



FOUNDER

1904 - 1929

25 Years



122nd Annual Report

2025-2026



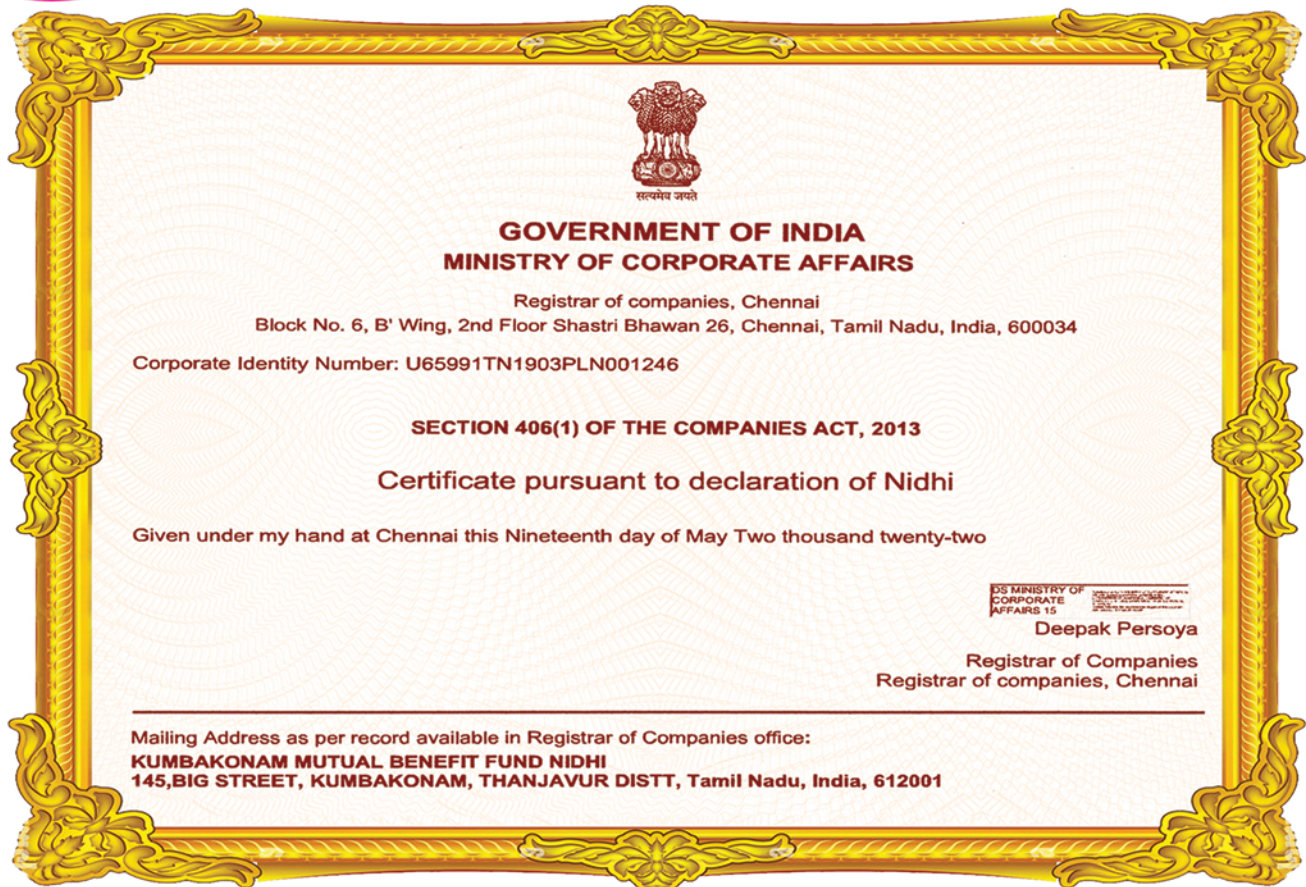
KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED

Regd. Office : 23 & 24, Dr.Besant Road, Kumbakonam - 612 001.

CIN : U65991TN1903PLN001246. Ph : 0435 - 2401548

Website : www.kmbf.co e-mail : kmbf@kmbf.co

It is the first company in India to be declared as NDH-4



The company was incorporated in the year 1903 under the Companies Act, 1882 and subsequently declared as Nidhi under section 620A of the Companies Act, 1956. Under section 406 of the Companies Act, 2013 and the Nidhi Rules 2014, the Central Government has, on being satisfied that the company meets the requirements under the Rules, notified the company as a Nidhi Company **NDH-4** in the official Gazette. It is the first company in India to be declared as NDH-4.

List of Past and Present Chairmen and the number of Branches, opened during their tenure.

Name of the Chairman	Period	Number of Branches Opened
Rao Bahadur Sri. N.Krishnaswami Iyengar B.A., B.L.,	29.03.1904 - 14.06.1926	1
Rao Bahadur Sri.N.Thiruvengadatha Iyengar B.A., B.L.,	16.06.1929 - 24.01.1936	-
Sri. N.Srinivasa Iyengar	25.02.1936 - 12.11.1957	5
Sri. T.Sampath B.A., B.L.,	13.11.1957 - 21.02.1971	
	30.04.1971 - 16.02.1988	8
Sri. S.R.G.Ranganathan	28.02.1988 - 07.05.1995	40
Sri. B.Prakasam B.Com.,	08.05.1995 - 30.10.1999	
	16.11.1999 - 11.09.2002	14
Sri. P.S.Sekar	11.09.2002 - 25.04.2003	2
Sri. B.Prakasam B.Com.,	25.04.2003 - 24.09.2009	13
Sri. G.Anbalagan	24.09.2009 - 18.08.2011	7
Sri. P.S.Sekar	19.08.2011 - 15.03.2012	-
Sri. A.Ragavendra Rao B.Com.,(Hons), LLB., AICWA., IRS (Rtd)	28.03.2012 - 26.05.2013	9
Sri. Rama.Ramanathan M.Com., LLB.,	26.05.2013 - 07.11.2021	15
Sri. S.Kalyanasundaram MP	08.11.2021	40



121st Annual General Meeting - 27.09.2025



Opening of New Branch at Sengipatti



Opening of New Branch at Ulundurpettai



Opening of New Branch at Sivagangai

Sri. S.Rajasekaran, Ex.MLA

Sri. E.M.Sudharsana Nachiyappan, Ex.MP, Former Union Minister



Opening of New Branch at Budalur

Sri. S.Murasoli, MP



Opening of New Branch at Saliyamangalam



Presenting 22 Nos. SS Desk & Benches, 'S' Type Chairs to Government Library, Thanjavur, under CSR Initiative



Presenting 50 Nos. Desk & Benches & Partitions to Newly Opened Government College, Thiruvaidaimaruthur, under CSR Initiative



**Installation of Indoor Stadium to Government College
for Women, Kumbakonam, under CSR Initiative (2024-25)**



KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED

Regd. Office : 23 & 24, Dr.Besant Road, Kumbakonam - 612 001.

BOARD OF DIRECTORS



Thiru. **S.Kalyanasundaram** MP.,
Chairman



Thiru. **S.Ramalingam** B.A., Ex.MP.,
Vice Chairman



Thiru. **PR.P.Velappan** B.A.,
Managing Director



Dr. **G.Anbalagan** Ex.MLA.,
Director



Thiru. **B.Prakasam** B.Com.,
Director



Thiru. **G.Durairaj**
Director



Thirumathi. **E.Ambika**
Director



Thiru. **M.Guru Prasanth** B.E.(Mech.),
Director



Thiru. **S.Ravichandran**
Additional Director

Executives

Thiru.S.Venkatesan
General Manager

Thiru.S.Shanmugam
General Manager & Chief Financial Officer

Thiru.P.Karunanithi
Deputy General Manager

Thiru.K.Jawahar
Assistant General Manager

Thiru.S.Ganesan
Assistant General Manager

Thiru.V.Ganesan
Assistant General Manager

Thiru.V.Govindaraj
Assistant General Manager

Thiru.N.Navaneethakrishnan
Assistant General Manager

CA.T.G.Chitharanjan
Assistant General Manager - Finance

Company Secretary

CS.S.Kannan
Company Secretary
M.No. A4053

Statutory Auditors

M/s.Shanmugham & Associates
Chartered Accountants,
F.R.No.006655S
Kumbakonam.

M/s.G.Natesan & Co.,
Chartered Accountants,
F.R.No.002424S
Kumbakonam.

M/s.Sastri & Shah
Chartered Accountants,
F.R.No.003643S
Chennai.

M/s.G.S.Srinivasan & Co.,
Chartered Accountants,
F.R.No.012043S
Chennai.

Secretarial Auditor

R & RJ Associates
Practising Company Secretaries
F.R.No. PZ019TN074000
Chennai.

Legal Advisors

Thiru.K.Chakrapani B.A., B.L.,
Advocate, Kumbakonam.

Thiru.P.R.Jayakumar M.Com.,B.L.,
Advocate, Kumbakonam.

Thiru.K.Asokan B.A., LLB.,
Advocate, Kumbakonam.

Thiru. B.Vijayakumar B.A.,B.L.,
Advocate, Swamimalai.

Notice of 122nd Annual General Meeting

NOTICE, is hereby given that the **122nd Annual General Meeting (AGM)** of the Members of **Kumbakonam Mutual Benefit Fund Nidhi Limited** will be held on **Wednesday, the 30th September, 2026 at 10.00 a.m. (IST)** through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business.

Ordinary Business :

1. Adoption of financial statements:

To receive, consider and adopt the audited financial statements of the company for the financial year ended 31st March, 2026 and the Reports of the Board of Directors and Auditors thereon, including the requisite Annexures.

To consider and if thought fit, to pass the following resolution as Ordinary Resolution.

"RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March, 2026, together with the Reports of the Board of Directors and Auditors thereon and the Board of Directors be and are hereby received, considered and adopted."

2. Declaration of dividend:

To declare dividend for the financial year ended 31st March, 2026.

To consider and if thought fit, to pass the following resolution as Ordinary Resolution.

"RESOLVED THAT dividend @ 25% pro rata per share on the paid-up equity share capital of the company for the financial year ended 31st March, 2026 be and is hereby recommended, payable to those members whose names appear on the Register of Members as of the record date."

3. Appointment of Director, in place of retiring Director:

To appoint a director in place of Thiru.PR.P.Velappan (DIN : 01892661), who retires by rotation and being eligible, offers himself for reappointment:

To consider and if thought fit, to pass the following resolution as Ordinary Resolution.

"RESOLVED THAT Thiru.PR.P.Velappan (DIN: 01892661), who retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers himself for re-election be and is hereby reappointed as Director of the Company, whose office shall be liable to retirement by rotation."

Special Business :

4. To consider the re-appointment of Thiru.S.Kalyanasundaram (DIN: 00829647) as an Independent Director for a second term of five consecutive years in the Board of the Company:

To consider and if thought fit, to pass the following resolution as Special Resolution.

"RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof),

Thiru.S.Kalyanasundaram (DIN: 00829647), who has given his consent to act as director and has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder and is eligible for reappointment and based on the performance evaluation by and recommendation of the Nomination and Remuneration Committee be and is hereby reappointed as an Independent Director of the Company, who is not liable to retire by rotation and who shall hold office for a second term of 5 (five) consecutive years from the conclusion of the 122nd Annual General Meeting till the conclusion of the 127th 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."

5. To consider the re-appointment of Thiru.PR.P.Velappan (DIN: 01892661) as the non-retiring Managing Director of the Company for a second term of five years and payment of remuneration to him:

To consider and, if thought fit, to pass, the following Resolutions, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 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 consent of the members of the Company be and is hereby accorded for the reappointment of Thiru.PR.P.Velappan (DIN : 01892661), aged 73 years, as Managing Director of the Company, not liable to retire by rotation, on the following terms and conditions:

Period : Five (5) years from 08-11-2026 to 07-11-2031

Remuneration : Rs.3,00,000/- (Rupees Three lakhs only) per month

Other benefits:

Residential telephone and mobile phone with internet facility, provided by the Company for official purposes.

Use of Company's car with driver and fuel for official purposes.

Reimbursement of actual travelling expenses i.e. single fare each way by train by highest class or by air (Executive Class) plus any further transport and other incidental expenses incurred in travelling to and fro the places of meeting / business.

Reimbursement of actual lodging/ halting/ boarding expenses (inclusive of taxes) against production of bills and vouchers.

The monthly remuneration and other benefits as above shall be paid to him as minimum remuneration/ benefits even in the absence of or inadequacy of profits in any year."

6. To consider the re-appointment of Thiru.G.Anbalagan (DIN: 01469646) as an Independent Director for a second term of five consecutive years in the Board of the Company:

To consider and if thought fit, to pass the following resolution as Special Resolution.

“RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or reenactment(s) thereof), Thiru.G.Anbalagan (DIN: 01469646), who has given his consent to act as director and has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder and is eligible for reappointment and based on the performance evaluation by and recommendation of the Nomination and Remuneration Committee be and is hereby reappointed as an Independent Director of the Company, who is not liable to retire by rotation and who shall hold office for a second term of 5 (five) consecutive years from the conclusion of the 122nd Annual General Meeting till the conclusion of the 127th 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.”

7. To consider regularisation of the appointment of Thiru.S.Ravichandran (DIN:03425202) as Director (Non-Executive and Non-independent) of the Company, liable to retire by rotation:

To consider and if thought fit, to pass the following resolution as on ordinary resolution :

“RESOLVED THAT pursuant to provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, including any enactment, re-enactment or modifications thereof and Article 62 of Articles of Association of the Company, Thiru.S.Ravichandran (DIN:03425202), who was appointed as Additional Director by the Board of Directors of the company in their meeting held on 30th March, 2026 to hold office from 01.04.2026 up to the date of the 122nd Annual General Meeting and who is eligible for appointment and has consented to act as Director of the Company and in respect of whom the Company has received a notice from him in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director (Non-Executive and Non-independent), be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

8. To consider increase in borrowing limits under section 180(1) (c) of the Companies Act, 2013 from Rs.7000 crores to Rs.20000 crores.

To consider and if thought fit, to pass the following resolutions as Special Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 179 and 180 (1)(c) and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], in supersession of all the earlier resolutions, the 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 as they may think fit, for the purpose of the business of the Company any sum or sums of money from any one or more members of the company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, 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), subject to such aggregate borrowings

not exceeding the amount which is Rs.20000 crores (Rupees Twenty thousand crores only) but further subject to the maximum borrowing of twenty times of the net owned funds, as per the last audited financial statements, as prescribed under Rule 11(1) of Nidhi Rules, 2014 over and above 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) and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment or otherwise as it may, in its absolute discretion, think fit.”

Place : Kumbakonam

Date : 27-08-2026

By Order of the Board
Kumbakonam Mutual Benefit Fund Nidhi Limited,

CS.S.Kannan
Company Secretary
M.No. A4053

NOTES:

1. **Explanatory Statements** pursuant to Section 102 of the Companies Act, 2013, which set-out details of material facts relating to the Special businesses to be transacted at this Annual General Meeting (AGM), is annexed hereto.
2. **E-Voting :**
 1. Ministry of Corporate Affairs (“MCA”), vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 2/2022 dated May 5, 2022, Circular No. 10/2022 dated December 28, 2022, Circular No. 09/2023 dated September 25, 2023, Circular No. 09/2024 dated September 19, 2024 and General Circular No. 3/2025 dated September 22, 2025 (collectively referred to as 'MCA Circulars') has permitted Companies to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members. In compliance with the applicable provisions of the Companies Act, 2013 and the MCA Circulars, AGM shall be conducted through VC/OAVM.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and the Circulars issued by the Ministry of Corporate Affairs (MCA) from time to time, the Company is providing facility of remote e-Voting to all its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with M/s National Securities Depository Limited (NSDL) a MCA authorised agency for facilitating voting through electronic means. The facility for voting by a member through remote e-voting system, for participation in the 122nd AGM through VC/OAVM facility and e-voting on the date of the AGM will be provided by NSDL.
 3. The Board of Directors has appointed M/s. Cameo Corporate Services Limited, Subramanian Building, #1, Club House Road, Chennai - 600 002, as Registrar and Transfer Agent (RTA) for e-voting services.
 4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the MCA, the facility to appoint proxy to physically attend and cast vote for the members is not available for this AGM. Hence, proxy form, route map and attendance slip are not included in the Annual Report.

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on come first served basis. This will not include Directors, Key Managerial Personnel, the Chairmen of the Audit Committee Stakeholders Relationship Committee and Nomination and Remuneration Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.kmbf.co. The Notice is also available on the website of NSDL i.e. www.evoting.nsdl.com.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and all documents referred to in the Notice will be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 30th September, 2026. Members can inspect the same by sending an e-mail to agmshare@kmbf.co.
9. In compliance of the above MCA Circulars, the Notice of 122nd AGM and the financial statements relating to the year 2025-2026, along with Auditors' Report, Board's Report and other documents required to be attached thereto (collectively referred as "Annual Report") will be sent only by e-mail only to the members of the company, whose e-mail addresses are registered with the company and for those who have not registered their email id, copy of Annual Report will be sent pursuant to the modification to the provisions of Section 136(1) of the Companies Act 2013 as per MCA notification G.S.R 465(E) dated 05/06/2015. For members holding shares of not more than 1,000 in face value or 1% of the total paid-up share capital, whichever is less, compliance in respect to Section 136 (1) shall be made by publishing notice in newspapers stating the AGM date, time, etc. All the despatches / e-mails / news paper notices will be completed within the extant statutory timelines.

The 122nd Annual Report, including the Notice of AGM is available on the Company's website <https://kmbf.co/annual-report.html> and on the notice boards of Registered Office and 154 Branches. The notice is also available on the website of NSDL i.e. www.evoting.nsdl.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING :

1. The remote e-voting period begins on 27th September, 2026 at 09:00 A.M. (IST) and ends on 29th September, 2026 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.
2. The Members, whose names appear in the Register of Members as on the record date (cut-off date) i.e. 18th September, 2026, may cast their vote electronically.
3. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 18th September, 2026,. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

Login Method for e-Voting and joining virtual meeting.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password, which have already been mailed to your registered email id.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

EVEN (E-voting Event Number) followed by Folio Number registered with the company.

For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

Process for those shareholders whose email ids are not registered with the Company and RTA for procuring User ID and Password and registration of e-mail ids for e-voting for the resolution set out in this notice.

Please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of AADHAR Card) by email to agmshare@kmbf.co.

5. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

Physical User Reset Password?

- a) Option is available on www.evoting.nsdl.com.
 - b) If you are still unable to get the password by aforesaid options, you can send a request at evoting@nsdl.com mentioning your folio number, your PAN, your name and your registered address, etc.
6. Now, you will have to click on “Login” button.
 7. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General meeting on NSDL e-Voting system.

How to cast your vote electronically and join General meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies' “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-voting period and cast

your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request to Ms. Prajakta Bawle, Executive, at evoting@nsdl.com.

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM :-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any clarifications connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM :

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of “VC/OAVM” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, in advance from their registered email address mentioning their name, folio number, PAN, mobile number at agmshare@kmbf.co. from 23rd September, 2026 (9:00 a.m. IST) to 25th September, 2026 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. Book Closure :

Pursuant to section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Book of the Company will remain closed from Thursday, the 24th September, 2026 to Wednesday, the 30th September, 2026 (both days inclusive) for ascertaining the entitlement of members, eligible to receive the dividend, if declared in the AGM. Notice is available at <https://kmbf.co/news-paper-notices.html>.

4. Nomination:

Members can avail of the facility of nomination pursuant to the provisions of section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, by sending their nomination in the prescribed Form No. SH-13, duly filled in to the Registered Office of the company.

5. Dividend and Tax Deducted at Source (TDS):

The dividend, if approved at the Annual General Meeting, will be paid within 30 days, to those members, whose names appear on the Register of Members, as on the date of book closure.

Tax Deducted at Source: In accordance with Section 393(1) of Income Tax Act, 2025, (old reference section 194), if the dividend exceeds Rs.10000, tax shall be deducted at source from the dividend at 10%, where the shareholders have registered their valid Permanent Account Number (PAN) and at 20%, where the shareholders do not have PAN/ have not registered their valid PAN details in folio or if AADHAAR number is not linked with PAN. To avail the benefit of non-deduction of tax at source, members are requested to submit before 29.09.2026, the Form 121 (erstwhile form 15G/15H) or valid Form 128 (erstwhile Form 13) for Nil or lower tax deduction issued by the Income-tax Department, if any (only for valid PAN - Form 121 will be acceptable). Form 121 can be downloaded from the website <https://www.incometaxindia.gov.in/w/form-no.-121> of Income Tax Department and website <https://kmbf.co/forms.html> of our company.

6. Transfer of unpaid dividend to IEPF:

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the company's unpaid dividend account, shall be transferred, under section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund (IEPF), established under section 125 of the Companies Act, 2013. The members/ claimants whose unclaimed dividends have been transferred to IEPF may apply for refund by making an application to IEPF authority in form IEPF 5 (available on <https://www.iepf.gov.in>) along with requisite fees. Members who have not yet obtained the dividend from the financial year ended 31st March, 2019 onwards are requested to forward their claims to the company on or before 17th October, 2026. The details of the unclaimed dividends are available on the company's website at <https://kmbf.co/>.

7. Updation of Bank Account Details:

Members are requested to furnish/ update bank account number, name of the bank, branch (place with PIN code) and IFSC for receiving the dividend.

8. Consolidation of multiple folios:

Members who hold shares in identical names and in the same order of names in more than one folios, are requested to write to the Registered Office of the company to consolidate their holdings into one folio.

9. Change in Address:

Members are requested to notify to the Registered Office of the Company changes in their addresses, if any.

10. Poll Scrutinizer: The Board of Directors has appointed M/s. Vidhya & Associates, Practising Company Secretaries, Chennai, as Scrutiniser to scrutinise the voting process to take place in a fair and transparent manner.

11. Green Initiative:

We urge all our members, who have shares exceeding Rs.1000 in aggregate, to support our commitment to environmental protection by opting to receive the company's communications through e-mail. Such members are requested to register/ update their email addresses with the Registered Office to receive copies of the Annual Reports in electronic mode. We request all our other members also to register their email ids to receive our communications and also for e-voting.

12. Members who are desirous of obtaining hard copy of the Annual Report should send a request to the company's e-mail id viz., annualreport@kmbf.co clearly mentioning their Share Certificate number.

Explanatory Statements pursuant to Section 102 (1) of the Companies Act, 2013, setting out the material facts and reasons for the proposed special resolutions in the accompanying notice:

Agenda Item No. 4 : To consider the reappointment of Thiru.S.Kalyanasundaram (DIN: 00829647) as an Independent Director for a second term of five consecutive years in the Board of the Company:

Thiru.S.Kalyanasundaram (DIN: 00829647) was appointed in the 117th Annual General Meeting of the company held on 08.11.2021 as an Independent Director for a first term of five years, commencing from 08.11.2021 and his first term expires in the ensuing Annual General Meeting.

It may be noted that

- Thiru.S.Kalyanasundaram (DIN: 00829647) is currently an Independent Director of the Company and Chairman of the company, the Board and all the committees except the Nomination and Remuneration Committee of which he is a member.
- He was a director/ Chairman of Audit Committee/ Managing Director of the company for about 5 years during the period from 28.09.2006 to 19.08.2011.
- The contributions of Thiru.S.Kalyanasundaram during the past five years as Chairman of the Company, Board and various Committees have been perceived well, as reflected in the business growth, profit

increase, branch expansion, etc., of the company. He further continues to possess all skills, expertise and competencies in the core field of Nidhi, besides public and social service. These fundamental capabilities possessed by him over a period of about four decades have been instrumental in enhancing the company's image. He is the Member of Parliament (Rajya Sabha), which adds proudness to the company. Despite being 86 years of age, he continues to remain actively engaged and contributes significantly to the affairs of the Company.

- d. The Company has received a declaration from Thiru.S.Kalyanasundaram confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, read with the rules framed thereunder.
- e. He has confirmed in his Form DIR-8 that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent in Form DIR-2 to act as Director in terms of Section 152 of the Companies Act, 2013, subject to reappointment by the Members of the Company.
- f. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA). Thiru.S.Kalyanasundaram is exempt from the requirement to undertake online proficiency self assessment test conducted by IICA.
- g. In the opinion of the Board, Thiru.S.Kalyanasundaram fulfils the conditions specified in the Companies Act, 2013 and rules there under for reappointment as an Independent Director and is independent of the Management.
- h. Nomination and remuneration Committee had at its meeting held on 27th August, 2026 has recommended to the Board the re-appointment of Thiru.S.Kalyanasundaram as Independent Director for further period of 5 years.
- i. His continuation as an Independent Director will be more beneficial to the all-round growth of the company.
- j. He is entitled to sitting fees and share in 1 % commission on the net profits of the Company.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, except Thiru.S.Kalyanasundaram and his relatives, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and other applicable provisions of the Act, the reappointment of Thiru.S.Kalyanasundaram as an Independent Director is now placed for the approval of the Members by a Special Resolution.

**ADDITIONAL INFORMATION WITH RESPECT TO AGENDA ITEMS IN THE NOTICE OF
ANNUAL GENERAL MEETING,
AS PER SECRETARIAL STANDARD - 2, OF THE DIRECTOR BEING RE-APPOINTED**

Name	Thiru.S.Kalyanasundaram
Director Identification Number	00829647
Date of Birth and Age	24.06.1940 ; 86 years
Qualification	-
Experience / expertise	Sitting MP (Rajya Sabha). Wide exposure in the fields of Nidhi, Business, Public and Social Service. Director in this company for about 10 years.
Key Terms and conditions of appointment and details of remuneration	Independent Director, not liable to retire by rotation. Sitting Fees and share in 1% remuneration.
Remuneration last drawn	Rs.20.09 lakhs
Date of first appointment on Board (Initial term)	28.09.2006
Date of first appointment on Board (Latest term)	08.11.2021
Shareholding as on 31 st March, 2026 (Equity shares in KMBF Nidhi Limited)	22883
Relationship with other Director /Key Managerial Personnel	NIL
Number of Meetings of Board attended, during the financial year 2025-26	13
Directorships in other Companies	NIL
Other memberships/ chairmanships of committees of other Boards	NIL

Agenda Item No. 5 : To consider the reappointment of Thiru.PR.P.Velappan (DIN: 01892661) as the non-retiring Managing Director of the Company for a second term of five years and payment of remuneration to him:

Thiru.PR.P.Velappan (DIN: 01892661) was elected as Director in the 117th Annual General Meeting of the Company held on 08.11.2021, Then, the Board of Directors, at their Meeting held on 08.11.2021, on the recommendation of Nomination and Remuneration Committee, had appointed him as Managing Director (Key Managerial Personnel) of the Company for a period of five years from 08.11.2021 to 07.11.2026, on the following terms and conditions:

Period: Five (5) years from 08-11-2021 to 07-11-2026

Remuneration: Rs.3,00,000/- (Rupees Three lakhs only) per month.

Other benefits: Residential telephone and mobile phone with internet facility, provided by the Company for official purpose.

Use of Company's car with fuel and driver for official purpose. Reimbursement of actual travelling expenses i.e. single fare each way by train by highest class or by air (Executive Class) plus any further transport and other incidental expenses incurred in travelling to and fro the places of meeting / business. Halting Allowances (a) Lodging Reimbursement of actual lodging expenses (inclusive of taxes) against production of bills and vouchers.

Boarding Charges Reimbursement of actual expenses towards Boarding (inclusive of taxes).

The above monthly remuneration of Rs.3,00,000 and other benefits shall be paid to him as minimum remuneration/ benefits even in the absence of or inadequacy of profits in any year.

It may be noted that Thiru.PR.P.Velappan was a Director/ Managing Director for about 13 years during the periods from 8th May, 1995 to 28th September, 2005 and from 30th September, 2007 to 23rd September, 2010. Then, Thiru.PR.P.Velappan (DIN: 01892661) was appointed as Managing Director for five years from 08.11.2021 to 07.11.2026, as indicated above.

From his latest appointment as Managing Director from 8th November, 2021, he has been continuously contributing to the development of the company and under his stewardship the company has witnessed all round growth in the spheres of deposits/advances/ profit/ branch expansion/ industrial relations, etc. Despite being 73 years of age, he continues to remain actively engaged and contributes significantly to the affairs of the Company.

Article 62(a) of the Articles of Association of the company provides that "Subject to the provisions of section 149 & 152 of the Companies Act, 2013 the Board is empowered to fix up and appoint Directors, who are not liable for reitre by rotation"

The resolutions and the relevant explanatory statement may be treated as an abstract of the terms of appointment of Thiru.PR.P.Velappan as Managing Director in terms of Section 190 of the Companies Act, 2013. Since the appointment and payment of remuneration to Thiru.PR.P.Velappan as Managing Director, not retiring by rotation, requires the approval of the Shareholders, the Board of Directors recommends passing of a Special Resolution as set out in Item No. 5 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, except Thiru.PR.P.Velappan and his relatives, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

**ADDITIONAL INFORMATION WITH RESPECT TO AGENDA ITEMS IN THE NOTICE OF ANNUAL GENERAL MEETING,
AS PER SECRETARIAL STANDARD - 2, OF THE DIRECTOR BEING RE-APPOINTED**

Name	Thiru.PR.P.Velappan
Director Identification Number	01892661
Date of Birth and Age	19.04.1953 ; 73 years
Qualification	B.A.,
Experience / expertise	Wide exposure in the fields of Nidhi, Business, Public and Social Service. Director/ MD in this company for about 18 years.
Key Terms and conditions of appointment and details of remuneration	Managing Director - 5 years term. Rs.3,00,000 p.m. + Car, Phone, Travelling Expenses, (at actuals)
Remuneration last drawn	Rs. 36.00 lakhs
Date of first appointment on Board (Initial term)	08.05.1995
Date of first appointment on Board (Latest term)	08.11.2021
Shareholding as on 31 st March, 2026 (Equity shares in KMBF Nidhi Limited)	5025
Relationship with other Director /Key Managerial Personnel	NIL
Number of Meetings of Board attended, during the financial year 2025-26	13
Directorships in other Companies	NIL
Other memberships/ chairmanships of committees of other Boards	Vice President, Chamber of Nidhis

Agenda Item No. 6 : To consider the re-appointment of Thiru.G.Anbalagan (DIN: 01469646) as an Independent Director for a second term of five consecutive years in the Board of the Company:

Thiru.G.Anbalagan (DIN: 01469646) was appointed in the 117th Annual General Meeting of the Company held on 08.11.2021 as an Independent Director for a first term of five years, commencing from 08.11.2021 and his first term expires in the ensuing Annual General Meeting.

It may be noted that

a. Thiru.G.Anbalagan (DIN: 01469646) is currently an Independent Director of the Company and member of 5 Committees.

b. He was a director/ Vice Chairman/ Chairman of the company for about 5 years during the period from 28.09.2006 to 19.08.2011.

c. The contributions of Thiru.G.Anbalagan during the past five years as the Independent Director have been perceived well, as reflected in the business growth, profit increase, branch expansion, etc., of the company. He further continues to possess all skills, expertise and competencies in the core field of Nidhi, besides public and social service. These fundamental capabilities possessed by him over a period of about four decades have been instrumental in enhancing the company's image. He was the three time Member of Legislative Assembly of Kumbakonam Constituency of Tamil Nadu, which adds proudness to the company. Despite being 77 years of age, he continues to remain actively engaged and contributes significantly to the affairs of the Company.

d. The Company has received a declaration from Thiru.G.Anbalagan confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, read with the rules framed thereunder.

e. He has confirmed in his Form DIR - 8 that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent in Form DIR - 2 to act as Director in terms of Section 152 of the Companies Act, 2013, subject to reappointment by the Members of the Company.

f. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA). Thiru.G.Anbalagan is exempt from the requirement to undertake online proficiency self-assessment test conducted by IICA.

g. In the opinion of the Board, Thiru.G.Anbalagan fulfils the conditions specified in the Companies Act, 2013 and rules there under for reappointment as an Independent Director and is independent of the Management.

h. Nomination and remuneration Committee had at its meeting held on 27th August, 2026 has recommended to the Board the re-appointment of Thiru.G.Anbalagan as Independent Director for further period of 5 years.

i. His continuation as an Independent Director will be more beneficial to the all-round growth of the company.

j. He is entitled to sitting fees and share in 1 % commission on the Net Profits of the Company.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, except Thiru.G.Anbalagan and his relatives, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the reappointment of Thiru.G.Anbalagan as an Independent Director is now placed for the approval of the Members by a Special Resolution.

**ADDITIONAL INFORMATION WITH RESPECT TO AGENDA ITEMS IN THE NOTICE OF
ANNUAL GENERAL MEETING,
AS PER SECRETARIAL STANDARD - 2, OF THE DIRECTOR BEING RE-APPOINTED**

Name	G.Anbalagan
Director Identification Number	01469646
Date of Birth and Age	10.06.1949 ; 77 years
Qualification	-
Experience / expertise	Three times MLA, with wide exposure in the fields of Nidhi, Business, Public and Social Service. Director in this company for about 10 years.
Key Terms and conditions of appointment and details of remuneration	Independent Director, not liable to retire by rotation. Sitting Fees and share in 1% remuneration.
Remuneration last drawn	Rs.20.09 lakhs
Date of first appointment on Board (Initial term)	28.09.2006
Date of first appointment on Board (Latest term)	08.11.2021
Shareholding as on 31 st March, 2026 (Equity shares in KMBF Nidhi Limited)	50000
Relationship with other Director /Key Managerial Personnel	NIL
Number of Meetings of Board attended, during the financial year 2025-26	13
Directorships in other Companies	NIL
Other memberships/ chairmanships of committees of other Boards	NIL

Agenda Item No. 7 : To consider regularisation of the appointment of Thiru.S.Ravichandran (DIN: 03425202) as Director (Non-Executive and Non-independent) of the Company, liable to retire by rotation:

On the basis of the recommendation of the Nomination and Remuneration Committee in relation to the appointment Thiru.S.Ravichandran (DIN: 03425202), the Board of Directors, in their meeting held on 30th March, 2026 as has co-opted him as Additional Director to hold office from 01.04.2026 up to the date of the ensuing Annual General Meeting.

Thiru.S.Ravichandran, being a non-retiring director, has submitted a notice dated 19th August, 2026 under section 160 of the Companies Act, 2013 in writing, under his hand, signifying his candidature, as director. As per the proviso to the said section, requirements of deposit of amount (Rs.10000) shall not apply in case of appointment a director recommended by the Nomination and Remuneration Committee.

The company has received from him consent in Form DIR - 2 to act as a Director of the Company and a declaration, in Form DIR - 8, that he is not disqualified from being appointed as a Director of the Company.

The Nomination and Remuneration Committee in their meeting held on 27th August, 2026, has recommended the regularisation of the appointment of Thiru.S.Ravichandran (DIN: 03425202) as a director, retiring by rotation, for their consideration.

Thiru S. Ravichandran is a respected personality with vast experience in the real estate sector. His induction into the Board is expected to provide valuable guidance and strategic insights, thereby contributing to the Company's growth and long-term development.

He is entitled to sitting fees and share in 1% commission on the Net Profits of the Company.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, except Thiru.S.Ravichandran and his relatives, is concerned or interested, financially or otherwise, in the resolution.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 the directors shall be appointed by the members in the General Meeting of the company. In view of the same, it is proposed by the Board for appointment of Thiru.S.Ravichandran (DIN: 03425202) as Director by the members at the ensuing Annual General Meeting of the company, as set out in Item No.7 of the Notice for approval of the Members.

ADDITIONAL INFORMATION WITH RESPECT TO AGENDA ITEMS IN THE NOTICE OF ANNUAL GENERAL MEETING, AS PER SECRETARIAL STANDARD - 2, OF THE DIRECTOR BEING RE-APPOINTED

Name	S.Ravichandran
Director Identification Number	03425202
Date of Birth and Age	23.9.1963 ; 62 years
Qualification	-
Experience / expertise	Wide exposure in the fields of Business, Public and Social Service
Key Terms and conditions of appointment and details of remuneration	Additional Director. Sitting Fees and share in 1% remuneration.
Remuneration last drawn	Not Applicable
Date of first appointment on Board (Initial term)	Not Applicable
Date of first appointment on Board (Latest term)	01.04.2026
Shareholding as on 31 st March, 2026 (Equity shares in KMBF Nidhi Limited)	15000
Relationship with other Director /Key Managerial Personnel	NIL
Number of Meetings of Board attended, during the financial year 2025-26	Not Applicable
Directorships in other Companies	NIL
Other memberships/ chairmanships of committees of other Boards	NIL

Agenda Item No. 8 : To consider increase in borrowing limits under section 180(1) (c) of the Companies Act, 2013 from Rs.7000 crores to Rs.20000 crores.

Pursuant section 180(1)(c) of the Companies Act, 2013, the Board of Directors a company shall exercise inter alia the borrowing limit only with the consent of the company by a special resolution. The Board of Directors can borrow money, provided the money to be borrowed, together with the money already borrowed by the company does not exceed aggregate of its paid-up share capital, free reserves and securities premium, excluding temporary loans i.e. loans repayable on demand or within six months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, loans raised for the purpose of financial expenditure of a capital nature (even it is for a period less than six months) obtained from the company's bankers in the ordinary course of business.

In the 117th Annual General Meeting of the company, held on 08.11.2021, the limit for borrowing by the company was increased from Rs.3000 crores to Rs.7000 crores. The net owned funds as on 31.03.2026, as per its last audited financial statements is Rs.746.39 crores and the deposits accepted from members stood at Rs.6087.54 crores (as on 31.07.2026 Rs.6777 crores). Considering the growth rate, the company is expected to cross the limit of Rs.7000 crores in September, 2026. Therefore, to enable the company to ensure seamless growth of business through accretion of deposits, the borrowing limit may be increased from Rs.7000 crores to Rs.20000 crores (Rupees twenty thousand crores only). The quantum of increase of Rs.13000 crores is based on the factors like past trends in increase in deposits, branches opened, proposals to open another 51 branches in the short run, (out of 55 branches, for which permission has been accorded by the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai - 600 006) and projected growth plans. However, the actual borrowing will be restricted to twenty times the Net Owned Funds, as per the last audited financial statements of the company, as provided in Rule 11(1) of the Nidhi Rules, 2014.

Since the increase in borrowing limit requires the approval of the Shareholders, the Board of Directors recommends passing of a Special Resolution, as set out in Item No.8 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is in any way concerned or interested, financially or otherwise, in the increase in borrowing limit to Rs.20000 crores.

122 -வது பேரவைக் கூட்டத்தில் மின்னணு முறையில் வாக்களித்தல் / கலந்து கொள்ளுதல்

எதிர்வரும் 122-வது ஆண்டு பேரவைக் கூட்டம் 30.09.2026 அன்று காணொளி கூட்டம் அல்லது பிற ஒலி-ஒளி வழிமுறைகள் (Video Conferencing / Other Audio - Visual Means - VC/OAVM) முறையில் நடைபெற உள்ளதால், நமது பங்குதாரர்கள் அதில் Online மூலம் கலந்து கொண்டு வாக்களிக்க, அவர்கள் வைத்திருக்கும் E-mail ID நிதியில் பதிவு செய்யப்பட்டிருக்க வேண்டும்.

எனவே E-mail ID பதிவு செய்யாத நமது பங்குதாரர்கள், பதிவு அலுவலகத்திலோ அல்லது நமது நிதியின் 154 கிளைகளில் ஏதாவது ஒரு கிளையிலோ தங்களது பங்கு சான்றிதழை காண்பித்து, 15.09.2026 தேதிக்குள் E-Mail ID -ஐ பதிவு செய்து கொள்ளுமாறு கேட்டுக்கொள்ளப்படுகிறார்கள். அவர்களுக்கு M/s. National Securities Depository Limited (NSDL) - லிருந்து login credentials அனுப்பி வைக்கப்படும்.

நமது பங்குதாரர்களின் மேலான பங்களிப்பையும், ஒத்துழைப்பையும் வேண்டுகிறோம்.

CHAIRMAN'S MESSAGE

Dear Shareholders,

Greetings to you all.

It gives me immense pleasure and pride to present the Annual Report of Kumbakonam Mutual Benefit Fund Nidhi Limited (KMBF) for the financial year ended 31st March 2026.

Established in 1903 by **Rao Bahadur Sri N. Krishnaswami Iyengar** with the noble objective of promoting the economic well-being of the poor and middle-class sections of society, our institution has completed **123 years** of distinguished service. As we look back on this remarkable journey, we take immense pride in having continued to uphold the vision, values and principles with which our institution was founded.

Growth and Service – A Legacy of Excellence

When the majority members of the present Board of Directors assumed office during **2005-06**, the Company's total business stood at **₹ 511.79 crores**. Through sound governance, prudent financial management and forward - looking business strategies, total business increased substantially to **₹ 1,861.91 crores** by 2010-11.

Although our Board was not in office thereafter, the strong foundation established during that tenure enabled the Company to continue its growth trajectory. Consequently, total business increased to **₹ 2,624.20 crores** in 2011-12 and further to **₹ 3,201.82 crores** in 2012-13. This growth reflects the strength, sustainability and effectiveness of the policies and administrative systems established during our tenure.

Similarly, the dividend paid to shareholders increased from **10% for 2005-06 to 18% for 2010-11**. A strong foundation was also laid to enhance shareholder returns further, taking into consideration the Company's growth and future opportunities.

Strengthening the Institution with Renewed Commitment

In 2021, the responsibility of strengthening the Company and guiding it towards a renewed path of growth was entrusted to our present Board of Directors.

At the time of assuming office in 2021, the Company's total business stood at **₹ 5,346.65 crores**, while its pre tax profit was **₹ 75.15 crores**.

Through transparent and effective governance, robust financial practices, prudent cost management and well-planned business strategies, we have significantly strengthened the financial and operational position of the Company.

For the financial year ended 31st March 2026, the Company achieved a pre tax profit of **₹ 189.21 crores** and recommended a dividend of **25%**, being the maximum permissible rate under the Nidhi Rules, 2014.

The number of branches of the Company across Tamil Nadu has also increased to 154, enabling us to extend our services to a larger number of shareholders - depositors and borrowers.

Strong Business Performance

The present business position of the Company is as follows:

Particulars	Rupees in Crores
Deposits	₹ 6,828
Loans	₹ 6,512
Total Business	₹ 13,340

We have set an ambitious target of achieving a profit of **₹ 300 crore** during the current financial year 2026-27 and are taking focused, systematic and result-oriented measures to achieve this objective.

As required under the applicable statutory provisions, 10% of the total deposits has been maintained as statutory deposits with nationalized and scheduled banks. The interest income earned from such deposits is ₹ 57 crores.

Sound Financial Management and Cost Control

The growth of the Company has not been driven merely by an increase in revenue. Equal importance has been given to prudent financial management and effective cost control.

“Every paise saved is every paise earned.”

Strict cost control, transparency in procurement, efficient management of day to day surplus funds by judicious investments in callable and non callable bank deposit and direct negotiations with senior officials of banks to secure competitive interest rates on short-term and long-term deposits have played a significant role in strengthening our financial performance.

These measures have enabled us to improve profitability while maintaining financial discipline and operational efficiency.

Financial Strength and Depositors' Confidence

Safeguarding the trust and confidence of our depositors remains one of our foremost responsibilities. Accordingly, we continue to strengthen the financial foundation of the Company.

As of 31.03.2026, the Company's reserves and surplus stand at ₹ 716 crores, while statutory bank deposits amount to ₹ 620 crores. This strong financial position provides a firm foundation for the Company's stability and future growth.

We remain firmly committed to financial discipline, transparency and statutory compliance, while giving the highest priority to protecting the interests of our shareholders. The relevant financial details have been appropriately disclosed in this Annual Reports.

Social Responsibility Beyond Profit

The purpose of KMBF is not confined merely to earning profits. Our fundamental objective is to contribute, through our CSR initiatives, to the economic and social development of our shareholders and the communities we serve.

In this regard, the Company has been allocating 2% of its three years average profit every year towards CSR activities. During the financial year 2025-26, an amount of ₹ 2.25 crore was spent towards CSR initiatives.

In particular, by providing timely financial assistance to economically weaker sections, encouraging the habit of savings and expanding our branch network, we continue to contribute to the financial well-being of our members.

At the same time, our expansion has created employment opportunities for educated youth, thereby contributing to their livelihoods and to broader social development.

In accordance with the Companies Act, 2013 and the applicable CSR provisions, the Company has extended support towards the development of Government schools and colleges and towards meeting essential requirements of Government hospitals, as part of its social responsibility initiatives.

Our Employees – The Strength Behind Our Success

No institution can achieve sustained growth without the dedication, commitment and hard work of its employees. I therefore place on record my sincere appreciation to every member of our workforce for providing our shareholders with efficient, courteous and prompt service.

The trust and goodwill enjoyed by KMBF among its shareholders are the result of the collective efforts of our employees working across all our branches and offices.

Recognizing that our employees are the cornerstone of the institution's sustained growth and success, the Management has successfully concluded a salary settlement with the Kumbakonam Paraspara Sahaya Nidhi Paniyalar Munnettra Sangam, involving a financial commitment of approximately ₹10 crores. This significant initiative is aimed at further strengthening employee commitment morale, enhancing efficiency and productivity, and fostering a harmonious and motivated workforce.

The settlement reflects the Management's continued commitment to employee welfare, industrial harmony and the long-term growth and prosperity of the institution.

I call upon all our employees to continue communicating the financial strength, service orientation and distinctive features of KMBF to prospective shareholders and the general public. Through their continued efforts, we will be able to reach more depositors and borrowers and further expand our branch network.

Acknowledgements and Appreciation

On behalf of the Board of Directors, I express my heartfelt gratitude to all our shareholders - depositors and borrowers for their continued trust, confidence and support extended to the management.

Your Board utilises this opportunity to gratefully acknowledge the continuous support and co-operation received from the Ministry of Corporate Affairs, the Regional Director (Southern Region), Registrar of Companies, Chennai, Departments of Income Tax, Goods and Services Tax and Government of Tamil Nadu, Bankers, Chamber of Nidhis, Insurance Companies and vendors. Your Board expresses their wholehearted thanks and appreciation to all the members for their unstinted support and encouragement in all the endeavors of your company. Your Board place on record their deep appreciation of the contributions made by the employees at all levels, whose competence, diligence and commitment have enabled your company to achieve the preset levels of business.

All our achievements are the result of collective effort. I am confident that, with the continued support and cooperation of all our stakeholders, KMBF will scale greater heights in the years ahead.

Looking Ahead

As we complete **123 years of dedicated service**, we remain firmly committed to carrying forward the noble vision of our founder and ensuring that the benefits of the Company's growth continue to reach our shareholders and the wider community.

Our objective is to expand our branch network from the present **154 branches to 205 branches**, within a couple of years thereby enabling a greater number of people to benefit from our financial services. At the same time, we will continue to safeguard the interests of our shareholders and employees while pursuing sustainable and responsible growth.

Our journey is not merely about numbers, branches or profits. It is about trust built across generations, responsible financial services, employment generation and inclusive socio-economic development.

With the collective support of the Board of Directors, employees, members and all our stakeholders, I am fully confident that KMBF will continue its remarkable journey of growth and service for many more years to come.

“Our Nidhi - Our Trust”

With Commitment to Continuous Growth,



S.Kalyanasundaram MP

Chairman

Kumbakonam Mutual Benefit Fund Nidhi Limited

Place : Kumbakonam

Date : 27-08-2026

TRUST

1
NUMBER
ONE

KUMBAKONAM

DEPOSITS - ₹6088 Crore

- FY 2021-22 - ₹3120 Crore
- FY 2022-23 - ₹3500 Crore
- FY 2023-24 - ₹3811 Crore
- FY 2024-25 - ₹4717 Crore
- FY 2025-26 - ₹6088 Crore

NET WORTH
747
CRORE

ADVANCES - ₹5746 Crore

- FY 2021-22 - ₹2890 Crore
- FY 2022-23 - ₹3199 Crore
- FY 2023-24 - ₹3582 Crore
- FY 2024-25 - ₹4501 Crore
- FY 2025-26 - ₹5746 Crore

STATUTORY DEPOSITS

₹620 Crore

- FY 2021-22 - ₹312 Crore
- FY 2022-23 - ₹356 Crore
- FY 2023-24 - ₹385 Crore
- FY 2024-25 - ₹478 Crore
- FY 2025-26 - ₹620 Crore

RESERVES & SURPLUS

₹716 Crore*

- FY 2021-22 - ₹358 Crore
- FY 2022-23 - ₹416 Crore
- FY 2023-24 - ₹485 Crore
- FY 2024-25 - ₹582 Crore
- FY 2025-26 - ₹716 Crore

BUSINESS GROWTH FY 2025-26

- DEPOSITS - 29%
- ADVANCES - 28%
- PROFIT - 35%
- RESERVES & SURPLUS - 23%
- STATUTORY DEPOSITS - 30%



TOTAL BUSINESS

₹13,340 Crore

(AUGUST 24, 2026)

- FY 2025-26 - ₹ 11,833 Crore
- FY 2024-25 - ₹ 9,218 Crore
- FY 2023-24 - ₹ 7,393 Crore
- FY 2022-23 - ₹ 6,699 Crore
- FY 2021-22 - ₹ 6,010 Crore

Growth requires only
Perseverence! Trust!! Honesty!!!

SERVICE

1
NUMBER
ONE



PROFIT ₹189 Crore*

- FY 2021-22 - ₹93 Crore
- FY 2022-23 - ₹102 Crore
- FY 2023-24 - ₹104 Crore
- FY 2024-25 - ₹140 Crore
- FY 2025-26 - ₹189 Crore

MEMBERS

12
LAKHS



INTEREST EARNED ON
BANK DEPOSIT - ₹57 Crore

- FY 2021-22 - ₹24 Crore
- FY 2022-23 - ₹32 Crore
- FY 2023-24 - ₹37 Crore
- FY 2024-25 - ₹42 Crore
- FY 2025-26 - ₹57 Crore

MEMBERS - 12.47 Lakhs

July 2026

- FY 2021-22 - 11.35 Lakhs
- FY 2022-23 - 11.55 Lakhs
- FY 2023-24 - 11.73 Lakhs
- FY 2024-25 - 11.98 Lakhs
- FY 2025-26 - 12.47 Lakhs

INDIA'S FIRST

NDH - 4

APPROVED

NIDHI COMPANY

VISION - 205 BRANCHES

At present, there are 154 branches and we have license for opening 51 more branches, shortly, making the branches totally to 205.

DIVIDEND - 25%*

- FY 2021-22 - 25%
- FY 2022-23 - 25%
- FY 2023-24 - 25%
- FY 2024-25 - 25%
- FY 2025-26 - 25%

BRANCHES - 154

Upto 18.08.2026

- FY 2021-22 - 114
- FY 2022-23 - 116
- FY 2023-24 - 120
- FY 2024-25 - 130
- FY 2025-26 - 150

With Commitment to Continuous Growth

S. Kalyanasundaram

S.Kalyanasundaram MP
Chairman
and Board of Directors

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

BOARD'S REPORT FOR THE YEAR ENDED 31st MARCH, 2026

Dear Members of Kumbakonam Mutual Benefit Fund Nidhi Limited,

Your Directors have pleasure in presenting the 122nd Annual Report of your company on the business and operations of your Company together with the Audited Financial Statements and the Auditors' Report for the financial year ended 31st March, 2026.

1. SALIENT FEATURES OF YOUR COMPANY'S FINANCIAL SUMMARY/ HIGHLIGHTS:

The performance of your company for the year ended 31st March, 2026 with comparative figures for the preceding year is as under:

Particulars	(₹ in crores)	
	31.03.2026	31.03.2025
Total Revenue	817.49	620.56
Total Expenses (Including Depreciation, amortization and impairment)	628.28	480.21
Profit Before Exceptional items, Depreciation and Tax	198.07	147.65
Depreciation, amortization and impairment	8.86	7.30
Profit Before Exceptional items and Tax	189.21	140.35
Less : Exceptional item	-	-
Profit Before Tax	189.21	140.35
Taxes	48.11	35.77
Profit After Tax	141.10	104.58
Other Comprehensive income (Net of Tax)	1.69	0.66
Total Comprehensive income	142.79	105.25
Dividend Rate	25%	25%
Dividend Amount	7.68	7.61

2. Equity Share Capital

The paid-up equity share capital increased by Rs.0.32 crores from Rs. 30.56 crores as on 31st March, 2025 to Rs.30.88 crores as on 31st March, 2026. The company had allotted shares only to the prospective depositors/ borrowers. The said allotments are in accordance with the provisions of Nidhi Rules, 2014 and pursuant to the Notification [No. GSR465 (E) dated 05.06.2015], issued by the Ministry of Corporate Affairs. During the year under review, 32903 persons have subscribed to the Equity Share Capital of your company. During the year under review, your company has not issued any shares with differential rights or sweat equity or Employees Stock Option Plan (ESOP).

3. Business Progress

The continued trust and confidence reposed by the shareholders of the Nidhi has enabled your Company to achieve a commendable growth rate of 29.04%, in the year 2025-26 over the previous year 2024-25 on the deposits front and in the advances portfolio, the growth rate was 27.65%, evidencing optimum utilization of the available inflow of funds, resulting in the revenue and profit generation, as above. In absolute terms, the deposits of your Nidhi increased by Rs.1370.05 crores during the year under report from Rs. 4717.49 crores as on 31.03.2025 to Rs.6087.54 crores as on 31.03.2026 and loans, predominantly consisting of gold loans, increased by Rs.1244.59 crores during the year under report from Rs. 4501.30 crores as on 31.03.2025 to Rs. 5745.89 crores as on 31.03.2026.

4. Branches Network

During the year under review, your Company opened 20 new branches, pursuant to the permission granted by the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai. With the opening of these branches, all the branches for which permission had been granted were made operational, taking the total number of branches functioning as on 31st March, 2026 to 150.

Further, the Regional Director granted permission on 10th April 2026 for opening 55 additional branches. Out of these, the Company has opened four branches so far thereby making the total number of functional branches as on date to 154. The remaining branches will be opened periodically in a phased manner.

5. Business Prospects

Gold, withstanding the effects of lower to higher inflations, has been performing well and the long-term trend for gold is bullish. Therefore, the business prospects for jewel loans in India are exceptionally strong and extremely fast growing, driven by soaring gold rates, rapid formalization of the markets and increasing necessities for various requirements including working capital. There has been significant surge in market portfolio, backed by low credit/ default risks, meaning negligible NPA (non-performing asset) and easier recovery options.

The sustained upward trend in gold prices, with an overall increase of approximately 90% over the last two to three years, has enhanced the borrowing capacity of individuals against gold, thereby contributing positively to the Company's lending operations.

About 65% of the total gold reserves in India remain with the rural households. It has transformed from the unorganised sectors into a mainstream, emerging as the second largest retail credit product, pushing behind the personal and housing loans.

The gold loans outstanding reached ₹18.40 lakh crores during the year under report, though physical gold tonnage has not correspondingly increased. Gold loan portfolios in NBFCs surged by 96.5% year-on-year, outperforming private sector banks (44.7%) and public sector banks (51.6%). It is estimated that by the end of financial year 2029, this organized financial segment will reach a CAGR of around 14.85%.

6. Annual Return Under Section 92(3)

Pursuant to section 134(3)(a) of the Companies Act, 2013, and Rule 12 of the Companies (Management & Administration) Rules, 2014 the Annual Return (MGT-7) referred to in sub-section (3) of section 92 relating to 2025-26 has been placed in the web address <https://kmbf.co/form-mgt-7.html>.

7. Number of meetings of the Board

During the financial year 2025-26, your Company held 13 Board meetings, on the following dates.

19.04.2025	23.05.2025	28.06.2025	26.07.2025	26.08.2025
14.09.2025	27.09.2025	25.10.2025	28.11.2025	29.12.2025
25.01.2026	28.02.2026	30.03.2026		

The gap between two meetings did not exceed 120 days. The attendance of each of the Directors at those 13 Board Meetings are furnished here below:

S. No	Name of the Directors	DIN	No. of Board Meetings attended
1	Thiru. S.Kalyanasundaram, Chairman & Independent Director	00829647	13
2	Thiru. S.Ramalingam, Vice Chairman & Independent Director	00829529	13
3	Thiru. PR.P.Velappan, Managing Director	01892661	13
4	Thiru. G.Anbalagan, Independent Director	01469646	13
5	Thiru. B.Prakasam, Director	00338872	13
6	Thiru. G.Duraiaraj, Director	03064193	13
7	Thirumathi. E.Ambika, Director	09353335	13
8	Thiru. M.Guru Prasanth, Director	09359770	13

Committees of the Board:

As required under Section 177 and 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the following are the Statutory Committees of the Board:

Composition of Audit Committee (AC) & meetings held				
S. No	Name of the Directors	Nature of Directorship	Number of AC Meetings	
			Held	Attended
1	Thiru. S.Kalyanasundaram	Chairman	5	5
2	Thiru. S.Ramalingam	Member	5	4
3	Thiru. PR.P.Velappan	Member	5	5
4	Thiru. G.Anbalagan	Member	5	5
5	Thiru. B.Prakasam	Member	5	4

Composition of Nomination and Remuneration Committee (NRC) & meetings held				
S. No	Name of the Directors	Nature of Directorship	Number of NRC Meetings	
			Held	Attended
1	Thiru. S.Ramalingam	Chairman	4	4
2	Thiru. S.Kalyanasundaram	Member	4	4
3	Thiru. G.Anbalagan	Member	4	4
4	Thiru. B.Prakasam	Member	4	4

Composition of Corporate Social Responsibility Committee (CSR) & meetings held				
S. No	Name of the Directors	Nature of Directorship	Number of CSR Meetings	
			Held	Attended
1	Thiru. S.Kalyanasundaram	Chairman	1	1
2	Thiru. S.Ramalingam	Member	1	1
3	Thiru. PR.P.Velappan	Member	1	1
4	Thiru. G.Anbalagan	Member	1	1
5	Thiru. M.Guru Prasanth	Member	1	1

Composition of Stakeholders Relationship Committee (SRC) & meetings held				
S. No	Name of the Directors	Nature of Directorship	Number of SRC Meetings	
			Held	Attended
1	Thiru. S.Kalyanasundaram	Chairman	12	12
2	Thiru. S.Ramalingam	Member	12	10
3	Thiru. PR.P.Velappan	Member	12	12
4	Thiru. B.Prakasam	Member	12	11
5	Thiru. M.Guru Prasanth	Member	12	12

During the year under review, the Company did not receive any complaints from the shareholders. Further, there were no shareholder complaints pending for resolution either at the beginning or at the end of the financial year.

Further, there are four sub-committees viz. Deposit Committee, Jewel Loans Committee, Mortgage Loan Committee, Legal Advisory Committee. The Minutes of such meetings were fully recorded in the Minutes Book maintained for the purpose.

8. Directors' responsibility statement

Pursuant to Section 134(5) of the Companies Act, 2013, read with section 134(3) (c), your Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- your Directors had 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 statement of affairs of your Company at the end of the financial year ending 31st March, 2026 and the profit and loss of the Company.
- your Directors had 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;
- your Directors had prepared the annual accounts on a going concern basis and
- your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

9. The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

10. Statement of the declaration by independent directors

Each of the three Independent Directors, at the first meeting of the Board for the financial year 2026-27 held on 11th April 2026 has given a declaration under Section 149(6) of the Companies Act, 2013 that they meet the criteria of independence, as provided under section 149(7) of Act. Similarly, during the year under review, the declarations were given on 19th April 2025. 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 your Company's business and policy decisions are considered by the 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. Your Board considers the Committee's recommendation and makes appropriate decision.

11. Nomination and Remuneration Policy

The Nomination and Remuneration policy is hosted in the web link <https://kmbf.co/assets/pdfs/nrckmbf.pdf>. The Committee identifies and assesses the qualifications and positive attributes of the proposed candidate for the position of Director/ Independent Director based on the disclosures / declarations received from such person under section 178 of the Companies Act, 2013. The remuneration recommended by the Committee is in accordance with the provisions of the Companies Act, 2013.

12. Statutory Audit

M/s. Sastri and Shah, Chartered Accountants, Chennai. (Firm Registration No.003643S), M/s. G.Natesan & Co., Chartered Accountants, Kumbakonam. (Firm Registration No.002424S), M/s.S.Shanmugham & Associates, Chartered Accountants, Kumbakonam. (Firm Registration No.006655S) and M/s. G.Srinivasan & Co., Chartered Accountants, Chennai. (Firm Registration No.012043S) as the Joint Statutory Auditors of the

Company were appointed as Statutory Auditors of the Company at the 118th Annual General Meeting of the Company held on 28th September, 2022, to hold office for a term of five consecutive years until the conclusion of 123rd Annual General Meeting of the Company. They continue to be the Auditors of the company for the Financial Year 2025-26.

The Independent Auditors' Report(s) to the Members of the Company in respect of the Financial Statements for the Financial Year ended 31st March, 2026 form part of this Annual Report.

13. Explanation or comments of Board on qualifications, reservations made by Statutory Auditors

Board's reply for queries raised by Statutory Auditors:

i. Non-Transfer of shares to IEPF

With reference to Item 2(h)(iii) of the Independent Auditors' Report - Report on other Legal and Regulatory Requirements the Directors state that the transfer of shares in respect of approximately 7 lakh members involves considerable time and substantial administrative and financial costs. In view of the large number of members involved and the practical difficulties associated with such transfer, the Company, along with the Chamber of Nidhis, has made representations to the Ministry of Corporate Affairs seeking exemption for Nidhi companies from the applicability of the relevant provisions of the Companies Act, 2013 and the rules made there under. The Company continues to pursue the matter with the concerned authorities and is taking appropriate follow-up actions periodically.

ii. Overdue Deposits

In respect of non-transfer of Overdue Deposits, amounting to Rs.1.64 crores to the Investor Education and Protection Fund (IEPF) Authority, they are currently under litigation and therefore have not been transferred. These amounts will be disbursed to the rightful claimants once the related issues are resolved.

iii. Audit Trail

In response to the Auditor's remark on audit trail in 2.h-vi of Report on other Legal and Regulatory Requirements, your company is in the process of upgrading its current financial reporting platform. The software installations, relating to the operations of the branches have been successfully completed in all the then branches by September 2026 and are installed in all the new branches and the audit trail (audit logs) is available thereafter. In respect of operations at Central Office, software is being developed and will be integrated with the branches by March 2027.

Interim measures are implemented to ensure that critical audit activities are recorded and monitored using legacy systems, until the new software was fully operational.

14. Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your company has appointed M/s. R & RJ Associates, Company Secretaries in practice, Chennai to conduct secretarial audit of your Company for the financial year ended 31st March, 2026. The Secretarial Report in Form MR-3 is attached to this Board's Report as Annexure – A.

15. Board's reply to queries raised by Secretarial Auditors

As regards the remark on transfer of shares to IEPF, your Board informs that steps are being taken to get exemption for transfer of concerned shares to IEPF Authority. (Please refer to item 13.i *ibid*).

1. In few circumstances there were delay and non-filing of statutory forms/statutory returns with MCA under the relevant applicable Laws to the Nidhi.

Reply : The company has filed all the statutory returns under all applicable statutes including the Companies Act, 2013 except DPT - 3 which was due on 30.06.2025 was filed on 27.09.2025 with applicable late fees.

2. The Nidhi has not maintained an Audit Trail (Edit Log) as the required under the Companies (Accounts) Rules, 2014.

Reply : Please refer to apply under 13.iii *ibid*.

3. Registrar of Companies has conducted an inspection and enquiry in the year 2023 - 2024 and the same is pending before the Registrar of Companies, Ministry of Corporate Affairs, Chennai.

4. The Company has filed an Adjudication Application with the Registrar of Companies in respect of the Application for delay in Appointment of CFO and CEO under section 203, Non Disclosure under section 134, Appointment of Statutory Auditor for three years instead of five years under section 139, Non Appointment of Company Secretary under section 203 and non registration of charges for loan against deposits under section 77 however, the Adjudication Order has not yet been received by the Company.

Reply for 3 & 4 : The company has received a letter dated 18.08.2025 from the Registrar of Companies (ROC) containing the preliminary findings of the Inspection. Replies were furnished to the ROC and adjudication applications were filed, as stated by the Secretarial Auditor. For two queries, compounding applications are to be filed. The factual statement of Secretarial Auditor is affirmed.

5. Based on the information given to us and as reported in the last year, there was a legal case pending before Honorable High Court of Madras, Chennai with vide Case I.P. No.11/2019 and in connection with the above case FIR No.151/2019 is pending with Economic Offences Wing (EOW), Chennai. The High Court of Madras, Chennai has ordered the Nidhi to execute a Bank Guarantee of Rs.16.50 crores favouring "The Official Assignee" and the same was accordingly executed.

Reply: The factual statement of Secretarial Auditor is affirmed.

16. Loans, Guarantees or Investments under section 186

During the year under review, your Company has not made any investment or given loan or guarantee or provided security or acquired any securities, falling within the purview of section 186 of the Companies Act, 2013, either directly or indirectly. Therefore, compliance under section 186 of Companies Act, 2013 and reporting do not arise.

17. Contracts / Arrangements under section 188(1)

During the period under review, your Company has not made any contracts/ arrangements/ transactions with related parties. Therefore, compliance under section 188(1) of Companies Act, 2013 and reporting do not arise. However, particulars of transactions with related parties are disclosed in the Notes on accounts forming part of the financial statements.

18. State of the company's affairs

The core business of your Company is to cultivate and propagate thrift saving habits and to receive long term and short term fixed and recurring deposits from its members and to lend, grant secured loans. The company also provides locker facilities to its members.

Achieved growth, in the year under report and the two preceding years, are furnished in the following Table.

(₹ in crores)

Particulars	31.03.2024	31.03.2025	31.03.2026
Deposits	3811.40	4717.49	6087.54
% of increase in deposits	8.88%	23.77%	29.04%
Advances	3581.75	4501.30	5745.89
% of increase in Advances	11.97%	25.67%	27.65%
Gross Profit	103.69	140.35	189.21
% of increase in Profit Before Tax	1.81%	35.35%	34.82%
Net Profit After Tax	76.16	104.58	141.10
Reserve and surplus	485.01	582.16	715.65
Dividend Rate	25%	25%	25%
Dividend Amount	7.56	7.61	7.68
NOF Ratio	01 : 07.40	01 : 09.17	01 : 09.94
Unencumbered bank deposits (Rule 14 of Nidhi Rules, 2014)	385.00	478.00	619.71
Unencumbered bank deposits as on 31 st March to total deposits from members, as on 31 st January of the respective years	10.68%	10.43%	10.66%
No. of branches	120	130	150

There is no change in the nature of business or status of your Company during the year under review. There have been no new acquisitions or structural changes, mergers, disinvestments or diversifications of material events that impact the business of your company. No companies have ceased to be or become its joint ventures, subsidiaries, or associate companies during the year under review.

Your company operates in only one segment i.e. accepting deposits from and lending to members. Therefore, segment-wise reporting does not arise.

19. Reserves and Surplus

Your company has been strengthening the reserves every year. Your Board has transferred Rs.133.49 crores (after adjusting for dividend) to Reserves during the year 2025-26, taking the same to Rs.715.65 crores as on 31st March, 2026 from Rs.582.16 crores as on 31st March, 2025.

20. Dividend

Your directors are pleased to recommend a dividend of 25% p.a. (period based, pro-rata) for the year ended 31st March, 2026 to those shareholders, whose name appear in the Register of Members, as on the date of Book Closure. This will involve an amount of Rs.7.68 crores as dividend.

21. Material changes and commitments, affecting the financial position occurred subsequent to the end of the financial year

There are no material commitments and changes affecting the financial position of your Company, that occurred between the end of the financial year to which the financial statements relate and the date of the report.

22. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The relevant details, as required by section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are furnished here below:

A. Conservation of Energy :

- (i) The steps taken or impact on conservation of energy:

Since your company is not in the manufacturing line, the operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.

- (ii) the steps taken by the company for utilizing alternate sources of energy:

During the current year 2026-27, your company installed 80 KW of solar power plants in the Central Office/branches, where your company has its own premises.

- (iii) the capital investment on energy conservation equipment: Rs. 36.00 Lakhs.

B. Technology Absorption :

During the year under review, your Company continued to strengthen its core business application [similar to Core Banking Solutions (CBS)] through adoption of modern cloud-based technology infrastructure. These included application performance optimization, database tuning, cyber security strengthening, centralized system monitoring, enhanced backup mechanism, and process automation aimed at improving operational efficiency.

Your company's application is hosted on the Microsoft Azure Cloud Platform and leverages various cloud services, including Azure Front Door, Virtual Machines, Load Balancers, Managed Database Services, and advanced monitoring tools.

No technology was imported during the financial year under review.

C. Foreign Exchange Earnings and Outgo : do not apply to your Company.

23. Risk Management Policy

Risks relating to the nature of business of your Company include inter alia credit risk, liquidity risk, interest rate risk and operational risk, besides cost volatility and competition. Your Directors meet at periodical intervals, take meticulous care, monitor and discuss and address the issues relating to risk management, assets liability management systematically and manage the business effectively to achieve the optimum results. Your Company has an elaborate Risk Management procedure, which is based on three pillars viz. Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. There are no risk elements, which, in your Boards' opinion, may threaten the existence of the company. To mitigate/ prevent any possible risks, it ensures reappraisal of all the jewels at all the branches on a monthly basis, adequate insurance for jewels, cash and other assets, fidelity guarantee insurance and quarterly audit of all the branches by qualified Chartered Accountants.

24. Corporate Social Responsibility (CSR) initiatives

Nature of CSR initiatives of your company broadly covers Poverty, Hunger and Malnutrition alleviation, Promoting Healthcare including preventive health care, Promoting Road Safety Activities, Promoting Sanitation, Promoting Sports in Rural Area, Promoting education and renovation of class rooms. The contributions to such initiatives under CSR, during the financial year 2025-26 was Rs.2.25 crores against

the statutory requirement of Rs. 2.21 crores as per section 135 of Companies Act, 2013. i.e. more by Rs.0.04 crores (previous year CSR Expenses of Rs. 1.92 crores). A Report on CSR activities as required under the provisions of Companies Act, 2013 is annexed herewith as Annexure II and it forms part of this report. Copy of the CSR Policy of the Company is placed on the web links <https://kmbf.co/csr-activities.html>.

25. Formal annual evaluation by the board of its own performance, its committees and individual directors

In line with the provisions of the Companies Act, 2013, a formal annual evaluation process for assessing the performance of the Board, Board Level Committees, Chairman, Non-Independent and Independent Directors is conducted through considering various aspects of Board Governance, Composition, Competencies, Guidance etc., as approved by the Nomination Committee of the Board. The Nomination Committee reviews the performance evaluation criteria from time to time as per requirement. The Board carries out an annual evaluation of its own performance, all individual Directors including Independent Directors (excluding the Director being evaluated) and of its Committees and the company.

The Independent Directors in their separate meeting conducts the evaluation of Board, the Chairman and the Managing Director and also, the timeliness of flow of information between Board & Management.

In respect of evaluation of Chairperson, additional criteria such as leadership capabilities and Board Level working relationships are taken into account.

The Managing Director was assessed on additional criteria viz., Business Conduct, Nidhi's overall performance, Strategic Planning, Compliance and Governance areas.

While undertaking the evaluation process, the Director being evaluated does not participate.

The reports of all evaluations conducted as aforesaid were placed before the Board and it was agreed by all Directors that the overall performance of the Board, Board Committees and individual Directors was satisfactory for the financial year 2025-26.

26. Details of key managerial personnel or directors, who were appointed or resigned:

The first term of five consecutive years of office of Thiru.S.Kalyanasundaram (DIN: 00829647), as Independent Director expires in the ensuing Annual General Meeting. On the recommendation of the Nomination and Remuneration Committee, the Board has re-appointed Thiru S.Kalyanasundaram, as an Independent Director for a second term of five consecutive years up to the conclusion of 127th Annual General Meeting subject to approval of shareholders and accordingly an agenda item has been proposed as a special resolution in the Notice of 122nd Annual General Meeting.

Thiru.PR.P.Velappan (DIN: 01892661), Managing Director retires by rotation in terms of Section 152 of Companies Act, 2013 and being eligible offers himself for re-appointment as Director liable to retirement by rotation. Further, subject to his reelection in the ensuing Annual General Meeting, the Board of Directors on the recommendation of the Nomination and Remuneration Committee has re-appointed Thiru PR.P.Velappan as the Managing Director of the Company, not liable to retire by rotation, for a second term of five years and payment of remuneration to him and accordingly a subject commending the consent of the members for the same has been proposed as a special resolution in the Notice of 122nd Annual General Meeting.

The first term of five consecutive years of office for Thiru.G.Anbalagan (DIN: 01469646), as Independent Director, expires in the ensuing Annual General Meeting. On the recommendation of the Nomination and

Remuneration Committee, the Board has re-appointed Thiru.G.Anbalagan as an Independent Director for a second term of five consecutive years up to the conclusion of 127th Annual General Meeting and accordingly a subject commending the consent of the members for the same has been proposed as a special resolution in the Notice of 122nd Annual General Meeting.

During the year under review, Thiru.S.Ravichandran (DIN: 03425202) was appointed as Additional Director, in the meeting of the Board of Directors, held on 30th March 2026, to hold office from 01.04.2026 till the conclusion of the ensuing 122nd Annual General Meeting. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has approved to regularise his appointment as a director liable to retire by rotation and accordingly a subject commending the consent of the members for the same has been proposed as an ordinary resolution in the Notice of 122nd Annual General Meeting.

The present Board functions with the following Directors.

S. No	Name of the Directors	DIN
1	Thiru. S.Kalyanasundaram, Chairman & Independent Director	00829647
2	Thiru. S.Ramalingam, Vice Chairman & Independent Director	00829529
3	Thiru. PR.P.Velappan, Managing Director	01892661
4	Thiru. G.Anbalagan, Independent Director	01469646
5	Thiru. B.Prakasam, Director	00338872
6	Thiru. G.Durairaj, Director	03064193
7	Thirumathi. E.Ambika, Director	09353335
8	Thiru. M.Guru Prasanth, Director	09359770
9	Thiru. S.Ravichandran, Additional Director	03425202

There has been no change in the offices of Chief Financial Officer or Company Secretary, during the year and up to the date of this Board's Report.

27. Deposits, Accepted by the Nidhi Company

Deposits accepted from members by the Nidhi companies are not covered by the definition of Deposits, as per Rule 2(1)(c)(xiv) of the Companies (Acceptance of Deposits) Rules, 2014. Hence, the provisions of deposits under Chapter V of the Companies Act, 2013 are not applicable to your Nidhi.

Your Company is a Nidhi Company, governed by the Nidhi Rules, 2014. Your Company has duly complied with the Nidhi Rules, 2014, as amended from time to time.

Deposits accepted from the members only, outstanding as on 31st March, 2026: Rs.6087.54 crores.

Unpaid deposits or unclaimed deposits at the end of the year Rs.1.64 crores

Default in repayment of deposits or payment of interest thereon at the beginning of the year or during the year or at the end of the year: Nil

Deposits from Directors outstanding Rs.2.11 crores (Refer Note. 37)

28. Significant and material orders passed by the regulators or courts or tribunals

During the year under review, there was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

However, the Company had filed adjudication application with the Registrar of Companies, Chennai for adjudication of the non-compliance in regard to delay in appointment of woman Director under section 149 of the Companies Act, 2013, during the year 2021 (delay due to lock-down during Covid-19) and obtained orders in this regard. Subsequently, the Company filed appeal with Regional Director, Southern Region, against the adjudication order of Registrar of Companies. However, the appeal was rejected and the Company paid penalty of Rs.2,98,000/-.

29. Internal financial control systems and its adequacy

Your Company has put in place adequate internal financial controls, commensurate with the size and scale of its operations. It has, in all material aspects, adequate Internal Control Systems over Financial Reporting and these controls have been designed to capture 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. Such Internal Financial Controls over Financial Reporting were operating effectively as at the end of the financial year.

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. To further strengthen the internal audit system, your Company has appointed qualified Chartered Accountants as Internal Auditors to audit the accounts of the branches. The Internal Auditors periodically submit their reports to the Audit Committee. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control system.

30. Maintenance of cost records

The Central Government has not specified any cost records under section 148(1) of the Companies Act, 2013, for your Company.

31. Prevention of sexual harassment at work place

Your Company has duly complied with the provisions relating to constitution of an Internal Committee to redress complaints received relating to sexual harassment and it has in place a policy for prevention of sexual harassment, in line with the requirements of the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. All the employees (permanent, contractual, temporary, trainees) as on 31st March, 2026 are covered under this policy. During the year under review, the Company did not receive any such cases. Further, there were no cases pending either at the beginning or at the end of the financial year, and no case remained pending for a period exceeding ninety days.

Prevention of Sexual Harassment at work place (POSH) Committee & Meetings held				
S. No	Name	Nature of Role	Number of POSH Committee Meetings	
			Held	Attended
1	Thirumathi. K. Selvi, Officer	President	3	3
2	Thirumathi. R.Kanimozhi, Branch Manager	Member	3	3
3	Thirumathi. T.Santhi, Officer	Member	3	3
4	Thiru. B.Vijayakumar, B.A.,B.L.,	Member	3	3

32. Insolvency and bankruptcy code, 2016

During the year under review, no application was made or any proceeding was instigated under the Insolvency and Bankruptcy Code, 2016. None was pending as on 31st March, 2026.

33. Loan from banks or financial institution and settlement thereof

During the year under review, your Company did not avail any loan from any bank or financial institution. There was no instance of one-time settlement and/ or the valuation done.

34. Compliance to the provisions relating to the Maternity Benefits Act, 1961:

During the year under review, there was no specific case of post-delivery, covering 26 weeks. However, your management has included the benefits to the eligible women employees, as per the requirement of the Maternity Benefits Act, 1961, in settlement with the employees' union.

35. Whistle blower policy/ vigil mechanism

Your Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. Your 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. Such policy is hosted on the web link <https://kmbf.co/whistle-blower-policy.html>. During the year under review, the Company did not receive any complaints under the Whistle Blower Policy and there were no whistle blower complaints pending or outstanding as at the end of the financial year.

36. Secretarial standards

Your Company has duly complied with the Secretarial Standards 1 and 2, relating to Board Meetings and Annual General Meetings, issued by the Institute of Company Secretaries of India (ICSI).

37. Industrial Relations

As usual, the industrial relation with the staff of your Nidhi has been cordial and congenial. The wage settlement with the workmen of your company expired on 31st March, 2026. The new bipartite settlement between the management and workmen represented by Kumbakonam Paraspara Sahaya Nidhi Paniyalar Munnettra Sangam was entered into to be effective for three years from 1st April 2026, providing for 10% increase in emoluments and better conducive working atmosphere.

38. Particulars of Employees

Being unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

39. Subsidiaries / Associates / Joint ventures

During the year under review, the Company did not have any Subsidiary, Associate or Joint Venture Company. Further, the Company did not have any Holding Company and was not a subsidiary of any other body corporate.

40. Growth Path

A cursory glance at this Annual Report and those of previous years of your Company will clearly display the improvements in each important aspect of your Company's business. It may be observed that the progress has been reasonable and encouraging and thus creating confidence for a bright future.

41. Acknowledgements

Your Board utilises this opportunity to gratefully acknowledge the continuous support and co-operation received from the Ministry of Corporate Affairs, the Regional Director (Southern Region), Registrar of Companies, Chennai, Departments of Income Tax, Goods and Services Tax and Government of Tamil Nadu, Bankers, Chamber of Nidhis, Insurance Companies and vendors. Your Board expresses their wholehearted thanks and appreciation to all the members for their unstinted support and encouragement in all the endeavors of your company. Your Board place on record their deep appreciation of the contributions made by the employees at all levels, whose competence, diligence and commitment have enabled your company to achieve the preset levels of business.

Place : Kumbakonam

Date : 27.08.2026

For and on behalf of the Board of Directors of
Kumbakonam Mutual Benefit Fund Nidhi Limited,

S.Kalyanasundaram MP

Chairman

(DIN : 00829647)

Annexure - A to the Board's Report
SECRETARIAL AUDIT REPORT FORM MR – 3
FINANCIAL YEAR ENDED 31ST MARCH, 2026

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

To

The Members,
 Kumbakonam Mutual Benefit Fund Nidhi Limited,
 No. 23 & 24, Dr. Besant Road,
 Kumbakonam, Thanajvur Dt, Tamil Nadu - 612 001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **“Kumbakonam Mutual Benefit Fund Nidhi Limited” (hereinafter called the Nidhi)**. 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 Nidhi's books, papers, minute books, forms and returns filed and other records maintained by the Nidhi and also the information provided by the Nidhi, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Nidhi has during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed there under and also that the Nidhi has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Nidhi for the financial year ended on 31st March, 2026 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 Nidhi. We have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) during the audit period of the Nidhi.

During the period under review the Nidhi has complied with the provisions of the Act, Rules, etc. as mentioned above.

In respect of non-transfer of shares to IEPF as required under section 124(6) of the Companies Act, 2013 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 for seeking exemption of this provision and the same is under consideration. Accordingly, the Company is yet to comply with the said provisions.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-executive and Independent Directors. There are no changes in the composition of the Board of Directors which took place during the period under review were pursuant to the provisions of the Act. The Nidhi has also complied with the requirement of appointment of women director as stipulated under second proviso to section 149(1) read with rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014.

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.

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

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

- I. Public / Rights / Preferential issue of shares / debentures / sweat equity;
- II. Redemption / buy-back of securities;
- III. Merger/ amalgamation / reconstruction etc;
- IV. Foreign technical collaborations.

However, we further report that

1. In few circumstances there were delay and non-filing of statutory forms/statutory returns with MCA under the relevant applicable Laws to the Nidhi.

2. The Nidhi has not maintained an Audit Trail (Edit Log) as required under the Companies (Accounts) Rules, 2014.

3. The Company has filed an Adjudication Application with the Registrar of Companies in respect of the Application for delay in Appointment of CFO and CEO under section 203, Non Disclosure under section 134, Appointment of Statutory Auditor for three years instead of five years under section 139, Non Appointment of Company Secretary under section 203 and non registration of charges for loan against deposits under section 77 however, the Adjudication Order has not yet been received by the Company.

4. Registrar of Companies has conducted an inspection and enquiry in the year 2023 - 2024 and the same is pending before the Registrar of Companies, Ministry of Corporate Affairs, Chennai.

5. Based on the information given to us and as reported in the last year, there was a legal case pending before Honorable High Court of Madras, Chennai with vide Case I.P. No.11/2019 and in connection with the above case FIR No.151/2019 is pending with Economic Offences Wing (EOW), Chennai. The High Court of Madras, Chennai has ordered the Nidhi to execute a Bank Guarantee of Rs.16.50 crores favouring "The Official Assignee" and the same was accordingly executed.

For R & R J Associates

Practising Company Secretaries

CS.K.R.Jagannathan

Partner

Membership No.39636

Certificate of Practice No. 14698

UDIN : A039636H001247601

F.R No. PZ019TN074000

CS.S.Rajapandian

Partner

Membership No.44502

Certificate of Practice No. 20953

UDIN : A044502H001246736

Place : Kumbakonam

Date : 27-08-2026.

ANNEXURE - A

To

The Members,
Kumbakonam Mutual Benefit Fund Nidhi Limited,
No.23 & 24, Dr. Besant Road, Kumbakonam,
Thanajvur Dt, Tamil Nadu - 612 001.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Nidhi.
4. Wherever required, we 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. Our 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.

For R & R J Associates

Practising Company Secretaries

CS.K.R.Jagannathan

Partner

Membership No.39636

Certificate of Practice No. 14698

UDIN : A039636H001247601

F.R No. PZ019TN074000

CS.S.Rajapandian

Partner

Membership No.44502

Certificate of Practice No. 20953

UDIN : A044502H001246736

Place : Kumbakonam

Date : 27-08-2026.

ANNEXURE - B TO THE BOARD'S REPORT

ANNEXURE II - ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

1. Brief outline on CSR policy of the company

The CSR Policy of the Company is to enhance the living standards of the society in the local area and areas around it, ensure socio - economic development, achieve environmental sustainability and to be a Socially Responsible Corporate (SRC).

In accordance with it, the main area of focus for the financial year 2025-26 was promoting Health and Sanitation, Promoting Education, Environmental Protection, Empowerment of Women, Infrastructural development and ensuring availability of drinking water and animal welfare which are related to the activities in Schedule VII of the Companies Act, 2013. Any surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company. The CSR Policy and projects and programmes undertaken are available on the website of the Company <https://kmbf.co/csr-activities.html>.

2. Composition of CSR Committee

Sl. No	Name of the Directors	Designation/nature of directorship From 01.04.2025 to 31.03.2026	DIN	Number of CSR committee meetings	
				Held for the period from 01.04.2025 to 31.03.2026	Attended
1.	Thiru. S.Kalyanasundaram	Chairman	00829647	1	1
2.	Thiru. S.Ramalingam	Vice Chairman	00829529	1	1
3.	Thiru. PR.P.Velappan	Managing Director	01892661	1	1
4.	Thiru. G.Anbalagan	Director	01469646	1	1
5.	Thiru. M.Guru Prasanth	Director	09359770	1	1
3	Web-link, where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company			https://kmbf.co/csr-activities.html	
4	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			Nil	
6	Average net profit of the company for last three financial years			Rs. 110.65 crores	
7	(a) Prescribed CSR Expenditure-2% of average net profit of the company			Rs. 2.21 crores	
	(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. 2.21 crores	
8	CSR amount spent details:				
	(a) Spent on CSR Obligations			Rs. 2.25 crores	
	(b) Details of CSR amount spent against ongoing projects for the financial year			Nil	

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or Activity Identified	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No.)	Location of the project State / District	Amount spent for the project Rupees	Mode of implementation Direct (Yes / No)	Mode of implementation – Through implementing agency
1	LOCAL ADMINISTRATION	Promoting Education	Yes	TAMILNADU THANJAVUR	21,30,825	Yes	No
2	LOCAL ADMINISTRATION	Promoting Education	Yes	TAMILNADU THANJAVUR	6,75,809	Yes	No
3	LOCAL ADMINISTRATION	Promoting Education	Yes	TAMILNADU THANJAVUR	1,18,833	Yes	No
4	LOCAL ADMINISTRATION	Promoting Road Safety Activities for Public Facilities / Utilities	Yes	TAMILNADU MUTHUPETTAI	1,05,620	Yes	No
5	LOCAL ADMINISTRATION	Promoting Health Care	Yes	TAMILNADU THANJAVUR	1,90,00,000	Yes	No
6	LOCAL ADMINISTRATION	Promoting Education	Yes	TAMILNADU THANJAVUR	4,98,904	Yes	No
(d) Amount spent in administrative overheads						-	
(e) Amount spent on Impact Assessment, if applicable						-	
(f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e)						Rs. 2.25 crores	
(g) Excess amount for set off, if any							
Sl.No.	Particulars			Amount (Rs. in crores)			
(i)	Two percent of average net profit of the company as per section 135(5)			2.21			
(ii)	Total amount spent for the Financial Year			2.25			
(iii)	Excess amount spent for the financial year [(ii)-(i)]			0.04			
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any			Nil			
(v)	Amount available for set off in succeeding financial years (iii - iv)			0.04			
9	(a) Details of Unspent CSR amount for the preceding three financial years					Nil	
	(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)					Nil	
10.	In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the financial year					Not Applicable	

Responsibility Statement : Implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

PR.P.Velappan
(DIN : 01892661)
Managing Director

S.Kalyanasundaram MP
(DIN : 00829647)
Chairman - CSR Committee

Place : Kumbakonam
Date : 27th August, 2026.

AUDITORS' CERTIFICATE

Shanmugham & Associates,
G.Natesan & Co,
Sastri & Shah,
G.S.Srinivasan & Co,
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 ended 31.03.2026 of Kumbakonam Mutual Benefit Fund Nidhi Limited, Kumbakonam ("the Company") and that the company has followed the instructions issued by Ministry of Corporate Affairs *vide* their Notification No. G.S.R. 258 (E) dated 31.03.2014 and subsequent notifications thereon and there is no material violation of any of the conditions mentioned therein. The Company has maintained proper books of accounts, 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. G.S.R. 258 (E) dated 31.03.2014 as amended from time to time.

Shanmugham & Associates
Chartered Accountants
FRN : 006655S
CA. S.Shanmugham
Membership No.203423
UDIN : 26203423TXSRXG3274

G.Natesan & Co
Chartered Accountants
FRN.002424S
CA.R.Ganesh
Membership No.218556
UDIN : 26218556RXECMR6019
Partner

Sastri & Shah
Chartered Accountants
FRN.003643S
CA. S.Venkata Subramaniam
Membership No.247339
UDIN : 26247339YVJTAG8697
Partner

G.S.Srinivasan & Co
Chartered Accountants
FRN.012043S
CA. S.Srinivasan
Membership No.218935
UDIN : 26218935HKXMXA8197
Partner

Place : Kumbakonam
Date : 27th August, 2026

Independent Auditors' 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 2026, 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 material 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 2026, and its profit and its total comprehensive income, its 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

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. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	How our audit addressed the key audit matters
Expected Credit Loss (ECL) / Adequacy of Provisioning on Gold Loans The Company's loan portfolio comprises loans secured against pledged gold jewellery. During the year, the gross loan book grew from ₹4,510.26 crore as at 31.03.2025 to ₹5,756.53 crore as at 31.03.2026, an increase of approximately 27.63%. This expansion directly impacts eligible lending limits under the Company's Loan-to-Value (LTV) policy, consequently increasing both the carrying value of loans and the overall base used to compute credit loss provisioning. The determination of the impairment allowance/provision on such a significantly enlarged loan book involves considerable management judgement, including: - the assumption that realisable value on auction of gold will continue to support recovery, notwithstanding the possibility of a sudden and sharp correction ("severe adverse movement") in gold prices between the date of sanction and the date of eventual auction/recovery; - the adequacy of the cushion available under the LTV cap of 80% to absorb such price volatility; - ageing-based provisioning/staging of loan accounts nearing or beyond the contractual auction trigger of 15 months of non-repayment; Given the materiality of the loan book, the extent of judgement involved in estimating recoverability and provisioning, and the concentration of the entire asset base in a single commodity-linked collateral, we have identified this as a Key Audit Matter.	Our audit procedures included, among others: - Understanding and evaluating the Company's accounting policy for recognition and measurement of expected credit loss/provisioning on gold loans, and its consistency with the applicable financial reporting framework and Nidhi Rules. - Obtaining management's working for computation of provisioning and testing the completeness and accuracy of the underlying loan data, including a recomputation on a test-check basis. - Analysing the year-on-year movement in the loan book (₹4,510.26 crore to ₹5,756.53 crore) and evaluating whether the increase in the carrying value of gold loans is consistent with the Company's lending policy, including the application of the Loan-to-Value policy. - Evaluating management's analysis for a reasonably possible decline in gold prices, and assessing whether the potential impact on loan recoverability and auction realisation has been appropriately factored into the provisioning estimate. - Testing, on a sample basis, compliance with the 80% LTV cap at the point of sanction and re-computing the margin of safety available against price fluctuation. - Reviewing ageing/staging of loan accounts, in particular accounts approaching or exceeding the 15-month non-repayment threshold that triggers auction, and testing management's classification and provisioning for such accounts. - Reviewing whether adequate provisioning has been made for gold jewellery that is subject to investigation or seizure by law enforcement or other regulatory authorities, where applicable. - Performed a retrospective review comparing previous year's impairment estimates with actual auction recoveries to assess reliability of management's estimation process.

Key Audit Matters	How our audit addressed the key audit matters
Existence and Completeness of Deposits Accepted from Members Deposits accepted from members constitute a significant liability of the Company and grew from ₹4,717.49 crore as at 31.03.2025 to ₹6,087.54 crore as at 31.03.2026. This growth is notable in the context of the prevailing environment where a sustained rally in gold prices has, in general, made gold an attractive competing investment avenue, which could otherwise have been expected to draw savings away from fixed-income deposit products. The Company offers three broad categories of deposit products - Fixed Deposits, Recurring Deposits and Savings/Special Savings Deposits - with applications and records maintained at each of the branches. Given the quantum of deposits, the number of branches involved, and the need to ensure that deposits are genuine, correctly evidenced, and that interest is recognised only on actually received funds, we identified this as a Key Audit Matter.	Our audit procedures included, among others: • Understanding and evaluating the Company's SOPs for acceptance, recording and renewal of operations in Fixed Deposits, Recurring Deposits and Savings/Special Savings Deposits. • Visiting branches and verifying, on a sample basis, deposit applications, KYC documents, nominee details and mode of receipt of funds for each of the three deposit products. • Testing that interest on deposits was recognised and accrued only from the date of actual receipt of funds, and not from the date of application, by tracing a sample of deposit accounts to bank/cash receipt records. • Testing compliance with tenure conditions applicable to each product - one-year tenure with renewal for Fixed Deposits, and 12-month / 24-month tenure options for Recurring Deposits. • Testing, on a sample basis, loans sanctioned against deposits to verify compliance with the Company's SOP on margin, tenure and interest spread applicable to such loans. • Tested compliance with statutory limits relating to deposits accepted under the applicable Nidhi Rules. • Tested whether deposit interest rates were within limits prescribed under the Nidhi Rules. • Reviewed long outstanding matured but unpaid deposits and assessed whether appropriate disclosures and liabilities had been recognised. • Verified, on a sample basis, that depositors were valid members of the Company. • Independently testing the operation of system-embedded compliance controls in both the legacy and new software (during the period each was in use) to verify adherence to the Nidhi Rules. • Assessing the adequacy of disclosures relating to deposits, maturity profile and interest rates, in the financial statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we have required to report the 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 judgements 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.

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

Auditors' 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 auditors' 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 SAs, we exercise professional judgement 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 material accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 auditors' 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 auditors' 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 for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditors' 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" 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, except for the matters stated in the paragraph [h.(vi)] below, on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c) The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income 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 Indian 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
- g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act., refer to Note 37 to Financial Statement to this Report.
- h) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under section 143(3)(b) of the Act and paragraph [h.(vi)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 18 to the financial statements;
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. During the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund other than the following.

Shares	Rs. 1.63 Crores
Dividend	Nil
Overdue Deposits	Rs. 1.64 Crores

- iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- v. (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act, 2013.
- (b) As stated in Note No. 20 to the Board's Report, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which does not have a feature of recording audit trail (edit log) facility throughout the year. We are therefore unable to comment on the other aspects required to be reported by us.

Shanmugham & Associates

Chartered Accountants
FRN : 006655S
CA. S.Shanmugham
Membership No.203423
UDIN : 26203423TXSRXG3274

G.Natesan & Co

Chartered Accountants
FRN.002424S
CA.R.Ganesh
Membership No.218556
UDIN : 26218556RXECMR6019
Partner

Sastri & Shah

Chartered Accountants
FRN.003643S
CA. S.Venkata Subramaniam
Membership No.247339
UDIN : 26247339YVJTAG8697
Partner

G.S.Srinivasan & Co

Chartered Accountants
FRN.012043S
CA. S.Srinivasan
Membership No.218935
UDIN : 26218935HKXMXA8197
Partner

Place : Kumbakonam
Date : 27th August, 2026

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" section of our Report of even date)

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection(11) of section 143 of the Act and as per the information and explanation provided to us, we give a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment (PPE) and its intangible assets.
- b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- d) According to information and explanations provided to us and based on our examination of the company's records, it has not revalued its Property , Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- e) i) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated against the Company for holding Benami property under the "Benami Transactions (Prohibition) Act", 1988 and Rules made thereunder.
- ii) The company is in the business of accepting deposits and giving loans and does not have physical inventories. Accordingly clause 3 (ii) (a) & (b) of the order is not applicable to the company.
- 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), iii (c), iii (d), iii (e) and iii (f) 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. 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. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- 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. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

- vii)
 - a) In our opinion and according to the information and explanation given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance Premium, 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, 2026 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues as at 31.03.2026 which have not been deposited on account of dispute.
- viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly the reporting under clause 3(viii) of the order is not applicable to company.
- ix)
 - a) According to the information and explanations given to us and on the basis of our audit procedures, performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - b) As represented, the company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
 - c) In our opinion and according to the information and explanation given to us, the Company did not obtain any term loans during the period under review.
 - d) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, and further considering the asset liability management mechanism of the company, we report that no funds raised on short term basis have been utilised for long-term purpose.
 - e) According to the information and explanations given to us and on an overall examination of the financial statements of company, we report that company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under clause 3(ix) (f) of the order is not applicable to the company.
- x)
 - a) 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 (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
 - b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

- xi)
 - a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or fraud on the company has been noticed or reported during the year;
 - b) According to the information and explanations given to us, no report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - c) As represented to us by the management, the Company has not received any whistle blower complaint during the year and up to the date of this report.

xii) Nidhi Rules:

- a) The Company has complied with the Nidhi Rules, 2014, in the ratio of Net Owned Funds to Deposits, being of **1 : 9.94**
 - b) The Company has complied with the Nidhi Rules, 2014 and the company is maintaining **10.66%** unencumbered term deposits to meet out the liability and refer to Note 7 (a) of this report.
 - c) The company has not defaulted in the payment of interest on deposits or repayment thereof for any period. Accordingly, the reporting under Clause 3(xii)(c) of the Order is not applicable to the Company.
- 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 Ind AS Financial Statements as required under applicable Indian Accounting Standard (Ind AS).
- xiv)
 - a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
 - b) We have considered internal audit reports issued by internal auditors during our audit in accordance with the guidance provided in SA 610 - 'Using the work of Internal Auditors'.
- 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-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(b), 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.
- xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash loss in the financial year and the immediately preceding financial year. Hence, the provisions stated in clause 3 (xvii) of the Order are not applicable to the Company.
- xviii) There has been no resignation of any statutory auditors during the year under review.
- xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities,

along with details provided in Note 33 to the Ind AS Financial statements which describe the maturity analysis of assets & liabilities and other information accompanying the Ind AS Financial Statements, our knowledge of the plans of Board of Directors and of Management, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- xx) a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.
- b) According to the information and explanations given to us, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

Shanmugham & Associates

Chartered Accountants

FRN : 006655S

CA. S.Shanmugham

Membership No.203423

UDIN : 26203423TXSRXG3274

G.Natesan & Co

Chartered Accountants

FRN.002424S

CA.R.Ganesh

Membership No.218556

UDIN : 26218556RXECMR6019

Partner

Sastri & Shah

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FRN.003643S

CA. S.Venkata Subramaniam

Membership No.247339

UDIN : 26247339YVJTAG8697

Partner

G.S.Srinivasan & Co

Chartered Accountants

FRN.012043S

CA. S.Srinivasan

Membership No.218935

UDIN : 26218935HKXMXA8197

Partner

Place : Kumbakonam

Date : 27th August, 2026

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Kumbakonam Mutual Benefit Fund Nidhi Limited (the Company) as at March 31, 2026 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility :

The Company's Management is responsible for establishing and maintaining Internal Financial Controls with reference to Financial Statements based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 ("Guidance Note") 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, with reference to financial statement. 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 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 with reference to Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Financial Statements, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement 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.

Meaning of Internal Financial Controls with reference to Financial Statements:

A company's internal financial control with reference to financial statements 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 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 and to the best of our information and explanations given to us, the Company has, in all material respects, adequate Internal Financial Controls with reference to Financial Statements and such Internal Financial Controls with reference to Financial Statements were operating effectively as at March 31, 2026, based on Internal Financial Controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India.

Shanmugham & Associates
Chartered Accountants
FRN : 006655S
CA. S.Shanmugham
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Chartered Accountants
FRN.012043S
CA. S.Srinivasan
Membership No.218935
UDIN : 26218935HKXMXA8197
Partner

Place : Kumbakonam
Date : 27th August, 2026

BALANCE SHEET AS AT MARCH 31, 2026

(₹ in Crores)

PARTICULARS	NOTE	31 st March 2026	31 st March 2025
I. Assets:			
(1) Financial Asset			
(a) Cash and Cash Equivalents	6	320.50	259.60
(b) Bank Balance other than (a) above	7	732.13	452.92
(c) Loans	8	5745.89	4501.30
(d) Other Financial assets	9	244.20	232.98
(2) Non-Financial Assets			
(a) Current tax assets (Net)	10(a)	3.00	-
(b) Deferred tax assets (Net)	10(b)	8.43	7.18
(c) Property Plant and Equipment	11	81.38	77.17
(d) Capital work in Progress	12(a)	-	0.18
(e) Intangible Assets under development	12(b)	1.30	1.06
(f) Right of Use Asset	13	30.31	23.80
(g) Other Intangible assets	14	0.14	0.19
(h) Other Non Financial assets	15	9.44	9.49
Total Assets		7176.72	5565.88
II. Liabilities & Equity			
Liabilities			
(1) Financial Liabilities			
(a) Deposits	16	6087.54	4717.49
(b) Other financial liabilities	17	225.83	120.62
(2) Non Financial Liabilities			
(a) Provisions	18	51.48	49.27
(b) Other Non Financial Liabilities	19	3.53	5.66
(3) Equity			
(a) Equity Share Capital	20	30.88	30.56
(b) Other Equity*		777.46	642.28
Total Liabilities and Equity		7176.72	5565.88

Material Accounting Policies 1-5

See accompanying Notes forming part of the financial statements. 6-48

*Refer statement of changes in equity

For and on behalf of Kumbakonam Mutual Benefit Fund Nidhi Limited,

S.Kalyanasundaram
Chairman
DIN : 00829647

G.Anbalagan
Director
DIN : 01469646

E. Ambika
Director
DIN : 09353335

S.Venkatesan
General Manager

S.Ramalingam
Vice Chairman
DIN : 00829529

B.Prakasam
Director
DIN : 00338872

M.Guru Prasanth
Director
DIN : 09359770

S.Shanmugam
General Manager & Chief Financial Officer
As per our report of even date attached.

PR.P.Velappan
Managing Director
DIN : 01892661

G.Durairaj
Director
DIN : 03064193
S.Ravichandran
Additional Director
DIN : 03425202

CS.S.Kannan
Company Secretary

Shanmugham & Associates
Chartered Accountants
FRN : 006655S
CA. **S.Shanmugham**
Membership No.203423
UDIN : 26203423TXSRXG3274

G.Natesan & Co
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CA.**R.Ganesh**
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Partner

G.S.Srinivasan & Co,
Chartered Accountants
FRN.012043S,
CA. **S.Srinivasan**
Membership No.218935
UDIN : 26218935HKXMXA8197
Partner

Place : Kumbakonam / Date : 27.08.2026

Statement of Profit and Loss for the year ended March 31, 2026

(₹ in Crores)

PARTICULARS	NOTE No.	31 st March 2026	31 st March 2025
Revenue from operations			
(i) Interest income	21	816.78	619.85
(ii) Fees and commission income	22	0.12	0.23
(iii) Net gain on fair value changes	23	-	-
(I) Total Revenue from operations		816.90	620.08
(II) Other Income	24	0.59	0.48
(III) Total Income (I + II)		817.49	620.56
Expenses			
(i) Finance Costs	25	503.26	366.71
(ii) Impairment on Financial Instruments	26	1.68	0.40
(iii) Employee Benefits Expenses	27	93.40	88.40
(iv) Depreciation, amortization and impairment	28	8.86	7.30
(v) Other expenses	29	21.08	17.40
(IV) Total Expenses (IV)		628.28	480.21
(V) Profit before exceptional items and tax (III-IV)		189.21	140.35
(VI) Exceptional items - Provision & Contingencies			
(VII) Profit before tax (V -VI)		189.21	140.35
(VIII) Tax Expense :			
(1) Current tax	30	49.95	36.23
(2) Excess provision of earlier years		(0.02)	(0.64)
(3) Deferred Tax	10	(1.82)	0.18
(IX) Profit for the period (VII-VIII)		141.10	104.58
(X) Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Gain/(loss) on Revaluation of Land and Building/ Impairment			
(b) Actuarial gains/(losses) on post retirement benefit plans		2.02	0.73
(c) Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)		0.24	0.16
(d) Additional Deferred Tax on account of items that will not be reclassified to Profit & Loss		(0.57)	(0.23)
(I) Income tax relating to items that will not be reclassified to profit or loss		-	
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	
Subtotal (A)		1.69	0.66

Statement of Profit and Loss for the year ended March 31, 2026 (Continue...) (₹ in Crores)

PARTICULARS	NOTE No.	31 st March 2026	31 st March 2025
(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)		1.69	0.66
(XI) Total Comprehensive Income for the period (IX + X)		142.79	105.25
(XII) Earnings per equity share (for continuing operations)			
Basic	31	Rs. 45.96	Rs. 34.37
Diluted	31	Rs. 45.96	Rs. 34.37
(XIII) Earnings per equity share (for continuing and discontinued operations)			
Basic	31	Rs. 45.96	Rs. 34.37
Diluted	31	Rs. 45.96	Rs. 34.37

For and on behalf of Kumbakonam Mutual Benefit Fund Nidhi Limited,

S.Kalyanasundaram
Chairman
DIN : 00829647

S.Ramalingam
Vice Chairman
DIN : 00829529

PR.P.Velappan
Managing Director
DIN : 01892661

G.Anbalagan
Director
DIN : 01469646

B.Prakasam
Director
DIN : 00338872

G.Duraiaraj
Director
DIN : 03064193

E. Ambika
Director
DIN : 09353335

M.Guru Prasanth
Director
DIN : 09359770

S.Ravichandran
Additional Director
DIN : 03425202

S.Venkatesan
General Manager

S.Shanmugam
General Manager & Chief Financial Officer

CS.S.Kannan
Company Secretary

As per our report of even date attached.

Shanmugham & Associates
Chartered Accountants
FRN : 006655S
CA. **S.Shanmugham**
Membership No.203423
UDIN : 26203423TXSRXG3274

G.Natesan & Co
Chartered Accountants
FRN.002424S
CA.**R.Ganesh**
Membership No. 218556
UDIN : 26218556RXECMR6019
Partner

Sastri & Shah
Chartered Accountants
FRN.003643S
CA. **S.Venkata Subramaniam**
Membership No.247339
UDIN : 26247339YVJTAG8697
Partner

G.S.Srinivasan & Co,
Chartered Accountants
FRN.012043S,
CA. **S.Srinivasan**
Membership No.218935
UDIN : 26218935HKXMXA8197
Partner

Place : Kumbakonam
Date : 27.08.2026

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2026 (₹ in Crores)

PARTICULARS	31.03.2026	31.03.2025
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax & Exceptional Items	189.21	140.35
Adjustments for:		
Exceptional Items	-	-
Depreciation and amortization expenses	3.61	2.58
Amortization - Intangible Asset	0.06	0.30
Depreciation on ROU Asset	5.19	4.42
Gain on sale of Fixed Assets	(0.04)	(0.03)
Gain or Loss on fair value Changes	2.26	0.79
Changes in operating assets and liabilities:		
(Increase)/decrease in Financial Assets	(1255.80)	(932.80)
(Increase)/decrease in Non Financial Assets	(14.69)	0.91
Increase/(decrease) in Financial Liabilities	1475.25	985.92
Increase/(decrease) in Non Financial Liabilities	(2.13)	0.77
Increase/(decrease) in provisions	2.21	2.19
Net cash generated operating activities before taxes	405.11	205.40
Income Taxes paid, Net of Refund	(49.92)	(35.58)
Net cash (used in) operating activities	355.19	169.82
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and intangible assets under development)	(7.85)	(11.67)
Proceeds from sale of Assets	0.06	0.05
Movement in Bank balances other than cash and cash equivalents	(279.22)	(32.04)
Net cash (used in) investing activities	(287.01)	(43.67)
Cash flow from financing activities		
Dividend paid 2024-25/ 2023-24	(7.61)	(7.56)
Issue of share capital	0.33	0.23
Net cash (used in) from financing activities	(7.28)	(7.33)
Net increase in cash and cash equivalents	60.90	118.82
Cash and cash equivalents at the beginning of the period	259.60	140.77
Cash and cash equivalents at the end of the period (refer note 6)	320.50	259.60
Note : Cash and cash equivalents at the end of the period as per balance sheet	320.50	259.60

For and on behalf of Kumbakonam Mutual Benefit Fund Nidhi Limited,

S.Kalyanasundaram
Chairman
DIN : 00829647

G.Anbalagan
Director
DIN : 01469646

E. Ambika
Director
DIN : 09353335

S.Venkatesan
General Manager

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Vice Chairman
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Additional Director
DIN : 03425202

CS.S.Kannan
Company Secretary

Shanmugham & Associates
Chartered Accountants
FRN : 0066555
CA. **S.Shanmugham**
Membership No.203423
UDIN : 26203423TXSRXG3274

G.Natesan & Co
Chartered Accountants
FRN.0024245
CA.**R.Ganesh**
Membership No. 218556
UDIN : 26218556RXECMR6019
Partner

Sastri & Shah
Chartered Accountants
FRN.0036435
CA. **S.Venkata Subramaniam**
Membership No.247339
UDIN : 26247339YVJTAG8697
Partner

G.S.Srinivasan & Co,
Chartered Accountants
FRN.0120435,
CA. **S.Srinivasan**
Membership No.218935
UDIN : 26218935HKXMXA8197
Partner

Place : Kumbakonam
Date : 27.08.2026

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

A. EQUITY SHARE CAPITAL

1. Current Reporting Period

(₹ in Crores)

Balance as at April 1, 2025	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026
30.56	-	30.56	0.32	30.88

2. Previous Reporting Period

Balance as at April 1, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
30.33	-	30.33	0.23	30.56

B. OTHER EQUITY

(₹ in Crores)

1. Current Reporting Period Particulars	Reserves and Surplus		Items of Other Comprehensive Income			Total
	Share Application Money Pending Allotment	General Reserves	Retained earnings	Revaluation Surplus	Other items of Other Comprehensive Income	
Balance as at March 31st, 2025	0.02	582.16	-	57.76	2.34	642.28
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated Balance as on 01.04.2025	0.02	582.16	-	57.76	2.34	642.28
Profit for the year after Income Tax	-	-	141.10	-	-	141.10
Change in fair value of Building	-	-	-	-	-	-
Re-measurement of defined benefit plans	-	-	-	-	2.26	2.26
Income tax on OCI	-	-	-	-	(0.57)	(0.57)
Total Comprehensive Income for the period	-	-	141.10	-	1.69	142.79
Past Years Provision reversed						
Transfer to/from retained earnings	-	141.10	141.10	-	-	-
Transaction with Owners Final Dividend (2024-25)		(7.61)				(7.61)
Shares Allotted during the year	(0.02)	-	-	-	-	(0.02)
Share Application money received during the year pending allotment	0.03	-	-	-	-	0.03
Balance at the March 31st, 2026	0.03	715.65	-	57.76	4.03	777.46

2. Previous Reporting Period Particulars	Reserves and Surplus		Items of Other Comprehensive Income			Total
	Share Application Money Pending Allotment	General Reserves	Retained earnings	Revaluation Surplus	Other items of Other Comprehensive Income	
Balance as at March 31st, 2024	0.01	485.01	-	57.76	1.67	544.46
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated Balance as on 01.04.2024	0.01	485.01	-	57.76	1.67	544.46
Profit for the year after Income Tax	-	-	104.58	-	-	104.58
Change in fair value of Building	-	-	-	-	-	-
Re-measurement of defined benefit plans	-	-	-	-	0.89	0.89
Income tax on OCI	-	-	-	-	(0.23)	(0.23)
Total Comprehensive Income for the period	-	-	104.58	-	0.66	105.25
Past Years Provision reversed	-	0.13	-	-	-	0.13
Transfer to/from - retained earnings	-	104.58	(104.58)	-	-	-
Transaction with Owners						
- Final Dividend (2023-2024)		(7.56)	-	-	-	(7.56)
- Shares Allotted during the year	(0.01)	-	-	-	-	(0.01)
- Share Application money received during the year pending allotment	0.02	-	-	-	-	0.02
Balance at the March 31st, 2025	0.02	582.16	-	57.76	2.34	642.28

Note 6 Cash and Cash Equivalents

S.No.	PARTICULARS	31-03-2026	31-03-2025
(a)	Cash and Postage on Hand	16.01	16.84
(b)	Balances with banks (of the nature of cash and cash equivalents)		
	In Current Accounts	21.88	30.76
	In Fixed Deposits (with original maturity of 3 months or less)	282.61	212.00
	Total	320.50	259.60

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

Note 7 Bank Balances other than Cash and Cash Equivalents

S.No.	PARTICULARS	31-03-2026	31-03-2025
(a)	Fixed deposits with banks (with original maturity more than 3 months)*	728.82	449.83
(b)	Balances in escrow accounts		
	- For Share Application Money	0.03	0.02
	- Un claimed Dividend Account	3.28	3.07
	Total	732.13	452.92

*It includes unencumbered deposits of Rs.619.71 Crores and fixed deposits against bank guarantee – Rs.16.50 Crores

Note 8 Loans

Carried at Amortized Cost

(₹ in Crores)

S.No.	PARTICULARS	31-03-2026	31-03-2025
		Amortized cost	Amortized cost
	Loans		
(A)			
(i)	Jewel Loans	5694.37	4450.89
(ii)	Simple Loan	1.28	1.54
(iii)	Other Pledge Loan	56.36	51.66
(iv)	Decreed Loans	-	-
(v)	Loan to employees	3.68	5.32
(vi)	Mortgage Loan Suit filed	0.85	0.85
	Total (A) - Gross	5756.54	4510.26
	Less: Impairment loss allowance	10.65	8.96
	Total (A) - Net	5745.89	4501.30
(B)			
(i)	Secured by tangible assets		
	- Gold Loan	5694.37	4450.89
	- Covered by Deposits and Mortgage	58.49	54.05
(ii)	Unsecured		
	(a) Staff Loan	3.68	5.32
	Total (B) - Gross	5756.54	4510.26
	Less: Impairment loss allowance	10.65	8.96
	Total (B)- Net	5745.89	4501.30
(C)			
(i)	Loans in India		
(i)	Public Sector	-	-
(ii)	Others - Retail	5756.54	4510.26
	Total (C) - Gross	5756.54	4510.26
	Less: Impairment loss allowance	10.65	8.96
	Total (C) (I) - Net	5745.89	4501.30
(ii)	Loans outside India	-	-
	Less: Impairment loss allowance	-	-
	Total (C)(II) - Net	-	-
	Total (C) - Net	5745.89	4501.30

Note 9 Other Financial Assets

(₹ in Crores)

S.No.	PARTICULARS	31-03-2026	31-03-2025
(a)	Interest accrued on loan (Secured, considered good)	232.58	224.48
(b)	Interest accrued on fixed deposits and investment	6.15	2.29
(c)	Security deposits	0.13	0.13
(d)	Staff Advance	0.83	0.84
(e)	Rental Advance	3.93	3.32
(f)	Prepaid Staff Welfare	0.58	1.92
	Total	244.20	232.98

Note 10 (a) Current Tax Assets

S.No.	PARTICULARS	31-03-2026	31-03-2025
(a)	Advance Tax (Net of provision)	3.00	-
	Total	3.00	-

Note 10 (b) Deferred Tax Assets**Current Reporting Period**

	PARTICULARS	Deferred Tax Assets 31-Mar-26	Deferred Tax Liabilities 31-Mar-26	Income Statement 2025-26	OCI 2025-26
(a)	Timing difference : Property, plant and equipment		1.05	0.01	-
(b)	Impairment allowance for financial assets	2.68	-	0.37	-
(c)	Remeasurement gain / (loss) on defined benefit plan	0.71	-	0.87	(0.57)
(d)	Debt instrument measured at amortised cost	-	-	-	-
(e)	Financial assets measured at amortised cost	-	-	-	-
(f)	Provisions	4.98	-	0.42	-
(g)	Right of Use Assets	1.11	-	0.15	-
(h)	Other Reversals	-	-	-	
	Total	9.48	1.05	1.82	(0.57)

Previous Reporting Period

	PARTICULARS	Deferred Tax Assets 31-Mar-25	Deferred Tax Liabilities 31-Mar-25	Income Statement 2024-25	OCI 2024-25
(a)	Timing difference : Property, plant and equipment & Intangible assets	-	1.06	0.01	-
(b)	Impairment allowance for financial assets	2.90	-	0.10	-
(c)	Remeasurement gain / (loss) on defined benefit plan	-	0.23		(0.23)
(d)	Debt instrument measured at amortised cost	-	-	-	-
(e)	Financial assets measured at amortised cost	-	-	-	-
(f)	Provisions	4.61	-	(0.43)	-
(g)	Right of Use Assets	0.96	-	0.14	-
(h)	Other Reversals	-	-	-	
	Total	8.47	1.29	(0.18)	(0.23)

Note 11 Property, Plant and Equipment

(₹ in Crores)

Particulars	Land - Freehold	Buildings	Furniture and Fixtures	Computer Equipment	Plant and Equipment	Vehicles	Total
Cost:							
At 31 March, 2025	54.70	14.05	19.09	9.56	5.28	0.38	103.06
Additions / Reclassification		0.47	3.22	2.82	1.34		7.85
Disposals	-	-	(0.09)	(0.16)	(0.06)	-	(0.31)
*Change in Fair value of Building							
At 31 March, 2026	54.70	14.52	22.22	12.22	6.56	0.38	110.60
Accumulated Depreciation:							
At 31 March, 2025		2.44	11.65	8.73	2.89	0.18	25.89
Depreciation charge for the year		0.57	1.50	0.97	0.52	0.05	3.61
Reclassification*	-	-	-	-	-	-	-
Disposals / Impairment	-	-	(0.08)	(0.15)	(0.05)	(0.00)	(0.28)
At 31 March, 2026	-	3.01	13.07	9.55	3.36	0.23	29.22
Carrying Amount							
At 31 March, 2025	54.70	11.61	7.44	0.83	2.39	0.20	77.17
At 31 March, 2026	54.70	11.51	9.15	2.67	3.20	0.15	81.38

Title deeds of all the Immovable Properties are held in the name of the Company.

The Company does not have any Benami Property, where any proceeding has been initiated or pending against company for holding any Benami property.

Note 12 (a) Capital Work in Progress

S.No.	PARTICULARS	31-03-2026	31-03-2025
(a)	Buildings and Fittings - (Less than 1 Year)	-	0.18
	Total	-	0.18

Note 12 (b) Intangible Assets Under Development

PARTICULARS	Amount in Capital WIP for the period of				
	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 years	Total
(a) Software	0.24	0.24	0.47	0.35	1.30
Total	0.24	0.24	0.47	0.35	1.30

Note 13 Right of Use - Assets**(₹ in Crores)**

Particulars	ROU Buildings
GROSS BLOCK AT COST	
As at 01.04.2025	45.77
Reclassified on account of adoption of IND AS 116	
Additions	12.04
Deductions	0.34
As at 31.03.2026	57.47
Depreciation	
Upto March 31, 2025	21.97
Additions	5.19
Deductions	-
As at 31.03.2026	27.16
Carrying Amount	
At 31 March, 2025	23.80
At 31 March, 2026	30.31

Note 14 Intangible Assets**(₹ in Crores)**

Particulars	Computer Software
Gross block-at cost	
As at March 31, 2025	1.40
Additions	0.01
Disposals	-
As at March 31, 2026	1.41
Accumulated amortisation	
As at March 31, 2025	1.21
Charge for the year	0.06
Disposals	-
As at March 31, 2026	1.27
Carrying Amounts	
At 31 March, 2025	0.19
At 31 March, 2026	0.14

No Revaluation of Intangible assets is done during the year.

Note 15 Other Non Financial Assets**(₹ in Crores)**

	PARTICULARS	31-03-2026	31-03-2025
(a)	Group Insurance EDLI Prepaid	0.28	0.42
(b)	Prepaid Expenses	2.71	2.12
(c)	Income Tax paid under protest	4.26	4.26
(d)	Sundry Receivables	0.94	0.94
(e)	Stock of Books and Forms	0.28	0.15
(f)	Other Advances	0.97	1.60
	Total	9.44	9.49

Note 16 Deposits

(₹ in Crores)

	PARTICULARS	31-03-2026	31-03-2025
	At Amortised Cost		
(a)	From Others - Members	6087.54	4717.49
	Total	6087.54	4717.49

Note 17 Other Financial Liabilities

	PARTICULARS	31-03-2026	31-03-2025
(a)	Unclaimed dividend	3.28	3.07
(b)	Interest accrued on deposits	180.74	83.44
(c)	Statutory Dues Payable	5.27	3.94
(d)	Auction surplus payable	1.84	2.56
(e)	Lease Liability	34.70	27.61
	Total	225.83	120.62

Note 18 Provisions

	PARTICULARS	31-03-2026	31-03-2025
(a)	Provision against mortgage loans	0.85	0.85
(b)	Provision for Employee benefits	34.12	31.50
(c)	Provision for Current year Tax	-	0.38
(d)	Provision for Jewel Loan under Litigation	16.45	16.49
(e)	Other Provisions	0.06	0.05
	Total	51.48	49.27

Movement of provisions other than employee benefits during the year:

	PARTICULARS	Litigation	Other Assets	Total
	At 31 March, 2025	16.49	0.85	17.34
	Provided/settled during the year	(0.04)		(0.04)
	Provision for Current Year	-	-	-
	At 31 March, 2026	16.45	0.85	17.30

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, counter parties or other parties in civil litigations.

Note 19 Other Non-Financial Liabilities

	PARTICULARS	31-03-2026	31-03-2025
(a)	Other Liabilities	3.53	2.95
(b)	IND AS Outstanding Liability	-	2.71
	Total	3.53	5.66

Note 20 Equity Share Capital**(₹ in Crores)**

PARTICULARS	31-03-2026	31-03-2025
Authorised		
4,00,00,000 Equity Shares of Rs.10 each (4,00,00,000)	40.00	40.00
	40.00	40.00
Issued		
3,08,83,206 Equity Shares of Rs.10 each fully paid up (3,08,83,206)	30.88	30.56
Issued, Subscribed and Fully paid-up		
3,08,83,206 Equity Shares of Rs.10 each fully paid up (3,08,83,206)	30.88	30.56
Total	30.88	30.56

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

PARTICULARS	No. in Crores	Rs. in Crores
As at 1 April, 2020	2.97	29.70
Issued during the year	0.01	0.14
As at 1 April, 2021	2.98	29.84
Issued during the year	0.02	0.14
As at 31 March, 2022	3.00	29.98
Issued during the year	0.02	0.18
As at 31 March, 2023	3.02	30.16
Issued during the year	0.02	0.16
As at 31 March, 2024	3.04	30.33
Issued during the year	0.02	0.23
As at 31 March, 2025	3.06	30.56
Issued during the year	0.03	0.32
As at 31 March, 2026	3.09	30.88

- b) No shareholder of the company holds more than 5% of the Equity shares.
- c) Aggregate number of equity shares issued for consideration other than cash / Bonus shares during the period of five years immediately preceding the reporting date : Nil
- d) Shareholding of Promoters : Nil

Revenue from Operations**Note 21 Interest income****(₹ in crores)**

	PARTICULARS	31-03-2026	31-03-2025
	On financial assets measured at amortised cost:		
(a)	Interest on gold loans and Loans against deposits & Staff loans	759.41	577.64
(b)	Interest on deposits with banks	57.37	42.21
	Total	816.78	619.85

Note 22 Fees and commission income**(₹ in Crores)**

	PARTICULARS	31-03-2026	31-03-2025
(a)	Documentation fees	0.11	0.17
(b)	Service Charges	0.01	0.06
	Total	0.12	0.23

Note 23 Net gain on Fair Value Changes

	PARTICULARS	31-03-2026	31-03-2025
	Net gain on financial instruments at fair value through Amortized cost	-	-
	- On Financial Instruments designated at Amortized Cost	-	-
	- On Change in Impairment loss allowance	-	-
	Total net gain on fair value changes (A)	-	-
	Fair value changes:	-	-
	- Unrealized	-	-
	Total net gain on fair value changes (B)	-	-

Note 24 Other Income

	PARTICULARS	31-03-2026	31-03-2025
(a)	Net gain/ (loss) on derecognition of property, plant and equipment	0.04	0.02
(b)	Provisions no longer required written back	-	-
(c)	Unwinding of discount on Rental advance deposits	0.23	0.20
(d)	Other income	0.32	0.26
	Total	0.59	0.48

Note 25 Finance Costs

	PARTICULARS	31-03-2026	31-03-2025
	On financial liabilities measured at amortised cost:		
(a)	Interest on deposits	500.99	364.83
(b)	Interest on borrowings	-	-
(c)	Finance Costs on Lease Liability	2.27	1.88
	Total	503.26	366.71

Note 26 Impairment on financial instruments

	PARTICULARS	31-03-2026	31-03-2025
	- On Financial Instruments designated at Amortized Cost		
	- Loans	1.68	0.40
	Total	1.68	0.40

Note 27 Employee Benefit Expenses**(₹ in Crores)**

	PARTICULARS	31-03-2026	31-03-2025
(a)	Salaries and wages	81.30	77.66
(b)	Contribution to provident and other funds	9.02	9.30
(c)	Staff welfare expenses	3.08	1.44
	Total	93.40	88.40

Note 28 Depreciation, Amortization and Impairment

	PARTICULARS	31-03-2026	31-03-2025
(a)	Depreciation of tangible assets	3.61	2.58
(b)	Depreciation of Investment property	-	-
(c)	Amortisation of intangible assets	0.06	0.30
(d)	Depreciation on Right-of-Use Assets	5.19	4.42
	Total	8.86	7.30

Note 29 Other expenses

	PARTICULARS	31-03-2026	31-03-2025
(a)	Energy Costs	1.61	1.43
(b)	Repairs and maintenance		-
	- Vehicles	0.02	0.02
	- Others	1.83	1.62
(c)	Rates and Taxes	0.99	0.87
(d)	Printing and Stationery	1.65	1.59
(e)	Advertising and Publicity	0.13	0.14
(f)	Director's fees, allowances and expenses	2.35	1.65
(g)	Auditor's fees and expenses - Refer Note (i)	0.43	0.32
(h)	Communication costs	1.42	1.98
(i)	Legal and Professional Charges	0.61	0.84
(j)	Insurance	1.59	1.68
(k)	Bank Charges	0.12	0.07
(l)	Travelling Expenses	0.27	0.20
(m)	Internal Audit Fees	1.51	1.60
(n)	CSR Expenses	2.25	1.92
(o)	GST Reversal	0.26	-
(p)	Other expenditure	4.04	1.47
	Total	21.08	17.40

Note (i)

(₹ in Crores)

Payment to Auditors As	31-03-2026	31-03-2025
a) Statutory Audit	0.35	0.25
b) For taxation matters	-	-
c) For company law matters	-	-
d) For other services	-	-
e) For reimbursement of expenses	0.08	0.07
Total	0.43	0.32

Note (ii) Details of CSR expenditure as a part of Note 29(m) above :

(₹ in Crores)

Details of CSR expenditure	31-03-2026	31-03-2025
a) Gross Amount required to be spent by the Company during the year	2.21	1.90
b) Amount spent during the year ended	2.25	1.92
i) Construction/acquisition of any asset	-	-
- In Cash	-	-
- Yet to be paid Cash	-	-
ii) On purpose other than (i) above	-	-
- In Cash	2.25	1.92
- Yet to be paid Cash	-	-
Total	2.25	1.92

Note 30 Income Tax

(₹ in Crores)

PARTICULARS	31-03-2026	31-03-2025
Current tax	49.95	36.23
Adjustment in respect of current income tax of prior years	(0.02)	(0.64)
Deferred tax relating to origination and reversal of temporary differences	(1.82)	0.18
Income tax expense reported in statement of profit and loss	48.11	35.77
Income tax recognised in other comprehensive income (OCI)	-	-
Deferred tax related to items recognised in OCI during the period:	-	-
Remeasurement of defined benefit plans	(0.57)	(0.23)
Income tax charged to OCI	(0.57)	(0.23)
Current tax	-	-
Deferred tax	(0.57)	(0.23)
Profit before tax as per IND AS	189.21	140.35
Add: Ind AS Adjustments on profit before tax	4.62	1.05

Note 30 Income Tax

(₹ in Crores)

PARTICULARS	31-03-2026	31-03-2025
Profit before tax for computation	193.83	141.40
Allowances / disallowances (Net)	4.67	2.03
Adjusted profit before tax for income tax	198.50	143.43
Current tax as per Books (Effective rate of 25.17%)	49.95	36.23
Adjustment of earlier year taxes	(0.02)	(0.65)
Total tax as given in Books	49.92	35.58

Note 31 : EARNINGS PER SHARE

PARTICULARS	31-03-2026	31-03-2025
Net profit for calculation of basic earnings per share (Rs. In Crores)	141.10	104.58
Weighted average number of equity shares in calculating basic earning per share (Nos.)	3,06,98,139	3,04,32,016
Basic Earnings per share (INR)	45.96	34.37
Diluted earnings per share (INR)	45.96	34.37

Note 32 : 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 1.88 Crores (31 March, 2025: INR 1.73 Crores) for Provident Fund contributions and INR 0.86 Crores (31 March, 2025: INR 0.03 Crores) 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 table 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	31-03-2026	31-03-2025
Current Service Cost	1,19,14,822	1,18,18,200
Past Service Cost	1,49,69,864	-
Net interest on net defined benefit liability/ (asset)	7,03,146	19,06,793
Total employer expense	2,75,87,832	1,37,24,993

Net employee benefit expense recognised in the Other Comprehensive Income (Rupees)

Movement in Other Comprehensive Income (OCI)	31-03-2026	31-03-2025
Actuarial Loss / (Gain) from changes in financial assumptions	(1,55,50,397)	20,14,083
Actuarial Loss / (Gain) from experience over the past year	(46,84,492)	(93,55,881)
Actuarial Loss / (Gain) from changes in demographic assumptions	-	-
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	(23,51,531)	(15,98,786)
Balance at end of year Loss/ (Gain)	(2,25,86,420)	(89,40,584)

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

Particulars	31-03-2026	31-03-2025
Opening defined benefit obligation	36,48,17,017	39,74,72,535
Transfer in/ out		-
Interest cost	2,32,12,173	2,55,20,402
Current service cost	1,19,14,822	1,18,18,200
Benefits paid	(5,48,61,565)	(6,26,52,322)
Past service cost	1,49,69,864	-
Actuarial loss / (gain) from changes in financial assumptions	(1,55,50,397)	20,14,083
Actuarial loss / (gain) from experience over the past year	(46,84,492)	(93,55,881)
Actuarial (Loss) / Gain from changes in demographic assumptions	-	-
Closing defined benefit obligation	33,98,17,422	36,48,17,017

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

Particulars	31-03-2026	31-03-2025
Opening fair value of plan assets	34,86,29,971	35,41,60,893
Transfer in/ out		
Expected Return	2,25,09,027	2,36,13,610
Contributions by employer	1,19,33,797	3,19,09,005
Benefits paid	(5,48,61,565)	(6,26,52,322)
Actuarial gains/ (losses)	23,51,531	15,98,786
Closing fair value of plan assets	33,05,62,761	34,86,29,972
Closing Liability (net) recognized in Balance Sheet	(92,54,662)	(1,61,87,046)

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

Particulars	31-03-2026	31-03-2025
Discount Rate	7.59%	6.88%
Salary growth rate	7.86%	7.86%
Attrition rate	1.00%	1.00%
Expected rate of return on assets*	7.59%	6.88%

Percentage Break-down of total plan assets

(Rupees)

Particulars	31-03-2026	31-03-2025
Investment Funds with Insurance Company		
Of which Unit Linked	34,86,29,971	35,41,60,893
Of which Traditional / Non-Unit Linked	-	
Cash and cash equivalents	-	
Total	34,86,29,971	35,41,60,893

(Rupees)

Assumptions	31st March 2026				31st March 2025			
	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)]	(1,94,40,655)	2,23,51,744	2,04,08,394	(1,91,54,766)	(2,10,77,647)	2,41,53,744	2,25,91,279	(2,08,12,670)

Maturity Analysis of the Benefit Payments

(Rupees)

Particulars	31-03-2026	31-03-2025
1st Following Year	4,34,91,081	2,76,08,487
2nd Following Year	6,04,73,675	7,26,20,254
3rd Following Year	5,62,33,775	5,51,14,151
4th Following Year	4,60,87,244	5,57,34,225
5th Following Year	3,52,39,869	4,48,75,503
Sum of Years 6 to 10	10,16,69,766	12,04,79,880

The weighted average duration of the defined benefit obligation as at 31 March, 2026 is 12 years (2025 : 12 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 and the description of the Asset-Liability matching strategies used by the plan has not been disclosed

NOTE 33 : 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. With regard to loans and advances to members, the Company uses the same basis of expected repayment behaviour as used for estimating the effective interest rate (EIR). Deposits from members are classified based on their contractual maturity, in line with the terms of the respective deposit schemes.

(₹ in Crores)

Particulars	31 st March 2026			31 st March 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	320.50		320.50	259.60		259.60
Bank balance other than above	559.72	172.42	732.14	452.91		452.91
Loans	5739.80	6.09	5745.89	4409.90	91.40	4501.30
Other Financial Assets	238.28	5.92	244.20	228.15	4.84	232.99
Non-financial Assets						
Current tax assets (net)		3.00	3.00			
Deferred tax assets (net)		8.43	8.43		7.18	7.18
Property, plant and equipment		81.38	81.38		77.18	77.18
Capital Work in Progress				0.18		0.18
Intangible Assets under development		1.30	1.30		1.06	1.06
Right of Use Asset	0.30	30.00	30.30	0.24	23.56	23.80
Other intangible assets		0.14	0.14		0.19	0.19
Other Non-Financial Assets	1.79	7.65	9.44	3.49	6.00	9.49
Total Assets (A)	6860.39	316.33	7176.72	5354.47	211.41	5565.88
Liabilities						
Financial Liabilities						
Deposits	6057.63	29.91	6087.54	4708.12	9.37	4717.49
Other Financial Liabilities	186.38	39.45	225.83	92.13	28.49	120.62
Non-financial liabilities						
Provisions	35.03	16.45	51.48	49.27		49.27
Other non-financial liabilities	3.53		3.53	2.95	2.71	5.66
Total Liabilities (B)	6282.57	85.81	6368.38	4852.47	40.57	4893.04
Net (A-B)	577.82	230.52	808.34	502.00	170.84	672.84

Note 34 : 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 35 : 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.

(₹ in Crores)

	Nature of Dues	Amount
A.	Contingent Liabilities : Claims against the company not acknowledged as debt.	
	1. Income Tax Demands	Rs. 0.97

(B) Lease Disclosures - Lease of Branch Premises

(i) Ind AS 116 "Leases" is applied under 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 Company takes branch premises on lease. Below are the changes made during the year in the carrying value of:

Right of Use Assets :**(Rupees)**

Particulars	Amount
Balance as at 31st March 2025	23,80,03,916
Additions	12,04,10,912
Deletion	(35,04,482)
Amortization of ROU assets	(5,18,56,891)
Balance as at 31st March 2026	30,30,53,455

Lease Liabilities**(Rupees)**

Particulars	31.03.2026	31.03.2025
Opening Balance	27,60,89,663	24,26,13,829
Additions	12,04,10,912	7,22,50,939
Payment of lease liabilities	(7,22,36,852)	(5,75,74,287)
Finance cost accrued during the period	2,27,36,495	1,87,99,182
Closing Balance	34,70,00,218	27,60,89,663

Amounts recognised in Profit and Loss

Particulars	31.03.2026	31.03.2025
Depreciation expense on right-of-use assets	5,18,56,891	4,42,01,144
Interest expense on lease liabilities	2,27,36,495	1,87,99,182

The total cash outflow for leases amount to INR 6.88 Crores (31st March 2025 INR 5.76 Crores)

Maturity analysis of Lease Liability

Particulars	31.03.2026	31.03.2025
Not later than one year	4,94,63,100	4,10,80,019
Later than one year but not later than four years	15,37,19,466	12,29,80,845
Later than four years	14,38,17,651	11,20,28,800

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 36 : CORPORATE SOCIAL RESPONSIBILITY

Particulars	31.03.2026	31.03.2025
Amount required to be spent by the company during the year	2,21,30,000	1,89,92,000
Amount of expenditure incurred	2,25,29,991	1,91,94,237
Shortfall at the end of the year / (Excess Spent)	(3,99,991)	(2,02,237)
Total of previous years shortfall	-	-
Reason for shortfall Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year has to be shown separately	-	-

NATURE OF CSR ACTIVITIES

Poverty, Hunger and Malnutrition Alleviation, Promoting Healthcare including preventive health care, Promoting Road Safety Activities, Promoting Sanitation, Promoting Education, Promoting Sports in Rural Area., Promoting education, renovation of class rooms.

Note 37 : RELATED PARTY DISCLOSURE AND TRANSACTION DETAILS**(₹ in Crores)**

Sl. No.	Name of related party	Nature of related party	31 st March 2026				31 st March 2025			
			Sitting Fees	Remuneration	Int. Paid	Dividend Paid	Sitting Fees	Remuneration	Int. Paid	Dividend Paid
1.	Thiru. S.Kalyanasundaram	Chairman	0.04	0.27	0.012	0.002	0.04	0.20	Nil	0.0022
2.	Thiru. S.Ramalingam	Vice - Chairman	0.03	0.27	Nil	0.002	0.04	0.20	Nil	0.0043
3.	Thiru. PR.P.Velappan	Managing Director	Nil	Nil	Nil	0.001	Nil	Nil	Nil	0.0013
4.	Thiru. G.Anbalagan	Director	0.04	0.27	0.153	0.012	0.04	0.20	0.036	0.0125
5.	Thiru. B.Prakasam	Director	0.04	0.27	0.002	0.017	0.03	0.20	0.001	0.0166
6.	Thiru. G.Durairaj	Director	0.04	0.27	0.004	0.015	0.04	0.20	Nil	0.0015
7.	Thirumathi. E.Ambika	Director	0.04	0.27	0.005	0.013	0.04	0.20	Nil	0.0001
8.	Thiru. M.Guru Prasanth	Director	0.04	0.27	Nil	0.012	0.04	0.20	Nil	0.0001

Sl. No	Name of the Directors	Deposit accepted for the period from 01.04.2025 to 31.03.2026	Deposit outstanding as on 31.03.2026
1.	Thiru. S.Kalyanasundaram	0.25	0.25
2.	Thiru. G.Anbalagan	0.14	1.64
3.	Thiru. B.Prakasam	0.02	0.02
4.	Thiru. G.Durairaj	0.10	0.10
5.	Thirumathi. E.Ambika	0.10	0.10
	Total	0.61	2.11

Salary Paid

Particulars	Nature of related party	31 st March 2026	31 st March 2025
Thiru. PR.P.Velappan	Managing Director	0.36	0.36
Thiru. S.Venkatesan	G.M	0.27	0.22
Thiru. S.Shanmugham	G.M & C.F.O	0.26	0.22
Thiru. S.Kannan	Company Secretary	0.10	0.04

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available.
- 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.

(₹ in Crores)

Particulars	31.03.2026	31.03.2025
Short-Term Employee Benefits	0.36	0.36
Total	0.36	0.36

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 Ministry of Corporate Affairs 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 norms as described below:

Particulars	31.03.2026	31.03.2025
Ratio of Net Owned Funds	1 : 9.94	1 : 9.17
Percentage of Unencumbered Bank Deposits maintained	10.66%	10.43%

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:

(₹ in Crores)

Particulars	Level	Carrying Value		Fair Value	
		31 st March 2026	31 st March 2025	31 st March 2026	31 st March 2025
Financial Assets					
Cash and cash equivalents	Level 2	320.50	259.60	320.50	259.60
Bank balance other than above	Level 2	732.14	452.92	732.14	452.92
Loans	Level 3	5745.89	4501.30	5745.89	4501.30
Other Financial assets	Level 3	243.90	234.06	244.20	232.98
Total Financial Assets		7042.43	5447.88	7042.73	5446.80
Financial Liabilities					
Deposits	Level 3	6087.54	4717.19	6087.54	4717.49
Other Financial Liabilities	Level 3	223.55	118.75	225.83	120.63
Total Financial Liabilities		6311.09	4835.94	6313.37	4838.12

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 cash equivalents, 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 members

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.

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 has 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
- d) Design appropriate credit risk mitigation techniques

The Company's exposure is primarily to Retain 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 enable early identification of emerging risks thereby facilitating prompt remedial action or provisioning, as may be required.

a) 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 2 : Where installments are 31-90 days overdue.

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.

b) 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 tenure 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	31.03.2026			31.03.2025		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
Gold Loan	0.66%	0.36%	0.06%	1.07%	1.04%	0.08%

c) 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	31.03.2026	31.03.2025
Gold loan - Normal Risk	0.81%	0.94%

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. 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 2026 :

(₹ in Crores)

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	37.89	282.61	-	-	-	320.50
Bank balance other than above	3.31	-	556.41	172.42	-	732.14
Loans	109.34	553.94	5076.52	5.24	0.85	5745.89
Other Financial assets	4.58	24.17	209.53	4.28	1.63	244.19
Total Financial Assets	155.12	860.72	5842.46	181.94	2.48	7042.72
Financial Liabilities						
Deposits	308.79	856.77	4892.07	29.91	-	6087.54
Other Financial Liabilities	14.86	27.09	144.42	21.79	17.67	225.83
Total Financial Liabilities	323.65	883.86	5036.49	51.70	17.67	6313.37

Maturity pattern of assets and liabilities as on 31 March 2025 :

(₹ in Crores)

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	47.60	212.00	-	-	-	259.60
Bank balance other than above	3.09	-	449.82	-	-	452.92
Loans	873.30	216.52	3320.08	90.56	0.85	4501.30
Other Financial assets	71.09	97.42	59.63	1.39	3.45	232.98
Total Financial Assets	995.08	525.94	3829.53	91.95	4.30	5446.80
Financial Liabilities						
Deposits	798.20	592.99	3316.93	9.37	-	4717.49
Other Financial Liabilities	20.24	66.14	5.74	21.68	6.82	120.62
Total Financial Liabilities	818.44	659.13	3322.67	31.05	6.82	4838.11

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 : EXPENDITURE IN FOREIGN CURRENCY

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

NOTE 42 : FRAUD

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

NOTE 43 : 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 - Loan against gold and its own deposit. The revenue generated by the company, majority attributable to the said service is as below :

(₹ in Crores)

Particulars	31 st March 2026	31 st March 2025
Interest on Loan against gold, its own deposit & staff loans	759.41	577.64

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 44 : PAYMENTS UNDER MSMED ACT 2006

The payments to the vendors for purchases or services are made shortly after supply, made promptly. There is no outstanding qualifying under section 15 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

NOTE 45 : CREDIT RATING OF EQUITY SHARES

The necessity for obtaining credit rating did not arise, during the year under review.

NOTE 46 : TRADE RECEIVABLES / TRADE PAYABLES

As your Company is a Nidhi Company, there are no Trade Receivables or Trade Payables, Hence, no ageing schedule is required.

NOTE 47 : 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 extant rules, no income shall be recognized on such loans after the expiry of the said period. Income if any recognized is required to be reversed out. In compliance with the said rules, the Company does not recognize any income beyond 3 months from the due date of the loan. Accordingly, the Company has not created any provision towards income reversal.

However the company recognises provisions in accordance with Ind AS rules under Expected Credit loss (ECL) method. The details and manner of computing the ECL has been provided in the appropriate spaces in the financial statement.

NOTE 48 : PREVIOUS YEAR FIGURES

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

1 CORPORATE INFORMATION

Kumbakonam Mutual Benefit Fund Nidhi Limited (the Company) (CIN: U65991TN1903PLN001246) 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. Further Nidhi Company has been given the status of NDH-4 under the Companies Act 2013. The Registered Office address of the Company is No. 23 & 24, Dr.Besant Road, Kumbakonam-612001, Thanjavur District. 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 Nidhi Rules, 2014 and Notifications issued from time to time by the Ministry of Corporate Affairs.

2 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

STATEMENTS 2.1 Statement of Compliance

The financial statements have been prepared as a going concern 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). 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 4 - 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:

- 2.4.1 The normal course of business
- 2.4.2 The event of default
- 2.4.3 The event of insolvency or bankruptcy of the Company and/or its counter parties.

2.5 Functional and Presentation Currency

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

3 MATERIAL 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 commission 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 member : 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 member to transfer a good or service to the member.

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 member, 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 the company expects to receive as per the agreement with the member. 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 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 and timing of 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-gratia 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 cost 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 re-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.

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.

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 is 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 Financial assets measured at fair value through profit or loss :

The Company does not have any financial instruments required to be measured through profit or loss in accordance with Ind AS 109.

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 issued funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR). The Company does not have any such instruments in the current year.

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 has assessed that, since recoveries (through repayment or auction or pledged gold) are expected within the next 12 months, the impact of discounting using the original Effective Interest Rate is immaterial. 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 in to 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 takes possession of the gold pledged and disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the members/ obligors.

Apart from the above, the Company issues loans against fixed and recurring deposits placed with it by members. 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 lives based on technical advice 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.

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.

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 - Loans against Gold and its own deposits. 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 judgements, 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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 judgement is required in establishing fair values. Judgements 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 Impairment of financial assets - Expected Credit Loss (ECL).

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, probable fluctuations in collateral value as well expected changes to Interest 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.

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 profit for the period 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. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

5.3 Revaluation Surplus

Revaluation reserve' is 'a reserve created on the revaluation of assets or net assets of an enterprise represented by the surplus of the estimated replacement cost or estimated market values over the book values thereof.' If an asset's carrying amount is increased as a result of revaluation, the increase is recognised and accumulated in equity under the heading of revaluation surplus. Correspondingly, decreases as a result of revaluation are recognized thereby reducing the amount accumulated under this heading of revaluation surplus, to the extent of any credit balance existing in the revaluation surplus in respect of that asset. 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 de-recognised.

5.4 Other items of Other Comprehensive Income

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

Additional Regulatory Information Required under Division III to Schedule III of the Companies Act, 2013

Sl.No	Disclosure requirement as per Amended Schedule III	Remarks for Non Disclosure (If any)
1	Title deeds of Immovable Property not held in name of the Company	The Company does not have any immovable properties which are not held in its own name.
2	Revaluation of Property , Plant & Equipment	The Company has not revalued Property, Plant & Equipment, Hence disclosure under this clause is not applicable
3	Revaluation of Intangible Assets	The Company has not revalued Intangible Assets.
4	Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties	Nil
5	Capital-Work-in Progress (CWIP)	Nil
6	Intangible assets under development	Yes. Rs.1.30 crores (Software Development)
7	Details of Benami Property held	The Company has no Benami Property
8	Borrowings from banks or financial institutions on the basis of security of current assets	The Company has no borrowings from Banks or Financial institutions secured against Current Assets.
9	Wilful Defaulter	The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender, Hence disclosure under this clause is not applicable
10	Relationship with Struck off Companies	The Company has no transactions with Struck off Companies
11	Registration of charges or satisfaction with Registrar of Companies (ROC)	Nil
12	Compliance with number of layers of companies	The Company has no subsidiary/ associate or Joint Venture.
13	Analytical Ratios	Not Applicable
14	Compliance with approved Scheme(s) of Arrangements	The Company has no Scheme of Amalgamations approved or pending for approval by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013.
15	Utilisation of Borrowed funds and share premium	(a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Sl.No	Disclosure requirement as per Amended Schedule III	Remarks for Non Disclosure (If any)
		(b) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
16	Undisclosed income	Nil
17	Corporate Social Responsibility (CSR)	Refer Note 36
18	Details of Crypto Currency or Virtual Currency	The Company has not traded or invested in crypto currency or virtual currency.

BRANCHES TELEPHONE NUMBER

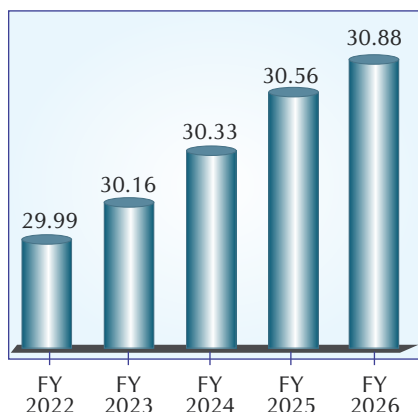
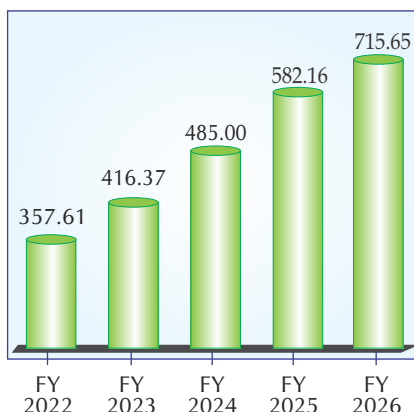
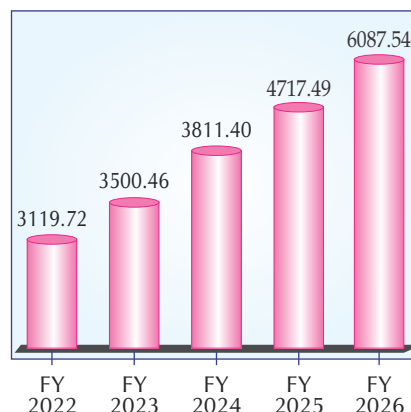
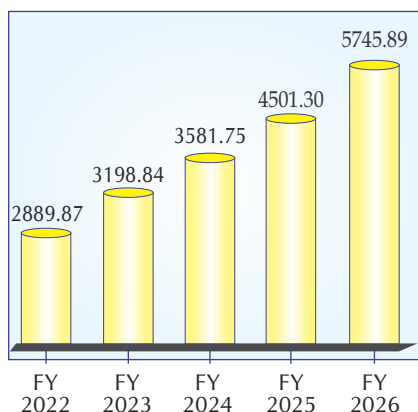
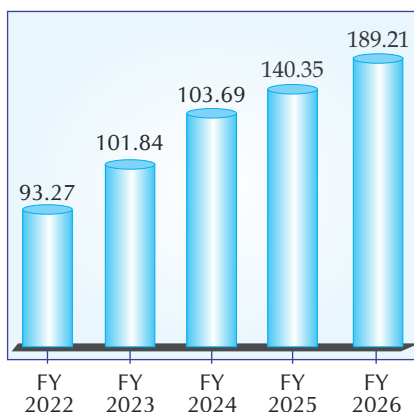
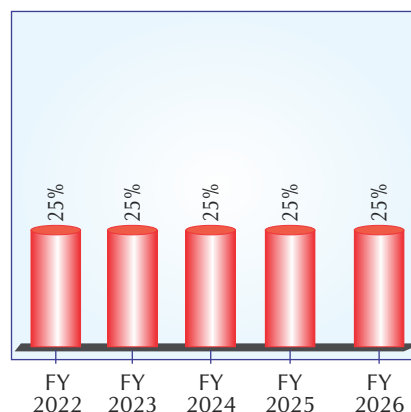
01.	Aduthurai	0435-2472205
02.	Alangudi	04322-251149
03.	Ambattur	044-26584899
04.	Ammappettai	04374-232636
05.	Annanagar - Madurai	0452-2532114
06.	Annanagar - Chennai	044-26545119
07.	Aranthangi	04371-223116
08.	Arani	04173-226865
09.	Ariyalur	04329-220990
10.	Ashok Nagar	044-24899584
11.	Attur	04282-250102
12.	Avadi	044-26554899
13.	Ayyampettai	04374-242132
14.	Batlagundu	04543-262369
15.	Budalur	04362-288142
16.	Chengalpattu	044-27429510
17.	Cheyyar	04182-223107
18.	Chidambaram	04144-223009
19.	Chinmaya Nagar	044-24791217
20.	Chinnamanur	04554-248149
21.	Chintadripet	044-28456700
22.	Cholapuram	0435-2452153
23.	Chromepet	044-22655767
24.	Coimbatore	0422-2599944
25.	Cuddalore	04142-236753
26.	Dharmapuri	04342-265005
27.	Dindigul	0451-2433206
28.	East Tambaram	044-22273055
29.	Erode	0424-2264290
30.	Gandarakottai	04322-275337
31.	Guduvanchery	044-27462001
32.	Hosur	04344-242137
33.	Jayankondam	04331-250211
34.	K.Pudur, Madurai	0452-2564666
35.	Kallakkurichi	04151-223875
36.	Kanchipuram	044-27233104
37.	Kangeyam	04257-220113
38.	Karaikal	04368-223294
39.	Karaikudi	04565-234277

40.	Karambakkudi	04322-255134
41.	Karur	04324-264138
42.	Kattumannarkoil	04144-291125
43.	Keeranur	04339-263122
44.	Killukottai	04339-221146
45.	Kollumangudi	04366-233150
46.	Koothanallur	04367-232737
47.	Kodavasal	04366-260120
48.	Krishnagiri	04343-237005
49.	Kulithalai	04323-222390
50.	Kuthalam	04364-230115
51.	Kumbakonam Bazaar	0435-2420790
52.	Kumbakonam Besant Road	0435-2421041
53.	Kumbakonam	0435-2431648
54.	Lalgudi	0431-2544133
55.	Madipakkam	044-22423130
56.	Madukkur	04373-260252
57.	Madurai	0452-2344187
58.	Mangalapuram-Thanjavur	04362-246100
59.	Mannachanallur	0431-2560879
60.	Manapparai	04332-260402
61.	Mannargudi	04367-252237
62.	Mayiladuthurai	04364-223067
63.	Mettupalayam	04254-220130
64.	Melur	0452-2417194
65.	Mylapore	044-24981439
66.	Musiri	04326-260131
67.	Muthupettai	04369-260136
68.	Nachiarkoil	0435-2466622
69.	Nagapattinam	04365-240776
70.	Nagercoil	04652-220677
71.	Namakkal	04286-223129
72.	Nanganallur	044-22242749
73.	Nannilam	04366-230111
74.	Needamangalam	04367-260202
75.	Neyveli	04142-263444
76.	Orathanadu	04372-232446
77.	Oddanchatram	04553-242129

BRANCHES TELEPHONE NUMBER (continued...)

78.	Palakarai, Kumbakonam	0435-2422154
79.	Palani	04545-243148
80.	Pallavaram	044-22641332
81.	Panruti	04142-242077
82.	Papanasam	04374-222854
83.	Pandanallur	0435-2940121
84.	Pattukkottai	04373-252348
85.	Pennadam	04143-220147
86.	Peralam	04366-238579
87.	Perambalur	04328-276548
88.	Perambur	044-25510490
89.	Peravurani	04373 - 235135
90.	Periyakulam	04546-231821
91.	Pollachi	04259-229426
92.	Ponneri	044-27973103
93.	Poonamallee	044-26495583
94.	Porur	044-24769124
95.	Pudukkottai	04322-222154
96.	Rajapalayam	04563-220525
97.	Ramanathapuram	04567-222101
98.	Redhills	044-26310117
99.	Saidapet	044-24340484
100.	Salem	0427-2210203
101.	Saliyamangalam	04374-239143
102.	Sankarankoil	04636-222269
103.	Sembanarkoil	04364-282123
104.	Sengipatti	04362-221139
105.	Sethiathoppu	04144-295128
106.	Singanallur	0422-2233127
107.	Sirkali	04364-270985
108.	Sivagangai	04575-241141
109.	Srirangam	0431-2433158
110.	Sholinganallur	044-24502118
111.	T.Nagar	044-28141334
112.	T.Palur	04331-247124
113.	Tambaram	044-22266043
114.	Tenkasi	04633-224112
115.	Thanjavur	04362-231641
116.	Theni	04546-254472

117.	Tirukkoyilur	04153-253110
118.	Thirukkattupalli	04362-280545
119.	Thirumangalam	04549-280284
120.	Thiruppanandal	0435-2456020
121.	Thiruppurambiyam	0435-2455472
122.	Thiruthuraipoondi	04369-222851
123.	Thiruvaiyaru	04362-260551
124.	Thiruvallur	044-27662664
125.	Thiruvannamalai	044-24421789
126.	Thiruvannamalai	04366-222367
127.	Thiruverumbur	0431-2510197
128.	Thiruvudaimaruthur	0435-2460152
129.	Thiruvottiyur	044-25737701
130.	Thittakudi	04143-255144
131.	Thoothukudi	0461-2323548
132.	Thuraiyur	04327-256109
133.	Tindivanam	04147-222074
134.	Tiruchirapalli	0431-2419856
135.	Thirunelveli	0462-2333548
136.	Tirupattur	04179-221006
137.	Tiruppur	0421-2203150
138.	Thiruvannamalai	04175-223182
139.	Triplicane	044-28480609
140.	Udumalaipettai	04252-224033
141.	Ullikkottai	04367-271145
142.	Ulundurpettai	04149-221140
143.	Vaduvur	04367-267138
144.	Vaitheeswarankoil	04364-279148
145.	Valangaiman	04374-264455
146.	Valayapettai	0435-2422151
147.	Vallam	04362-260126
148.	Vandavasi	04183-226106
149.	Velachery	044-22431109
150.	Vellore	0416-2222201
151.	Villivakkam	044-26171108
152.	Villupuram	04146-222956
153.	Virudhachalam	04143-230337
154.	Virudhunagar	04562-246093

PAID UP CAPITAL (₹ in Crore)

RESERVES & SURPLUS (₹ in Crore)

DEPOSITS (₹ in Crore)

ADVANCES (₹ in Crore)

PROFIT (₹ in Crore)

DIVIDEND

DECADE OF PROGRESS

(₹ in Crores)

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26*
Paid up capital	29.29	29.43	29.54	29.70	29.84	29.99	30.16	30.33	30.56	30.88
Reserves & Surplus	140.56	167.55	203.92	239.11	294.30	357.61	416.37	485.00	582.16	715.65
Statutory Deposits	181.00	192.00	221.10	236.05	274.15	312.38	355.85	385.00	478.00	619.71
Deposits	1806.63	1916.36	2206.88	2356.46	2737.74	3119.72	3500.46	3811.40	4717.49	6087.54
Advances	1620.83	1739.16	1966.16	2200.70	2608.91	2889.87	3198.84	3581.75	4501.30	5745.89
Profit	37.37	49.59	60.39	63.63	75.15	93.27	101.84	103.69	140.35	189.21
Dividend (p.a.)	22%	22%	22%	22%	22%	25%	25%	25%	25%	25%
No. of Branches	107	108	109	112	113	114	116	120	130	150

* Subject to approval of members at its ensuing Annual General Meeting



**Laying Paver Blocks to Little Flower Higher Secondary School,
Kumbakonam, under CSR Initiative**



**Appreciating and honouring of Employees' Children
who scored high marks in 10th and 12th Std.**

**CONSTRUCTION OF MRI SCAN & RADIOLOGY BUILDING
IN GOVERNMENT HEAD QUARTERS HOSPITAL, KUMBAKONAM**

Sponsored by : Kumbakonam Mutual Benefit Fund Nidhi Limited

Estimated Amount : Rs. 190 Lacs



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