Nil	Nil

Note :

- a) Related parties have been identified on the basis of the declaration received by the management and other records available.
- b) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Compensation paid to Key Managerial Personnel

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	31-03-2021	31-03-2020
Short-Term Employee Benefits	25.80	31.96
Post retirement benefits	-	-
Total	25.80	31.96

NOTE 38: CAPITAL MANAGEMENT

The Company's capital management strategy is to ensure that it has sufficient capital for business operations, strategic investment, and regulatory requirements and to provide reasonable return to the shareholders. Equity share capital and other equity are considered for Capital management. The Company monitors Net Owned Funds (NOF) Ratio and percentage of unencumbered funds held as stipulated by the Reserve Bank of India for Nidhi Companies. As per the extant rules, the Company is required to maintain a NOF ratio of 1:20 and not be less than ten per cent of the deposits outstanding at the close of business on the last working day of the second preceding month as unencumbered deposits. The Company adheres to the said name as described below:

Particulars	31st March 2021	31st March 2020	01 April 2019
Ratio of Net Owned Funds	1 : 8.424	1 : 8.113	1 : 8.894
Percentage of Unencumbered Deposits maintained	10.50%	10.07%	10.58%

NOTE 39: FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

39.1 Financial Assets / Liabilities that are measured at Fair value through P&L:

The Company does not have any financial instruments measured at Fair Value through Profit & Loss

39.2 Financial Assets / Liabilities that are measured at Fair value through Other Comprehensive Income (FVTOCI):

The Company does not have any financial instruments measured at Fair Value through Other Comprehensive Income (FVTOCI)

39.3 The following table shows the carrying amounts and fair values of financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

Particulars	Level	Carrying Value			Fair Value		
		31st March 2021	31st March 2020	1st April 2019	31st March 2021	31st March 2020	1st April 2019
Financial Assets							
Cash and cash equivalents	Level 1	22,014.60	9,909.65	2,725.24	22,014.60	9,909.65	2,725.24
Bank balance other than above	Level 1	8,273.05	22,485.11	24,033.47	8,273.05	22,485.11	24,033.47
Loans	Level 3	2,60,890.66	2,20,069.60	1,96,615.89	2,60,890.66	2,20,069.60	1,96,615.89
Other Financial assets	Level 3	17,414.79	11,826.58	22,067.98	16,725.37	11,638.69	20,873.83
Total Financial Assets		3,08,593.10	2,64,290.94	2,45,442.58	3,07,903.68	2,64,103.05	2,44,248.43
Financial Liabilities							
Deposits	Level 3	2,73,978.20	2,35,688.72	2,20,912.16	2,73,774.31	2,35,645.95	2,20,688.25
Other Financial Liabilities	Level 3	2,537.78	2,551.98	2,760.97	2,537.78	2,551.98	2,760.97
Total Financial Liabilities		2,76,515.98	2,38,240.70	2,23,673.13	2,76,312.09	2,38,197.93	2,23,449.22

The Management assessed that the fair value of balances in Cash and Cash equivalents, Bank Balance, Loans, Other Financial Liabilities and certain Deposits approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only:

(a) Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents, Loans, Other Financial Liabilities without a specific maturity and certain Deposits which have a maturity term of less than one year. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

(b) Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, credit risk is derived using, historical experience, Management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective Interest Rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

(c) Security Deposit

The Company has given interest free security deposit in the form of rental advance for branches taken on lease. Such deposits have been fair valued under Ind AS using the Modified Approach - II. As a result of the fair valuation, there has been a reduction in the balance of security deposits, the impact of INR 1.89 Lakhs for the year ended 31 March, 2020 and INR 1.35 Lakhs for the year ended 31st March, 2021 has been taken in Profit and Loss.

NOTE 40: RISK MANAGEMENT

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The Board of Directors of the Company are responsible for the overall risk management approach, approving risk management strategies and principles. The Company have a risk management policy which covers all the risk associated with its assets and liabilities.

The Company has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for Risk Management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

40.1 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer fails to meet his contractual obligations and arises principally from the Company's loan receivables. The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

- a) Standardize the process of identifying new risks and designing appropriate controls for these risks
- b) Maintain an appropriate credit administration and loan review system establish metrics for portfolio monitoring
- c) Minimize losses due to defaults or untimely payments by borrowers Design appropriate credit risk mitigation techniques

The Company's exposure is primarily to Retail Customers, thereby making for a well-diversified risk portfolio. The time tested monitoring and recovery mechanism ensures timely recovery of instalments and where required, the Company has been able to liquidate the gold pledged and recover the entire outstanding amount. Finally, physical presence and in-depth knowledge of the markets in which the Company operates enables early identification of emerging risks thereby facilitating prompt remedial action or provisioning, as may be required.

a) Impact of COVID-19

Consequent to the outbreak of COVID-19 pandemic, the Indian Government had announced nationwide lockdown in March 2020. Subsequently, the lockdown was lifted in a phased manner outside specified containment zones. The impact of the ongoing disruptions, on the Company's operations and financial results, will depend on future developments, around pace of vaccination, continued adherence to safety protocols and possible emergence of newer variants/strains of the virus, all of which remain uncertain. There were no adjusting events that would have any material impact on the Group's financial statements for the year ending 31st March 2021.

b) Impairment - Expected Credit Loss (ECL)

The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments are classified under three stages:

Stage 1 : Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.

Stage 2 : Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.

Stage 3 : Financial assets that display objective evidence of impairment at the reporting date.

Accordingly, loan assets are categorised under three different stages, as under:

Stage 1 : Where installments are current and 1-30 days overdue Stage

Stage 2 : Where installments are 31-90 days overdue Stage

Stage 3 : Where installments are overdue beyond 90 days

The Company is required to provide 12-month expected credit loss (12-month ECL) for stage 1 assets and the life time expected credit loss (LECL) for stage 2 & stage 3 assets. 12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL represents the expected credit loss from default events over the expected life of a financial asset.

c) Probability of Default

The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default. The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. It relies not only historical information and the current economic environment, but also considers forward-looking information such as the forecasts on the macroeconomic outlook, including emerging risks. The PD for stage 3 contracts is considered at 100%. Where a customer has one contract in stage 3 and one or more contracts in stage 1 / stage 2, the PD for all the contracts is considered at 100%.

Particulars	31st March 2021			31st March 2020		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
Gold Loan	3.46%	4.10%	3.49%	3.46%	4.10%	3.49%

d) Loss Given Default (LGD)

LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, the Company has assessed that significant recoveries happen in the year in which default has occurred. In estimating LGD, the company reviews macro-economic developments taking place in the economy.

Particulars	31st March 2021	31st March 2020
Gold loan - Normal Risk	5.03%	6.15%

40.2 LIQUIDITY RISK

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Further, the Company also has undrawn facilities from bank, which can be utilized if required. The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:

Maturity pattern of assets and liabilities as on 31 March 2021:

(Rs. In Lakhs)

Particulars	Upto 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets						
Cash and cash equivalents	2,014.60	20,000.00	-	-	-	22,014.60
Bank balance other than above	1.45	-	8,050.40	144.50	76.68	8,273.03
Loans	7,583.31	15,301.17	2,37,728.94	173.65	103.59	2,60,890.66
Other Financial assets	1,182.88	1,832.17	9,738.58	3,821.60	150.12	16,725.37
Total Financial Assets	10,782.24	37,133.34	2,55,517.92	4,139.75	330.39	3,07,903.66
Financial Liabilities						
Deposits	50,693.16	36,102.83	1,86,355.61	622.71	-	2,73,774.31
Other Financial Liabilities	-	35.20	268.03	825.44	1,409.11	2,537.78
Total Financial Liabilities	50,693.16	36,138.03	1,86,623.64	1,448.15	1,409.11	2,76,312.09

Maturity pattern of assets and liabilities as on 31 March 2020:

Particulars	Upto 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets						
Cash and cash equivalents	2,357.64	7,552.01	-	-	-	9,909.65
Bank balance other than above	1.01	-	22,265.21	143.61	75.28	22,485.11
Loans	21,364.32	17,829.91	1,80,356.59	412.12	106.66	2,20,069.60
Other Financial assets	3,081.29	1,941.74	6,109.68	392.55	113.43	11,638.69
Total Financial Assets	26,804.26	27,323.66	2,08,731.48	948.28	295.37	2,64,103.05
Financial Liabilities						
Deposits	56,230.97	32,486.65	1,45,880.97	1,047.36	-	2,35,645.95
Other Financial Liabilities	-	34.73	205.71	868.58	1,442.95	2,551.98
Total Financial Liabilities	56,230.97	32,521.38	1,46,086.68	1,915.94	1,442.95	2,38,197.93

Maturity pattern of assets and liabilities as on 31 March 2020:

Particulars	Upto 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets						
Cash and cash equivalents	2,179.27	545.97	-	-	-	2,725.24
Bank balance other than above	1.64	-	23,810.58	145.03	76.22	24,033.47
Loans	20,639.81	18,765.70	1,56,550.82	550.10	109.46	1,96,615.89
Other Financial assets	2,908.55	2,020.61	5,449.34	10,396.15	99.19	20,873.83
Total Financial Assets	25,729.27	21,332.28	1,85,810.74	11,091.28	284.87	2,44,248.43
Financial Liabilities						
Deposits	46,289.59	28,645.04	1,44,718.04	1,035.58	-	2,20,688.25
Other Financial Liabilities	-	31.21	160.99	1,021.03	1,547.74	2,760.97
Total Financial Liabilities	46,289.59	28,676.25	1,44,879.03	2,056.61	1,547.74	2,23,449.22

Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market. The Company's borrowings are subject to a fixed rate of interest. These are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Price Risk

The Company's exposure to price risk is not material.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

NOTE 41 : FIRST - TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March, 2021, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March, 2020, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March, 2021, together with the comparative period data as at and for the year ended 31 March, 2020, as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April, 2019, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2019 and the financial statements as at and for the year ended 31 March, 2020.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- 1) **Deemed cost of PPE/ Investment Property and certain intangible assets** - An entity may elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

Ind AS 16 further mandate that PPE should be recorded basis component accounting. Major overhaul expenses to be capitalized and other dismantling cost treatment etc.

Exemption availed - A first-time adopter to Ind AS may elect to continue with the carrying value for all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of Transition. The Company has taken that exemption and no revaluation has been done for the PPE as on date of Transition for all assets other than Land and Building. The Company has revalued Land & Building and disclosed the same under Note 12 - Property, Plant and Equipment to these Financial Statements.

Estimates:

The estimates at 1st April, 2019 and at 31st March, 2020 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVPTL / FVOCI - equity and debt instrument
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2019, the date of transition to Ind AS and as of 31st March, 2020.

Equity Reconciliation for 1 April 2019

(Rs. In Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and Cash equivalents	597.48	-	597.48
Bank Balance other than above	652.40	-	652.40
Fixed deposits with bank	37,177.69	(1,574.51)	35,603.18
Loans	1,97,131.22	(515.33)	1,96,615.89
Other Financial assets	10,788.16	(8.67)	10,779.49
Total (A)	2,46,346.95	(2,098.51)	2,44,248.44
Non-Financial Assets			
Current Tax Assets (Net)	1,553.53	-	1,553.53
Deferred tax assets (Net)	10.08	594.58	604.66
Property, Plant and equipment	1,284.75	2,182.05	3,466.80
Other Intangible assets	9.16	-	9.16
Other non-financial assets	660.60	1,655.21	2,315.80
Total (B)	3,518.12	4,431.84	7,949.95
Total Assets (A + B)	2,49,865.07	2,333.33	2,52,198.40
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Borrowings (other than debt securities)	2,20,934.05	(245.80)	2,20,688.25
Other financial liabilities	578.92	2,182.05	2,760.97
Total (C)	2,21,512.97	1,936.25	2,23,449.22
Non-financial Liabilities			
Provisions	4,839.10	(0.00)	4,839.10
Other non-financial liabilities	165.45	245.80	411.25
Total (D)	5,004.55	245.80	5,250.35
Total liabilities (C+ D)	2,26,517.52	2,182.05	2,28,699.57
Equity Share Capital	2,954.24	-	2,954.24
Other Equity	20,393.77	150.80	20,544.57
Total Equity	23,348.01	150.80	23,498.81
Total Liabilities and Equity	2,49,865.53	2,332.85	2,52,198.38

*The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Equity Reconciliation for 31 March 2020

(Rs. In Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
ASSETS			
Financial Assets			
Cash and Cash equivalents	1,237.60	-	1,237.60
Bank Balance other than above	452.15	-	452.15
Fixed Deposit with Banks	31,042.39	(337.38)	30,705.01
Loans	2,20,805.26	(735.66)	2,20,069.60
Other Financial assets	11,530.23	108.47	11,638.70
Total (A)	2,65,067.63	964.58	2,64,103.05
Non-Financial Assets			
Current Tax Assets (Net)	1,591.56	0.00	1,591.56
Deferred tax assets (Net)	9.31	285.54	294.85
Property, Plant and equipment	1,271.81	1,894.84	3,166.65
Other Intangible assets	7.89	(0.00)	7.89
Other non-financial assets	741.41	418.40	1,159.81
Total (B)	3,621.98	2,598.78	6,220.76
Total Assets (A + B)	2,68,689.61	3,780.29	2,70,323.81
LIABILITIES AND EQUITY			
Liabilities			
Financial Liabilities			
Borrowings (other than debt securities)	2,35,895.43	(249.48)	2,35,645.95
Other financial liabilities	530.95	2,021.02	2,551.98
Total (C)	2,36,426.38	1,771.54	2,38,197.93
Non-financial Liabilities			
Provisions	4,915.34	(1.11)	4,914.23
Other non-financial liabilities	118.49	248.09	366.58
Total (D)	5,033.83	246.98	5,280.81
Total liabilities (C+ D)	2,41,460.21	2018.53	2,43,478.74
Equity Share Capital	2,970.35	2,970.35	2,970.35
Other Equity	24,259.04	(384.32)	23,874.72
Total Equity	27,229.39	2,586.03	26,845.07
Total Liabilities and Equity	2,68,689.60	2,586.03	2,70,323.81

Profit Reconciliation for the year ended 31 March 2020

(Rs. In Lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
REVENUE FROM OPERATIONS			
Interest income	31,656.95	0.00	31,656.95
Rental Income	2.28	-	2.28
Net gain on fair value changes	-	1,626.22	1,626.22
Other operating income	37.90	-	37.90
Total revenue from operations	31,697.13	1,626.22	33,323.35
Other Income	216.97	-	216.97
Total Income	31,914.10	1,626.22	33,540.32
EXPENSES			
Finance Costs	17,874.92	148.33	18,023.25
Net loss on fair value changes	-	1,616.41	1,616.41
Impairment of financial instruments	-	63.25	63.25
Employee benefit expenses	6,408.71	9.96	6,418.67
Depreciation and amortization	160.63	332.26	492.89
Other expenses	1,106.49	(354.40)	752.09
Total Expenses	25,550.75	1,815.81	27,366.56
Profit before tax			
Tax Expense:			
(1) Current tax	1,843.79	(0.00)	1,843.79
(2) Deferred tax	0.77	309.04	309.81
Profit for the period	4,518.82	(498.62)	4,020.17
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	-	(37.51)	(37.51)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
Sub total (A)	-	-37.51	-37.51
Other Comprehensive Income	-	-37.51	-37.51
Total Comprehensive Income	-	-37.51	-37.51

Footnotes to the reconciliation of equity as at 1 April 2019 and 31 March 2020 and profit or loss for the year ended 31 March 2020
2. Recording of impairment as per ECL

Under IGAAP, NPA provisioning was computed based on the gold price fluctuation. Under Ind AS, the impairment is computed based on Expected Credit Loss model. This has resulted in an additional impairment provision of INR 443.78 Lakhs on the date of transition to Ind AS the impact of which was taken to retained earnings. Impact for the year ended 31 March, 2020 was INR 63.24 Lakhs has been taken to the Profit and Loss account.

3. Fair valuation of security deposit

The Company has given interest free security deposit in the form of rental advance for branches taken on lease. Such deposits have been fair valued under Ind AS. As a result of the fair valuation, there has been a reduction in the balance of security deposits to the extent of INR 80.68 Lakhs impact of which was taken to prepaid assets as on 1 April, 2019. The impact of INR 1.88 Lakhs for the year ended 31 March, 2020 has been taken in Profit and loss.

Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

NOTE 42: EXPENDITURE IN FOREIGN CURRENCY

The Company does not have any foreign currency expenditure or income during the year.

NOTE 43: FRAUD

During the year there have been no instances of fraud on the Company by officers and employees.

NOTE 44: SEGMENT REPORTING

The Company has only one operating segment and accordingly the Company does not present details of reporting segments under Ind AS 108. Further, in accordance with Ind AS 108, the entity-wide disclosures are as below:

a) Reporting based on products and services:

The entity primarily has only one type of service - Gold Loan. The revenue generated by the Company, majorly attributable to the said service, is as below:

Particulars	31st March 2021	31st March 2020
Gold Loans	32,443.16	28,734.41

b) Geographical Segments:

The Company operates in India only. Accordingly, the entire revenue generated by the Company is from India. Accordingly, the requirement under this standard does not arise.

c) Major Customer:

Considering the nature of business, the Company does not have a single customer who constitutes more than 10% of the entity's revenue.

NOTE 45 : PROVISION FOR INCOME REVERSAL AND NON-PERFORMING ASSETS

As per the extant Nidhi Rules, the Company is required to recover or renew gold jewel loans within three months from the due date of repayment. The Company recovers all loans within the said date and accordingly, the Company has not created any provision towards non-performing assets remaining unrealized.

Further, as per the extent rules, no income shall be recognized on such loans after the expiry of the said period. Income if any recognized is required to be reserved out. In compliance with the said rules, the Company does not recognize any income beyond 15 months from the due date of the Loan. Accordingly, the company has not created any provision towards income reversal.

NOTE 46 : PREVIOUS YEAR FIGURES

Previous year figures have been regrouped / reclassified, where necessary, to conform current year's classification.

BRANCHES TELEPHONE NUMBER

01.	Aduthurai	0435-2472205	58.	Orathanadu	04372-232446
02.	Ambattur	044-26584899	59.	Palani	04545-243148
03.	Ammappettai	04374-232636	60.	Pallavaram	044-22641332
04.	Annanagar - Madurai	0452-2532114	61.	Panruti	04142-242077
05.	Arani	04173-226865	62.	Papanasam	04374-222854
06.	Ariyalur	04329-220990	63.	Pattukkottai	04373-252348
07.	Ashok Nagar	044-24899584	64.	Peralam	04366-238579
08.	Avadi	044-26554899	65.	Perambalur	04328-276548
09.	Attur	04282-250102	66.	Perambur	044-25510490
10.	Batlagundu	04543-262369	67.	Periyakulam	04546-231821
11.	Chengalpattu	044-27429510	68.	Pollachi	04259-229426
12.	Cheyyar	04182-223107	69.	Ponneri	044-27973103
13.	Chidambaram	04144-223009	70.	Poonamallee	044-26495583
14.	Chinmaya Nagar	044-24791217	71.	Porur	044-24769124
15.	Chinnamanur	04554-248149	72.	Pudukkottai	04322-222154
16.	Chintadripet	044-28456700	73.	Rajapalayam	04563-220525
17.	Chromepet	044-22655767	74.	Ramanathapuram	04567-222101
18.	Coimbatore	0422-2599944	75.	Saidapet	044-24340484
19.	Cuddalore	04142-236753	76.	Salem	0427-2210203
20.	Dharmapuri	04342-265005	77.	Sankarankoil	04636-222269
21.	Dindigul	0451-2433206	78.	Sirkali	04364-270985
22.	East Tambaram	044-22273055	79.	Srirangam	0431-2433158
23.	Erode	0424-2264290	80.	T.Nagar (Fax : 044-28144286)	044-28141334
24.	Gandarvakottai	04322-275337	81.	Tambaram	044-22266043
25.	Guduvanchery	044-27462001	82.	Tenkasi	04633-224112
26.	Jayankondam	04331-250211	83.	Thanjavur	04362-231641
27.	K.Pudur, Madurai	0452-2564666	84.	Theni	04546-254472
28.	Kallakurichi	04151-223875	85.	Tirukkoyilur	04153-253110
29.	Kanchipuram	044-27233104	86.	Thirukkattupalli	04362-280545
30.	Kangeyam	04257-220113	87.	Thirumangalam	04549-280284
31.	Karaikal	04368-223294	88.	Thiruppanandal	0435-2456020
32.	Karaikudi	04565-234277	89.	Thiruppurambiyam	0435-2455472
33.	Karur	04324-264138	90.	Thiruthuraiipoondi	04369-222851
34.	Koothanallur	04367-232737	91.	Thiruvaiyaru	04362-260551
35.	Krishnagiri	04343-237005	92.	Thiruvallur	044-27662664
36.	Kulithalai	04323-222390	93.	Thiruvanmiyur	044-24421789
37.	Kumbakonam Bazaar	0435-2420790	94.	Thiruvarur	04366-222367
38.	Kumbakonam Besant Road	0435-2421041	95.	Thiruverumbur	0431-2510197
39.	Kumbakonam	0435-2431648	96.	Thiruvottriyur	044-25737701
40.	Madipakkam	044-22423130	97.	Thoothukudi	0461-2323548
41.	Madukkur	04373-260252	98.	Thuraiyur	04327-256109
42.	Madurai	0452-2344187	99.	Tindivanam	04147-222074
43.	Mangalapuram	04362-246100	100.	Tiruchirapalli	0431-2419856
44.	Mannachanallur	0431-2560879	101.	Thirunelveli	0462-2333548
45.	Manapparai	04332-260402	102.	Tirupattur	04179-221006
46.	Mannargudi	04367-252237	103.	Tiruppur	0421-2203150
47.	Mayiladuthurai	04364-223067	104.	Thiruvannamalai	04175-223182
48.	Melur	0452-2417194	105.	Triplicane	044-28480609
49.	Mylapore	044-24981439	106.	Udumalaipeetai	04252-224033
50.	Nachiarkoil	0435-2466622	107.	Valangaiman	04374-264455
51.	Nagapattinam	04365-240776	108.	Vandavasi	04183-226106
52.	Nagercoil	04652-220677	109.	Velachery	044-22431109
53.	Namakkal	04286-223129	110.	Vellore	0416-2222201
54.	Nanganallur	044-22242749	111.	Villivakkam	044-26171108
55.	Nannilam	04366-230111	112.	Villupuram	04146-222956
56.	Needamangalam	04367-260202	113.	Virudhachalam	04143-230337
57.	Neyveli	04142-263444	114.	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]

117th Annual General Meeting – 08th November, 2021

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

1. Name
Address
Email Id: Signature or failing him/her
2. Name
Address
Email Id: Signature or failing him/her
3. Name
Address
Email Id: Signature or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **117th Annual General Meeting** of the Company, to be held on **Monday, the 08th November, 2021, at 12.06 p.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, 2021 and the reports of the Board of Directors and Auditors thereon.
2	To declare dividend for the year 2020-21.
3	To appoint a director in the place of Sri.Viswalingam Kanakaraj (DIN 08205976) who retires by rotation and, being eligible for re-election as Director.
4	To appoint a director in the place of Sri.K.Arivalagan (DIN 08802927) who retires by rotation and, being eligible for re-election as Director.

...2...

Special Business	
5	To consider the appointment of Sri.R.S.Selvaraj (DIN 07910673)
6	To consider re-appointment and ratify the payment of remuneration paid to Sri.V.Kanakaraj as Chief Executive Officer of the Company
7	To consider regularization of the appointment of Sri.G.Jayakumar (DIN : 08968507) as Director
8	To consider increase in borrowing limit.
9	To consider payment of one percent remuneration.
10	To consider the removal of Sri.Rama.Ramanathan (DIN 05240708)
11	To consider the removal of Sri.R.S.Selvaraj (DIN 07910673)
12	To consider the removal of Sri.C.Chinnaiyan (DIN 07581332)
13	To consider the removal of Sri.A.V.K.Ashokkumar (DIN 08802925)
14	To consider the removal of Sri.K.Arivalagan (DIN 08802927)
15	To consider the removal of Sri.R.K.Bharathimohan (DIN 08805859)
16	To consider the removal of Sri.G.Jayakumar (DIN 08968507)
17	To consider the removal of Sri.V.Kanakaraj (DIN 08205976)
18	To consider appointment of Sri.S.Kalyanasundaram (DIN 00829647)
19	To consider appointment of Sri.G.Anbalagan (DIN 01469646)
20	To consider appointment of Sri.S.Ramalingam (DIN 00829529)
21	To consider appointment of Sri.PR.P.Velappan (DIN 01892661)
22	To consider appointment of Sri.S.Hariharan (DIN 02693765)

Signed this..... day of, 2021.

Signature of shareholder(s)



Signature of Proxyholder(s)

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 **117th** Annual General Meeting on **Monday**, the **08th November, 2021** at **12.06 p.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 : 08-11-2021, Time 12.06 p.m.
Venue : “Janaranjani Hall”, Gopal Rao Library Buildings,
Town Hall Road, Kumbakonam

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

Shifting of Branches



கும்பகோணம், காவேரி டீர் படித்துறை மண்டபம் நிதியின் சார்பில் புதுப்பிக்கப்பட்டது





116th Annual General Meeting - 26.11.2020



DECADE OF PROGRESS

(₹ in crore)

Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 [*]
Paid up capital	22.59	28.76	28.96	29.04	29.11	29.20	29.29	29.43	29.54	29.70	29.84
Reserves & Surplus	30.02	49.14	78.33	93.51	109.37	123.69	140.56	167.55	203.92 (Asper Ind AS method)	242.59 239.11	294.30
Deposits	883.48	1267.38	1530.46	1607.35	1570.74	1664.55	1806.63	1916.36	2209.12 2206.88 (Asper Ind AS method)	2356.89 2356.46	2737.74
Advances	978.45	1356.82	1671.36	1339.18	1424.77	1384.52	1620.83	1739.16	1971.29 1966.16 (Asper Ind AS method)	2208.03 2200.70	2608.91
Profit	24.40	37.14	56.40	40.37	37.67	35.69	37.37	49.59	60.39	63.63	75.15
Dividend (p.a.)	18%	20%	22%	22%	22%	22%	22%	22%	22%	22%	22%
No. of Branches	90	90	99	99	103	107	107	108	109	112	113

* Subject to Approval of shareholders at its ensuing Annual General Meeting

Book-Post
Printed Book

To



If undelivered, please return to :



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