



## Successful Commencement of 120<sup>th</sup> Year



## 119<sup>th</sup> Annual Report 2022-2023



### KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED

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

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

Fax : 0435 - 2431682 Website : [www.kmbf.co](http://www.kmbf.co) e-mail : [kmbf@kmbf.co](mailto:kmbf@kmbf.co)

இந்தியாவில் NDH4 அங்கீகாரம் பெற்ற முதல் நிதி நிறுவனம்



**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Registrar of companies, Chennai  
Block No. 6, B' Wing, 2nd Floor Shastri Bhawan 26, Chennai, Tamil Nadu, India, 600034

Corporate Identity Number: U65991TN1903PLN001246

**SECTION 406(1) OF THE COMPANIES ACT, 2013**

**Certificate pursuant to declaration of Nidhi**

Given under my hand at Chennai this Nineteenth day of May Two thousand twenty-two

DS MINISTRY OF  
CORPORATE  
AFFAIRS 15

Deepak Persoya

Registrar of Companies  
Registrar of companies, Chennai

Mailing Address as per record available in Registrar of Companies office:

**KUMBAKONAM MUTUAL BENEFIT FUND NIDHI**  
145,BIG STREET, KUMBAKONAM, THANJAVUR DISTT, Tamil Nadu, India, 612001

1903-ஆம் ஆண்டு துவங்கப்பட்ட நமது கும்பகோணம் பரஸ்பர ஸகாய நிதி லிமிடெட் நிறுவனம் கம்பெனிகள் சட்டம் 1956, பிரிவு 620-A ன்படி "நிதி" என்ற அங்கீகாரத்துடன் செயல்பட்டு வந்தது. திருத்தப்பட்ட கம்பெனிகள் சட்டம் 2013, பிரிவு 406(1)-ன்படி மத்திய அரசின் அனைத்து சட்ட திட்டங்களையும் முறையாகப் பின்பற்றி **NDH-4** படிவம் சமர்ப்பித்து கம்பெனிகள் விவகாரத்துறை அமைச்சகத்தின்

அறிவிப்பின்படி "நிதி" என்ற அங்கீகாரத்தை தமிழ்நாட்டில் பெற்ற முதல் நிதி நிறுவனம் நமது

**"KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED"**

என்பதை மகிழ்ச்சியுடன் தெரிவித்துக்கொள்கிறோம்.

118 - வது ஆண்டு பேரவைக் கூட்டம் - 28.09.2022



கும்பகோணம் பஜார் கிளை திறப்பு விழா



## ஜெயங்கொண்டம் கிளை இடமாற்றம்



## குத்தாலம் கிளை திறப்பு விழா





# KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED

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

## BOARD OF DIRECTORS



Thiru. **S.Kalyanasundaram** M.P.,  
Chairman



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



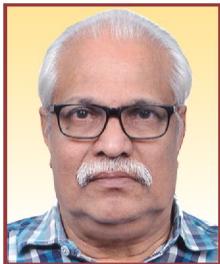
Thiru. **PR.P.Velappan** B.A.,  
Managing Director



Dr. **G.Anbalagan** M.L.A.,  
Director



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



Thiru. **S.Hariharan** B.Com., FCA.,  
Director



Thiru. **G.Durairaj**  
Director



Thirumathi. **E.Ambika**  
Director



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

**Executives**

**Thiru.R.Subash**  
General Manager &  
Chief Financial Officer

**Thiru.C.Thirugnanasambandam**  
Assistant General Manager

**Thiru.P.Karunanithi**  
Assistant General Manager

**Thiru.S.Shanmugam**  
Assistant General Manager

**Thiru.S.Venkatesan**  
Assistant General Manager

**Statutory Auditors**

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

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

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

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

**Company Secretary**

**CS.V.Vijayakumar**  
Company Secretary  
M.No. ACS69164  
Pondicherry - 605 001.

**Legal Advisors**

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

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

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

**Route Map to Raya Mahal**



For the standing successful of 120th Year by our company

## **Notice for 119<sup>th</sup> Annual General Meeting**

Notice is hereby given pursuant to Section 96 and other applicable provisions of the Companies Act, 2013 that the **119<sup>th</sup> Annual General Meeting [“AGM”] of the shareholders of Kumbakonam Mutual Benefit Fund Nidhi Limited will be held at 10.00 a.m on Friday, the 29<sup>th</sup> September, 2023 at Raya Mahal, 73, Gandhi Adigal Salai, Kumbakonam - 612 001** to transact the following items of business :

### **Agenda**

#### **Ordinary Business**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year 2022-23.
3. To appoint a director in the place of Thiru.M.Guru Prasanth (DIN: 09359770) who retires by rotation and, being eligible, offers himself for re-appointment as Director.
4. To appoint a director in the place of Thirumathi.E.Ambika (DIN: 09353335) who retires by rotation and, being eligible, offers herself for re-appointment as Director.

#### **Special Business**

##### **5. AMENDMENT OF THE MEMORANDUM OF ASSOCIATION (MOA) OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re- enactment thereof for the time being in force), and subject to the necessary approval(s), permissions, consents and sanctions required, if any by the statutory authority and all other applicable laws and regulations if any, approval of the members of the Company be and is hereby accorded for effecting the following amendments in the Memorandum of Association of the Company.

**To replace the following clause No.2 in the Memorandum of Association of the Company:-**

“The Registered Office of the Company will be situated in the 23 & 24, Dr. Besant Road, Kumbakonam-612 001”

RESOLVED FURTHER THAT any of the Directors/Company Secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign all such other documents, in each case, as they or any of them may deem necessary, proper or desirable including appropriate e-filings with the Registrar of Companies, Chennai to give effect to the foregoing resolutions.

Place : Kumbakonam  
Date : 24<sup>th</sup> August, 2023.

By Order of the Board  
**Kumbakonam Mutual Benefit Fund Nidhi Limited,**  
**V.Vijayakumar**  
Company Secretary

**NOTES:**

1. Pursuant to section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2023 to 29th September, 2023 (both days inclusive).
2. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the Company. The proxies, in order to be effective, must be lodged with the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
3. Members are requested to note that a person can act as Proxy on behalf of members, not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company, carrying voting rights. In case of voting by poll, no member shall exercise voting rights in excess of 5% of total voting rights of equity shareholders.
4. Any member, holding more than one folio for the same set of names, may please write to the Registered Office of the Company, so that his/her holdings can be consolidated into one folio.
5. In terms of section 125 (2) (c) of the Companies Act, 2013, the unpaid dividend for the financial year 2014 - 2015 has been transferred to Investor Education and Protection Fund and the dividends which remain unclaimed for a period of seven years for F.Y 2015-16 will be transferred to the Investors Education and Protection Fund.
6. Members are requested to notify to the Registered Office of the Company changes in their addresses, if any.
7. Members are hereby requested to register their email addresses with the Company by sending a mail to [kmbf@kmbf.co](mailto:kmbf@kmbf.co).
8. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.

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

Name & Qualification	Thiru.M.Guru Prasanth, B.E.,
Age	25 Years
Experience / expertise	Wide exposure in the field of business.
Terms and conditions of appointment and details of remuneration	Director – liable to retire by rotation
Remuneration last drawn	Rs.4,73,422/-
Date of first appointment on Board	08.11.2021
Shareholding as on 31st March, 2023	500 Equity Shares
Relationship with other Directors/KMP	Nil
Number of Meetings of Board attended	13
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

Name & Qualification	Thirumathi.E.Ambika
Age	50 Years
Experience / expertise	Wide exposure in the field of business.
Terms and conditions of appointment and details of remuneration	Director - liable to retire by rotation
Remuneration last drawn	Rs.4,73,422/-
Date of first appointment on Board	08.11.2021
Shareholding as on 31st March, 2023	520 Equity Shares
Relationship with other Directors/KMP	Nil
Number of Meetings of Board attended	12
Directorships in other Companies	Nil
Other memberships/chairmanships of committees of other Boards	Nil

### Explanatory Statement under section 102 of the Companies Act, 2013

#### Special Business

#### Item No. 5 : AMENDMENT OF THE MEMORANDUM OF ASSOCIATION (MOA) OF THE COMPANY

The resolution item no.5- clause have been incorporated in the proposed Articles.

Pursuant to the provisions of section 13 of the Companies Act, 2013, alteration of memorandum of Association requires approval of the members of the Company by way of a Special Resolution at a general meeting. The Board of Directors' in their meeting held on 24.08.2023 has approved the amendment in the Memorandum of Association of the Company as set out in item no. 5 of the notice, subject to the approval of members of the Company.

The Registered office of the Company is presently situated in Kumbakonam, According to the building durability conditions of our present Registered Office building situated at No.145, Big Street, Kumbakonam and Now the Board of Directors of the company at its meeting held on 24.08.2023 decided that the registered office of the Company is shifted to be No. 23 & 24, Dr.Besant Road, Kumbakonam - 612 001 within the same local limits of the same city, Kumbakonam, Thanjavur District, a place within the local limits of same city where the company's registered office is presently situated and which is situated within the same State, with a view to improve operational efficiency, the Board of Directors Considered and subject to approval of Registrar Of Companies, Chennai for the proposed shifting of registered office, the company amend the situation of clause of MOA and the Board recommend for approval of the said amendment and accord approval of the members of the company.

A copy of the proposed amended Memorandum of Association (MOA) is available for inspection in physical by the members at the registered office of the Company during normal business hours on all working days from the date of dispatch of the notice, up to the last date of voting i.e.29.09.2023.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions as item No. 5.

## BOARDS' REPORT FOR THE YEAR ENDED 31st MARCH, 2023

To

**The Members of Kumbakonam Mutual Benefit Fund Nidhi Limited,**

Your Directors have pleasure in presenting the 119th Annual Report on the business and operations of your Company together with the Audited Financial Statement of Accounts and the Auditors' Report for the financial year ended, 31st March, 2023.

**1. The highlights of financial results for the year ended 31st March, 2023 are as under:**

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Deposits	3,50,046.03	3,11,972.11
Advances	3,19,884.78	2,88,987.26
Total Revenue	45,686.41	41,247.79
Total Expenses	35,502.10	31,920.63
Profit Before Exceptional items, Depreciation and Tax	10,741.68	9,835.97
Depreciation	557.37	508.81
Profit Before Exceptional items and Tax	10,184.31	9,327.16
Less : Exceptional item	1,262.00	-
Profit Before Tax	8,922.31	9,327.16
Profit After Tax	6,624.22	6,330.57
Other Comprehensive income (Net of Tax)	54.42	271.25
Total Comprehensive income	6,678.64	6,601.82
Dividend Rate	25%	25%
Dividend Amount	752.12	747.92

**2. Events subsequent to the date of financial statements:**

There are no material changes and commitments affecting financial position of the company between 31st March, 2023 and the date of Boards' Report.

**3. Dividend**

Your directors are pleased to recommend a dividend of 25% p.a. (period based pro-rata) for the year ended 31st March, 2023. This will involve an amount of Rs.752.12 lakhs as dividend.

**4. Board Meetings**

During the fiscal 2022-23, your Company had 13 Board meetings, as detailed below and maximum gap between the meetings did not exceed 120 days:

24.04.2022	22.05.2022	29.06.2022	24.07.2022	24.08.2022
28.08.2022	28.09.2022	27.10.2022	26.11.2022	27.12.2022
25.01.2023	28.02.2023	26.03.2023		

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

	Name of the Director	No. of Board Meetings Attended
1.	Thiru. S.Kalyanasundaram, Chairman (DIN : 00829647)	12
2.	Thiru. S.Ramalingam, Vice Chairman (DIN : 00829529)	13
3.	Thiru. PR.P.Velappan, Managing Director (DIN : 01892661)	13
4.	Thiru. G.Anbalagan, Director (DIN : 01469646)	13
5.	Thiru. S.Hariharan, Director (DIN : 02693765)	13
6.	Thiru. B.Prakasam, Director (DIN : 00338872)	13
7.	Thiru. G.Duraiaraj, Director (DIN : 03064193)	12
8.	Thirumathi. E.Ambika, Director (DIN : 09353335)	12
9.	Thiru. M.Guru Prasanth, Director (DIN : 09359770)	13

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

#### 5. Share Capital

The paid-up share capital increased by Rs.17.71 lakhs from Rs.2998.61 lakhs as on 31.03.2022 to Rs.3016.32 lakhs as on 31st March, 2023. The company had allotted shares only to the persons who are having transactions (Deposits/Loans) with the Company. 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.

#### 6. Reserves

As on 31.03.2022, the General Reserve was Rs.35,760.64 lakhs. For the year ended 31st March 2023, it is **Rs.41,636.94 lakhs** (i.e.,) an increase of Rs.6,624.22 lakhs. (Refer Page No. 35 - Statement of Changes in Equity)

#### 7. Branches

During the financial year under review, the new branch of our Nidhi has been opened at Kuthalam (Mayiladuthurai) on 19.01.2023 and Aranthangi on 07.03.2023. We have got approval granted by the regional director, Ministry of corporate affairs, southern region, Chennai vide F.No.SRN AA1723441NDH-2/Kumbakonam/3/2023 permission from Registrar of Companies to open thirty two new branches at the following locations viz., Budalure, Sengipatti, Killukottai, Alangudi (Pudukkottai), Karambakudi, Sivagangai, Peravurani, Saliyamangalam, Kodavasal, Anna Nagar-Chennai, Pandanallur, Kollumangudi, Kattumannarkoil, Lalgudi, Thittakkudi, Musiri, Tha.Pazhoor, Muthupettai, Ullikkottai, Vaduvur, Vallam, Keeranur, Vaitheeswarankoil, Hosur, Ottanchathiram, Ulundurpettai, Semponnarkoil, Ayyampettai, Mettupalayam, Siganallur (Coimbatore), Pennadam and Sethiyathoppu.

#### 8. Business

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

#### 9. Risk Management & Policy

Your Directors have taken meticulous care while managing various risks, which include credit risk, liquidity risk, interest rate risk and operational risk. The Directors met at periodical intervals, considered and

discussed the issues relating to risk management, assets liability management and monitored the business effectively to achieve optimum results.

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

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

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

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

## 10. Internal Financial Control

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

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements. To further strengthen the internal audit system, the Company has appointed Chartered Accountants as Internal Auditors of the Company from October 2022. The Internal Auditors periodically submits 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.

ii) The Statutory Auditors have confirmed that there were no instances of fraud for the financial year 2022-23.

We, the Board of Directors, acknowledge the emphasis placed on the ongoing investigation into alleged fraudulent activities related to gold ornaments pledging in the auditor's report on internal financial controls.

We wish to clarify that this investigation pertains to events that occurred in 2019 and did not impact the internal financial controls during the current year, as confirmed by the audit. The present Board of Directors, appointed in November 2021, had no involvement in these activities.

In response to the investigation, we formed an independent committee comprising experienced professionals, including a lawyer, a chartered accountant, and a retired SGM of the company. Their interim report guided our actions, leading to the suspension of employees involved and the filing of necessary criminal complaints. These measures were taken to uphold transparency, corporate governance, and stakeholder interests.

We appreciate the auditor's diligence in filings the required reports with the Central Government. Our commitment to maintaining robust internal controls remains steadfast, and we will fully cooperate with ongoing investigations to ensure accountability and corporate governance standards.

We thank our stakeholders for their continued trust and support.

## 11. Particulars of Contracts / Arrangements with related parties

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

## 12. Particulars of loans, guarantees or investments under section 186

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

### 13. Directors

Sl.No.	Name of the Directors
1.	Thiru. S.Kalyanasundaram, Chairman
2.	Thiru.S.Ramalingam, Vice Chairman
3.	Thiru. PR.P.Velappan, Managing Director
4.	Thiru. G.Anbalagan, Director
5.	Thiru. S.Hariharan, Director
6.	Thiru. B.Prakasam, Director
7.	Thiru. G.Durairaj, Director
8.	Thirumathi. E.Ambika, Director
9.	Thiru. M.Guru Prasanth, Director

In terms of Articles 68 of Articles of Association of the Company, Thiru.M.Guru Prasanth (DIN : 09359770), Director and Thirumathi.E.Ambika (DIN:09353335), Director is liable to retire by rotation in the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

### 14. Auditors

The present auditors (1) M/s. Sastri and Shah, Chartered Accountants, Chennai. (Firm Registration No.003643S), (2) M/s. G.Natesan & Co., Chartered Accountants, Kumbakonam. (Firm Registration No.002424S), (3) M/s. Shanmugham & Associates, Chartered Accountants, Kumbakonam. (Firm Registration No.006655S), (4) M/s. G.Srinivasan & Co, Chartered Accountants, Chennai. (Firm Registration No.012043S) as joint auditors of the company was appointed as statutory auditors in the 118th Annual General Meeting held on 28.09.2022 for a period of one term of five years, to hold office until the conclusion of the 123rd Annual General Meeting of the Company.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification / explanation made by the Statutory Auditors. The Notes on financial statements are self-explanatory, and needs no further explanation. Based on the investigation ordered by the present management into the fraud committed during the financial year 2019-2021, the Statutory Auditors have reported the same as required under the section 143(12) of the Companies Act, 2013.

Further a criminal complaint has been filed with appropriate authorities against those involved in the above said fraud that includes the suspended and retired employees as also the directors, statutory auditors and practicing company secretary who were involved in the same.

Needless to say, the fraud happened during the tenure of the previous Board of Directors and the Present Board has initiated appropriate action and assures the share holders that it will leave no stone unturned to ensure that the Fund does not suffer anything on account of the above fraud and those involved in the fraud are brought to justice.

As a prudent measure, we have made a significant provision of Rs.12.62 crores in anticipation of potential liabilities arising from this investigation. This provision underscores our commitment to transparency and acknowledgements of the financial impact of this ongoing inquiry.

Further the Auditors' Report for the financial year ended, 31st March, 2023 is annexed herewith for your kind perusal and information.

## 15. Boards reply (comment's) on Auditors reports

In response to the auditor's query regarding the nature and amount of the fraud noticed during the year, we would like to report the the financial statements for the year ended 31.03.2023 include comprehensive information about an ongoing investigation into alleged fraudulent activities related to gold ornaments pledging.

The company, in response to a series of communications from the Economic Offences Wing (EOW), Chennai, initiated an internal investigation, recognizing the gravity of the situation, the company established an independent committee for enquiry consisting of experienced professionals, including a lawyer, a chartered accountant, and a retired SGM of the company. This committee was formed on 03.04.2023, and it submitted an interim report on 20.04.2023.

Based on the committee's findings, the company has suspended the employees involved in the fraud as well as filed criminal complaint against the suspended employees, retired employees, board of directors, statutory auditors and secretarial auditor who were managing the affairs at that time of erstwhile management of the company. It is crucial to note that the alleged fraudulent activities occurred during the tenure of the previous Board of Directors.

As a matter of prudence, anticipating potential liabilities arising from the investigation, the company has made a significant provision of Rs.12.62 crores. This provision reflects to company's commitment to transparency and its acknowledgement of the financial impact of the ongoing inquiry.

## 16. Secretarial Audit

Pursuant to provisions of Sec.204 of the Companies Act, 2013, read with rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rule 14, your company appointed M/s. R & RJ Associates, Company Secretaries in practice, Chennai to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2023. The Secretarial Report in Form MR-3 is attached as Annexure – A. As regards to the observation on transfer of shares to IEPF, we inform that representation has been made to Ministry of Corporate Affairs by our Nidhi and through Chamber of Nidhis to get exemption.

## 17. Statutory Disclosures

No employee was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014. The details of employment (as on 31.03.2023), furnished in the following table is within the meaning of Rule 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

Sl. No.	Employee Name & Code Number Thiru	Designation	a) Date of commencement of employment b) Nature of employment	Educational Qualification	Age	Remuneration* ₹ in lakhs	% of equity shares held	Related to any Director	Previous Employment & Designation
1	R.Subash 170	General Manager	16.03.1987 Permanent	B.Com.,	57	20.13	0.000	No	Nil
2	B.Chakrapani★ 442	DGM&CFO	05.11.1992	B.A.,	52	20.38	0.006	No	Nil
3	S.Gopalakrishnan★ 275	A.G.M	01.11.1990	B.Sc.,	56	17.27	0.005	No	Nil
4	V.Ganesan 654	Mgr (Sys)	03.11.1994 Permanent	M.Sc.,	53	18.24	0.000	No	Nil
5	P.Kumar 206	B.M	21.09.1988 Permanent	B.Sc.,	56	16.30	0.008	No	Nil
6	S.Balasubramanian 173	Officer	18.03.1987 Permanent	B.Com.,	57	16.37	0.009	No	Nil

★ Since suspended.

Sl. No.	Employee Name & Code Number Thiru	Designation	a) Date of commencement of employment b) Nature of employment	Educational Qualification	Age	Remuneration* ₹ in lakhs	% of equity shares held	Related to any Director	Previous Employment & Designation
7	V.Sridhar 198	B.M	10.10.1988 Permanent	B.Com.,	56	17.08	0.008	No	Nil
8	R.Radhakrishnakumar 337	B.M	03.05.1991 Permanent	B.Sc.,	57	16.55	0.004	No	Nil
9	G.Sutharsan 409	S.M	22.06.1992 Permanent	B.Com.,	54	16.53	0.005	No	Nil
10	K.Venkataramanan 202	B.M	17.10.1988 Permanent	B.A.,	56	16.23	0.008	No	Nil

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

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

### 18. Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company relating to the financial year 2022-23.
- they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis, and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 19. Prevention of Sexual Harassment at work place

The Company has in place a policy for prevention of Sexual Harassment, in line with the requirements of the Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the financial year. None was pending unresolved as on 31st March, 2023.

### 20. Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the company. The web-link for the annual return for financial year 2021-22 is <http://www.kmbf.co/financial.html> However, the annual return for financial year 2022-23 shall be disclosed on the website consequent upon the conclusion of the 119th Annual General Meeting.

### 21. Committees of the Board

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

During the year under review, your Company has an Independent Audit Committee (met 3 times), Stake Holders Relationship Committee (Share Allotment Committee) (met 12 times), Corporate Social Responsibility Committee (met 1 time) and Nomination Remuneration Committee (met 1 time) Thiru.S.Kalyanasundaram is the Chairman of the Corporate Social Responsibility Committee and Audit Committee, Thiru.S.Ramalingam is the Chairman of Nomination Remuneration Committee respectively.

## **22. Corporate Social Responsibility**

Your Company has been supporting various philanthropic activities and making donations to such initiatives under CSR. During the financial year 2022-23, the Company has spent Rs.155.09 lakhs for CSR obligations, as against Rs. 153.4 lakhs as required u/s 135 of Companies Act, 2013, which was in excess of the requirement thereby duly complied with the provision of Section 135.

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

## **23. Key Managerial Personnel**

During the period under review, Ms.Neha Sancheti (ICSI Membership No. A65976) has been resigned from Company Secretary with effect from 26th November, 2022. Further, Mr.V.Vijayakumar (ICSI Membership No.A69164) has been appointed as Company Secretary with effect from 01st January, 2023. Thiru.B.Chakrapani (Since Suspended) was removed from Chief Financial Officer with effect from 05th May, 2023. Thiru.R.Subash has been appointed as Chief Financial Officer with effect from 01st August, 2023.

## **24. Independent Directors**

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

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

## **25. Statement of declaration by Independent Director**

The Company has received a statement of declaration from the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under Section 149(6) and (7) of the Companies Act, 2013.

## **26. Company Policy on Director Appointment & Remuneration**

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

## **27. Formal Annual Evaluation**

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

## 28. Secretarial Standards

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

## 29. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

During the year under review there were no such significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status and company's operations in future.

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

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

## 31. Insolvency and Bankruptcy Code, 2016

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

## 32. Loan from Banks or Financial Institution and settlement thereof

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

## 33. Deposits

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

## 34. Journey

We have traversed a long journey since 1903 to over more than 119 Years. Today our Nidhi is a name of Synonymous with Jewel Loans. The Slogan “நகைக்கடனுக்கு நம்பிக்கை KMBF மட்டுமே” is pronounced all walks of life throughout Tamil Nadu. It was achieved by the grace of almighty and the blessings of our Founder Sri Rao Bahadur Krishnaswamy Iyengar and the dedicated services of our employees. We proudly said that we are the pioneer and numero uno in the field of Nidhi Industries. Further among the Nidhis in Tamilnadu firstly we have obtained the status of Nidhi under NDH-4 certification from the Ministry of Corporate Affairs.

## 35. Acknowledgements

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

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

Place : Kumbakonam

Date : 24th August, 2023.

For and on behalf of the Board  
**S.Kalyanasundaram** MP  
 Chairman

**Form No.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023**

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

To

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

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, I hereby report that in our opinion, the Nidhi has during the audit period covering the financial year ended on 31st March, 2023 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.

I 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, 2023 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. I 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. The 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 with effect from November 08, 2021.

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. I 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.

I 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.**

- a. In few circumstances there were delay and non-filing of statutory forms / statutory returns with MCA under the relevant applicable Laws to the company.
- b. Based on the information and explanation given to us, there was an offence involving fraud committed on the Company during the year 2019. That has been reported by the statutory auditors under section 143 (12) of the Companies Act, 2013. Related legal cases are pending before Honourable High Court of Madras, Chennai with vide Case I.P. No. 11/2019 as well as Economic Offences Wing (EOW), Chennai with vide FIR No.151/2019.
- c. During the year under review, The company has not complied the provision of National financial reporting authority (NFRA), rules 2018 and the management taking necessary steps to comply the NFRA (National financial reporting authority) registration and other compliances applicable laws to the company.

For R & R J Associates

Practicing Company Secretaries

**CS.K.R.Jaganathan**

Partner

Membership No.39636

Certificate of Practice No. 14698

UDIN : A039636E000857585

**CS.S.Rajapandian**

Partner

Membership No.44502

Certificate of Practice No. 20953

UDIN : A044502E000857633

Place : Chennai

Date : 24.08.2023

## ANNEXURE — A

To

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

Practicing Company Secretaries

**CS.K.R.Jaganathan**

Partner

Membership No.39636

Certificate of Practice No. 14698

UDIN : A039636E000857585

**CS.S.Rajapandian**

Partner

Membership No.44502

Certificate of Practice No. 20953

UDIN : A044502E000857633

Place : Chennai

Date : 24.08.2023

**ANNEXURE - B TO THE BOARDS' REPORT**  
**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23**

**1. Brief outline on CSR policy of the company**

The Company's CSR Policy is to enhance the living standards of the Society, ensure social economic development, achieve environmental sustainability and to be a socially responsible citizen. In accordance with it, the main area of focus for the financial year 2022-23 was Animal Welfare, Health and Sanitation, Promoting Education, Environmental Protection, Empowerment of Women, Infrastructural development and ensuring availability of drinking water. The projects and programmes undertaken are within the framework of the Schedule VII of the Companies Act, 2013 and as per the policy of the Company. The CSR Policy and projects and programmes undertaken are available on the website of the Company ([www.kmbf.co](http://www.kmbf.co))

**2. Composition of CSR Committee**

Sr. No	Name of Director	Designation/nature of directorship From 01.04.2022 to 31.03.2023	Number of CSR committee meetings	
			Held for the period from 01.04.2022 to 31.03.2023	Attended
1.	Sri.S.Kalyanasundaram	Chairman	1	1
2.	Sri.S.Ramalingam	Vice Chairman	1	1
3.	Sri.PR.P.Velappan	Managing Director	1	1
4.	Sri.G.Anbalagan	Director	1	1
5.	Sri.M.Guru Prasanth	Director	1	Leave

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company	<a href="http://www.kmbf.co">www.kmbf.co</a>
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules 2014, if applicable	Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule(3) of Rule 7 of the Companies (Corporate Social responsibility policy) Rules, 2014 and amount required for set off for the financial year, if any	Not applicable
6	Average net profit of the company as per section 135 (5)	Rs. 7672.19 Lakhs
7	(a) 2% of average net profit of the company as per section 135(5)	Rs. 153.44 Lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(c) Amount required to be set off for the financial year, if any	Nil
	(d) Total CSR obligation for the financial year (7a+7b-7c).	Rs. 153.44 Lakhs
8	CSR amount spent details:	
	(a) Spent on CSR Obligations	Rs. 155.09 Lakhs
	(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.	Name of the project or Activity Identified	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No.)	Location of the project	Amount spent for the project	Mode of implementation Direct (Yes / No)	Mode of implementation – Through implementing agency
1	LOCAL ADMINISTRATION	Poverty, Hunger and Malnutrition	Yes	THANJAVUR TAMILNADU-TN	77,200	Yes	NA
2	LOCAL ADMINISTRATION	Promoting Road safety activities	Yes	THANJAVUR TAMILNADU-TN	10,93,275	Yes	NA
3	LOCAL ADMINISTRATION	Promoting sanitation, Promoting education	Yes	THANJAVUR TAMILNADU-TN	56,31,000	Yes	NA
4	LOCAL ADMINISTRATION	Promoting sports in rural area	Yes	THANJAVUR TAMILNADU-TN	42,816	Yes	NA
5	LOCAL ADMINISTRATION	promoting education / renovation of class rooms	Yes	THANJAVUR TAMILNADU-TN	86,66,000	Yes	NA
(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. 155.09 Lakhs	
(g) Excess amount for set off, if any							
Sl.No.	Particulars				Amount (in Rs.)		
(i)	Two percent of average net profit of the company as per section 135(5)				Rs. 153.44 Lakhs		
(ii)	Total amount spent for the Financial Year				Rs. 155.09 Lakhs		
	Excess amount spent for the financial year [(ii)-(i)]				Rs. 1.65 Lakhs		
(iii)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any				Nil		
(iv)	Amount available for set off in succeeding financial years				Rs. 1.65 Lakhs		
9	(a) Details of Unspent CSR amount for the preceding three financial years					Not applicable	
	(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)					Not applicable	
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year					Not applicable	

Sd. xxxxxxx  
**PR.P.Velappan**  
 Managing Director

Sd. xxxxxxx  
**S.Kalyanasundaram**  
 Chairman - CSR Committee

Place : Kumbakonam  
 Date : 24-08-2023

## AUDITOR'S CERTIFICATE

**M/s.G.Natesan & Co,**  
**M/s.Shanmugham & Associates,**  
**M/s. Sastri & Shah,**  
**M/s.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 ending 31-03-2023 of Kumbakonam Mutual Benefit Fund Nidhi Limited, Kumbakonam ("the Company") and that the company has followed the instructions issued by The Ministry of Law Justice and Company Affairs (Department of Company Affairs) vide their Notification No. GSR 258 (E) dated 31.03.2014 and subsequent notifications thereon and there is no material violation of any of the conditions mentioned therein. The Company has maintained proper books of account according to the recognized principles of accounting.

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

**M/s. G.Natesan & Co**  
 Chartered Accountants  
 FRN.002424S  
 CA.R.Ganesh  
 Membership No.218556  
 UDIN : 23218556BGPMGM1437  
 Partner

**M/s. Shanmugham & Associates**  
 Chartered Accountants  
 FRN : 006655S  
 CA. S.Shanmugham  
 Membership No.203423  
 UDIN : 23203423BGWFFY7854  
 Partner

**M/s. Sastri & Shah**  
 Chartered Accountants  
 FRN.003643S  
 CA. C.R.Kumar  
 Membership No.026143  
 UDIN : 23026143BGZEEL6141  
 Partner.

**M/s. G.S.Srinivasan & Co**  
 Chartered Accountants  
 FRN.012043S  
 CA. S.Srinivasan  
 Membership No.218935  
 UDIN : 23218935BGTLZL6502  
 Partner

Place : Kumbakonam  
 Date : 24.08.2023

## Independent Auditor's Report

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

### Opinion

We have audited the accompanying financial statements of Kumbakonam Mutual Benefit Fund Nidhi Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, (including other comprehensive income) the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, 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 Matter	How our audit addressed the key audit matter
<p><b>Impairment of Loans</b>                      Charge: INR 13.91 Lakhs for the year ended 31st March, 2023                      Provision: INR 849.24 Lakhs as at 31st March, 2023.</p> <p>Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:</p> <ul style="list-style-type: none"> <li>• Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</li> <li>• Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.</li> <li>• Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.</li> <li>• Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties.</li> </ul>	<p><b>Principal Audit Procedures</b>                      Procedures performed by us have been enumerated herein below:</p> <p>We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following:</p> <ul style="list-style-type: none"> <li>• Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.</li> <li>• Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with regulatory guidance.</li> <li>• Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.</li> <li>• Testing management's controls over authorisation and calculation of post model adjustments and management overlays.</li> <li>• Testing management's controls on compliance with Ind AS 109 disclosures related to ECL.</li> </ul> <p><b>Test of Details:</b>                      Key aspects of our testing included:</p> <ul style="list-style-type: none"> <li>• Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumption applied.</li> </ul> <p>Model calculations testing through re-performance, where possible.</p> <ul style="list-style-type: none"> <li>• Test of details of post model adjustments, considering the size and complexity of</li> </ul>

	<p>management overlays with a focus on macro-economy related overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data.</p> <ul style="list-style-type: none"> <li>• Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear</li> </ul>
<p><b>IT Systems and Controls</b></p> <p>The Company’s key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner.</p> <p>Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.</p>	<p>In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p> <p>We performed a range of audit procedures, which included: Our processes include:</p> <ul style="list-style-type: none"> <li>♦ selectively recomputing interest calculations and maturity dates;</li> <li>♦ Selectively re-evaluating masters updation, interface with resultant reports;</li> <li>♦ Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system)</li> <li>♦ Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission</li> <li>♦ Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases</li> </ul>

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

The Company's Board of Directors is responsible for other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's 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. We conclude that there is a material misstatement of this other information, we are required to report that fact.

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work ; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 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.
  - 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 Ind Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 of Annexure A to this Report.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
    - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. During the year, there has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund other than the following.

Shares	Rs. 35.44 Lakhs
Dividend	Nil
Overdue Deposits	Rs. 110.22 Lakhs

- 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. 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 declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- i) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 01 April 2023, reporting under this clause is not applicable.

**M/s. G.Natesan & Co**  
Chartered Accountants  
FRN.002424S  
CA.R.Ganesh  
Membership No.218556  
UDIN : 23218556BGPMGM1437  
Partner

**M/s. Shanmugham & Associates**  
Chartered Accountants  
FRN : 006655S  
CA. S.Shanmugham  
Membership No.203423  
UDIN : 23203423BGWFFY7854  
Partner

**M/s. Sastri & Shah**  
Chartered Accountants  
FRN.003643S  
CA. C.R.Kumar  
Membership No.026143  
UDIN : 23026143BGZEEL6141  
Partner.

**M/s. G.S.Srinivasan & Co**  
Chartered Accountants  
FRN.012043S  
CA. S.Srinivasan  
Membership No.218935  
UDIN : 23218935BGTLZL6502  
Partner

Place : Kumbakonam  
Date : 24.08.2023

## 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 the information and explanations given to us and on the basis of our examination of the records of the Company, 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 accepting deposits and giving loans and does not have physical inventories. Accordingly clause 3 (ii) (a) 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, 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, 2023 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 31.03.2023 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 been 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 explanation given to us, the terms Loans were applied for the purpose for which the loans were obtained.
- 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 that the 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 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) We have noticed, during the course of audit, that between 2019 and January 2021, certain employees of the company in collusion with person who was adjudicated as insolvent and his associates had auctioned and redeemed the jewels that were pledged as security for loans given by the company, without following due procedure. The present management considered that such actions were carried out with an intent to defraud the company. The total quantity of jewels so transacted is 60.53 kgs. The amount involved at Rs. 1,262.00 lakhs that represents the value of advances given against such pledged jewels.
- b) A report under Section 143 (12) of the Act has been filed by us, during the year under report, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government on 09.08.2023 with respect to the fraud stated in clause a) above.
- c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- xii) Nidhi Rules:**
- a) The Company has complied with the Nidhi Rules 2014, ratio of Net Owned Funds to Deposits in the ratio of **1:7.447**
- b) The Company has complied with the Nidhi Rules 2014 to meet out the liability and the company is maintaining 10.11% 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, the company has an internal audit system commensurate with its size and nature of its business.
- b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors" To further strengthen the internal audit system, The company has appointed chartered accountants as internal auditors of the company from October 2022, the management takes remedial action based upon their observations.
- 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 paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii) There have been resignation of the statutory auditors during the year and no concern, reservations or issues were raised by the outgoing auditors.
- 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 34 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(xxii) 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.

**M/s. G.Natesan & Co**  
Chartered Accountants  
FRN.002424S  
CA.R.Ganesh  
Membership No.218556  
UDIN : 23218556BGPMGM1437  
Partner

**M/s. Shanmugham & Associates**  
Chartered Accountants  
FRN : 006655S  
CA. S.Shanmugham  
Membership No.203423,  
UDIN : 23203423BGWFFY7854  
Partner

**M/s. Sastri & Shah**  
Chartered Accountants  
FRN.003643S  
CA. C.R.Kumar  
Membership No.026143  
UDIN : 23026143BGZEEL6141  
Partner.

**M/s. G.S.Srinivasan & Co**  
Chartered Accountants  
FRN.012043S  
CA. S.Srinivasan  
Membership No.218935  
UDIN : 23218935BGTLZL6502  
Partner

Place : Kumbakonam  
Date : 24.08.2023

## 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, 2023 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 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 judgment, 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, 2023, 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.

M/s. **G.Natesan & Co**  
Chartered Accountants  
FRN.002424S  
CA.R.Ganesh  
Membership No.218556  
UDIN : 23218556BGPMGM1437  
Partner

M/s. **Shanmugham & Associates**  
Chartered Accountants  
FRN : 006655S  
CA. S.Shanmugham  
Membership No.203423,  
UDIN : 23203423BGWFFY7854  
Partner

M/s. **Sastri & Shah**  
Chartered Accountants  
FRN.003643S  
CA. C.R.Kumar  
Membership No.026143  
UDIN : 23026143BGZEEL6141  
Partner.

M/s. **G.S.Srinivasan & Co**  
Chartered Accountants  
FRN.012043S  
CA. S.Srinivasan  
Membership No.218935  
UDIN : 23218935BGTLZL6502  
Partner

Place : Kumbakonam  
Date : 24.08.2023

**BALANCE SHEET AS AT MARCH 31, 2023**

(₹ in lakhs)

PARTICULARS	NOTE	31st March 2023	31st March 2022
<b>I. Assets:</b>			
<b>(1) Financial Asset</b>			
(a) Cash and Cash Equivalents	6	7,548.75	7,286.55
(b) Bank Balance other than (a) above	7	14,907.17	34,885.12
(c) Loans	8	3,19,884.78	2,88,987.26
(d) Other Financial assets	9	52,923.15	20,995.10
<b>(2) Non-Financial Assets</b>			
(a) Current tax assets (Net)	10	-	183.67
(b) Deferred tax assets (Net)	31	615.58	110.35
(c) Investment Property	11	-	227.15
(d) Property Plant and Equipment	12	7,147.38	6,719.01
(e) Capital work in Progress	13	253.47	-
(f) Right of Use Asset	14	1,939.78	1,513.27
(g) Other Intangible Assets	15	66.42	1.79
(h) Other Non Financial assets	16	3,681.63	2,202.93
<b>Total Assets</b>		<b>4,08,968.11</b>	<b>3,63,112.20</b>
<b>II. Liabilities &amp; Equity</b>			
<b>Liabilities</b>			
<b>(1) Financial Liabilities</b>			
(a) Deposits	17	3,50,046.03	3,11,972.11
(b) Other financial liabilities	18	3,350.68	2,758.51
<b>(2) Non Financial Liabilities</b>			
(a) Provisions	19	4,526.56	3,444.50
(b) Other Non Financial Liabilities	20	459.54	299.83
<b>(3) Equity</b>			
(a) Equity Share Capital	21	3,016.32	2,998.61
(b) Other Equity*		47,568.98	41,638.64
<b>Total Liabilities and Equity</b>		<b>4,08,968.11</b>	<b>3,63,112.20</b>

Significant Accounting Policies

1-5

See accompanying Notes forming part of the financial statements. 6-46

\*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**G.Durairaj**Director  
DIN : 03064193**R.Subash**

General Manager &amp; CFO

**S.Ramalingam**Vice Chairman  
DIN : 00829529**S.Hariharan**Director  
DIN : 02693765**E. Ambika**Director  
DIN : 09353335**CS.V.Vijayakumar**

Company Secretary

**PR.P.Velappan**Managing Director  
DIN : 01892661**B.Prakasam**Director  
DIN : 00338872**M.Guru Prasanth**Director  
DIN : 09359770

As per our report of even date attached.

**M/s.G.Natesan & Co**Chartered Accountants  
FRN.002424S**CA.R.Ganesh**

Membership No. 218556

Partner

UDIN : 23218556BGPMGM1437

Place : Kumbakonam / Date : 24.08.2023

**M/s. Shanmugham & Associates**Chartered Accountants  
FRN : 006655S**CA. S.Shanmugham**

Membership No.203423

Partner

UDIN : 23203423BGWFFY7854

**M/s. Sastri & Shah**Chartered Accountants  
FRN.003643S**CA. C.R.Kumar**

Membership No.026143

Partner

UDIN : 23026143BGZEEL6141

**M/s.G.S.Srinivasan & Co,**Chartered Accountants  
FRN.012043S,**CA. S.Srinivasan**

Membership No.218935

Partner

UDIN : 23218935BGTLZL6502

**Statement of Profit and Loss for the year ended March 31, 2023** (₹ in lakhs)

PARTICULARS	NOTE No.	31st March 2023	31st March 2022
<b>Revenue from operations</b>			
(i) Interest income	22	44,169.78	40,554.04
(ii) Rental income		-	4.66
(iii) Fees and commission income	23	52.38	84.41
(iv) Net gain on fair value changes	24	1,417.26	591.92
<b>(I) Total Revenue from operations</b>		<b>45,639.42</b>	<b>41,235.03</b>
<b>(II) Other Income</b>	<b>25</b>	<b>46.99</b>	<b>12.76</b>
<b>(III) Total Income (I + II)</b>		<b>45,686.41</b>	<b>41,247.79</b>
<b>Expenses</b>			
(i) Finance Costs	26	24,271.58	22,025.96
(ii) Net Loss on Fair Value Changes	27	1,435.46	446.28
(iii) Employee Benefits Expenses	28	7,990.07	7,829.77
(iv) Depreciation, amortization and impairment	29	557.37	508.81
(v) Other expenses	30	1,247.62	1,109.81
<b>(IV) Total Expenses (IV)</b>		<b>35,502.10</b>	<b>31,920.63</b>
<b>(V) Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>10,184.31</b>	<b>9,327.16</b>
<b>(VI) Exceptional items - Provision &amp; Contingencies</b>		1,262.00	-
<b>(VII) Profit/(loss) before tax (V -VI)</b>		8,922.31	9,327.16
<b>(VIII) Tax Expense :</b>			
(1) Current tax	31	2,603.04	2,399.56
(2) Short provision of earlier years		229.46	
(3) Deferred Tax	31	(534.41)	597.03
<b>(IX) Profit/ (loss) for the period (VII-VIII)</b>		<b>6,624.22</b>	<b>6,330.57</b>
<b>(X) Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)			
(a) Gain on Revaluation of Land and Building		-	-
(b) Actuarial gains/(losses) on post retirement benefit plans		83.60	163.90
(c) Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)			-
(d) Additional Deferred Tax on account of items that will not be reclassified to Profit & Loss		-	107.35
(i) Income tax relating to items that will not be reclassified to profit or loss		(8.14)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(21.04)	-
<b>Subtotal (A)</b>		<b>54.42</b>	<b>271.25</b>

**Statement of Profit and Loss for the year ended March 31, 2023 (Continue...) (₹ in lakhs)**

PARTICULARS	NOTE No.	31st March 2023	31st March 2022
(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			-
<b>Subtotal (B)</b>			-
<b>Other Comprehensive Income (A + B)</b>		<b>54.42</b>	<b>271.25</b>
<b>(XI) Total Comprehensive Income for the period (IX + X)</b>		<b>6,678.64</b>	<b>6,601.82</b>
<b>(XII) Earnings per equity share (for continuing operations)</b>			
Basic (Rs.)		21.96	21.11
Diluted (Rs.)		22.03	21.18
<b>(XIII) Earnings per equity share (for continuing and discontinued operations)</b>			
Basic (Rs.)		21.96	21.11
Diluted (Rs.)		22.03	21.18

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

**S.Hariharan**  
Director  
DIN : 02693765

**B.Prakasam**  
Director  
DIN : 00338872

**G.Duraiaraj**  
Director  
DIN : 03064193

**E. Ambika**  
Director  
DIN : 09353335

**M.Guru Prasanth**  
Director  
DIN : 09359770

**R.Subash**  
General Manager & CFO

**CS.V.Vijayakumar**  
Company Secretary

As per our report of even date attached.

**M/s.G.Natesan & Co**  
Chartered Accountants  
FRN.002424S  
CA. **R.Ganesh**  
Membership No. 218556  
Partner  
UDIN : 23218556BGPMGM1437

**M/s. Shanmugham & Associates**  
Chartered Accountants  
FRN : 006655S  
CA. **S.Shanmugham**  
Membership No.203423  
Partner  
UDIN : 23203423BGWFFY7854

**M/s. Sastri & Shah**  
Chartered Accountants  
FRN.003643S  
CA. **C.R.Kumar**  
Membership No.026143  
Partner  
UDIN : 23026143BGZEEL6141

**M/s.G.S.Srinivasan & Co,**  
Chartered Accountants  
FRN.012043S,  
CA. **S.Srinivasan**  
Membership No.218935  
Partner  
UDIN : 23218935BGTLLZL6502

Place : Kumbakonam  
Date : 24.08.2023

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2023** (₹ in lakhs)

PARTICULARS	31.03.2023	31.03.2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax & Exceptional Item	10,184.31	9,327.16
<b>Adjustments for:</b>		
Exceptional Item	(1,262.00)	
Depreciation and amortization expenses	241.52	175.00
Amortization - Intangible Asset	14.43	
Depreciation on ROU Asset	325.27	333.81
Gain on sale of Fixed Assets	(10.62)	(4.72)
Gain or Loss on fair value Changes	(54.42)	(163.90)
Changes in operating assets and liabilities: (Increase)/decrease in Financial Assets	(62,825.56)	(32,277.95)
(Increase)/decrease in Non Financial Assets	(1,478.70)	(1,128.01)
Increase/(decrease) in Financial Liabilities	38,666.09	38,197.87
Increase/(decrease) in Non Financial Liabilities	159.71	(130.95)
Increase/(decrease) in provisions	1,273.33	(7.81)
Net cash (used in) operating activities before taxes	(14,766.63)	(14,320.50)
Income taxes paid, net of refunds	(2,702.55)	(2,347.35)
<b>Net cash (used in) operating activities</b>	<b>(17,469.18)</b>	<b>11,973.15</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including intangible assets and intangible assets under development)	(1,535.51)	(115.47)
Proceeds from sale of Assets	19.16	11.99
Movement in Bank balances other than cash and cash equivalents	19,977.95	(26,612.07)
<b>Net cash (used in) investing activities</b>	<b>18,461.59</b>	<b>(26,715.55)</b>
<b>Cash flow from financing activities</b>		
Dividend paid 2021 - 22	(747.92)	
Issue of share capital	17.71	14.34
<b>Net cash generated from financing activities</b>	<b>730.21</b>	<b>14.34</b>
Net increase in cash and cash equivalents	262.20	(14,728.06)
Cash and cash equivalents at the beginning of the period	7,286.55	22,014.60
Cash and cash equivalents at the end of the period (refer note 8)	<b>7,548.75</b>	<b>7,286.55</b>
Note:		
a. Cash and cash equivalents at the end of the period as per balance sheet	7,548.75	7,286.55
	<b>7,548.75</b>	<b>7,286.55</b>

For and on behalf of Kumbakonam Mutual Benefit Fund Nidhi Limited

**S.Kalyanasundaram**

 Chairman  
DIN : 00829647

**G.Anbalagan**

 Director  
DIN : 01469646

**G.Durairaj**

 Director  
DIN : 03064193

**R.Subash**

General Manager &amp; CFO

**S.Ramalingam**

 Vice Chairman  
DIN : 00829529

**S.Hariharan**

 Director  
DIN : 02693765

**E. Ambika**

 Director  
DIN : 09353335

**CS.V.Vijayakumar**  
Company Secretary

**PR.P.Velappan**

 Managing Director  
DIN : 01892661

**B.Prakasam**

 Director  
DIN : 00338872

**M.Guru Prasanth**

 Director  
DIN : 09359770

As per our report of even date attached.

**M/s.G.Natesan & Co**  
Chartered Accountants  
FRN.002424S  
CA. **R.Ganesh**  
Membership No. 218556  
Partner  
UDIN : 23218556BGPMGM1437  
Place : Kumbakonam / Date : 24.08.2023

**M/s. Shanmugham & Associates**  
Chartered Accountants  
FRN : 006655S  
CA. **S.Shanmugham**  
Membership No.203423  
Partner  
UDIN : 23203423BGWFFY7854

**M/s. Sastri & Shah**  
Chartered Accountants  
FRN.003643S  
CA. **C.R.Kumar**  
Membership No.026143  
Partner  
UDIN : 23026143BGZEEL6141

**M/s.G.S.Srinivasan & Co,**  
Chartered Accountants  
FRN.012043S,  
CA. **S.Srinivasan**  
Membership No.218935  
Partner  
UDIN : 23218935BGTZL6502

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

## A. EQUITY SHARE CAPITAL

## 1. Current Reporting Period (All amounts are in Lakhs unless otherwise stated)

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
2,998.61	-	2,998.61	17.71	3,016.32

## 2. Previous Reporting Period

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
2,984.27	-	2,984.27	14.34	2,998.61

## B. OTHER EQUITY

(₹ in lakhs)

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, 2022	1.69	35,760.64	-	5,966.61	(90.30)	41,638.64
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Profit for the year after Income Tax	-	-	6,624.22	-	-	6,624.22
Revaluation of Land and Building	-	-	-	-	-	-
Remeasurement of Defined benefit plans	-	-	-	-	83.60	83.60
On Account of IND AS 116	-	-	-	-	-	-
Final Dividends 2021-22	-	(747.92)	-	-	-	(747.92)
Transfer to/from retained earnings	-	6,624.22	(6,624.22)	-	-	-
Income tax on OCI	-	-	-	-	(29.18)	(29.18)
Shares Allotted during the year	(1.69)	-	-	-	-	(1.69)
Share Application money received during the year pending allotment	1.31	-	-	-	-	1.31
Balance at the March 31st, 2023	1.31	41,636.94	-	5,966.61	(35.88)	47,568.98

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, 2021	1.45	29,430.07	-	5,966.61	(361.55)	35,036.58
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Profit for the year after Income Tax	-	-	6,330.57	-	-	6,330.57
Revaluation of Land and Building	-	-	-	-	-	-
Remeasurement of Defined benefit plans	-	-	-	-	163.90	163.90
On Account of IND AS 116	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Transfer to/from retained earnings	-	6,330.57	(6,330.57)	-	-	-
Income tax on OCI	-	-	-	-	107.35	107.35
Shares Allotted during the year	(1.45)	-	-	-	-	(1.45)
Share Application money received during the year pending allotment	1.69	-	-	-	-	1.69
Balance at the March 31st, 2022	1.69	35,760.64	-	5,966.61	(90.30)	41,638.64

**Note 6 Cash and Cash Equivalents**

S.No.	PARTICULARS	31-03-2023	31-03-2022
(a)	Cash on Hand	1,473.24	1,515.70
(b)	Balances with banks (of the nature of cash and cash equivalents)		
	In Current Accounts	1,100.31	643.85
	In Fixed Deposits (maturing within a period of three months)	4,975.20	5,127.00
	<b>Total</b>	<b>7,548.75</b>	<b>7,286.55</b>

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

**Note 7 Bank Balance other than Cash and Cash Equivalents**

S.No.	PARTICULARS	31-03-2023	31-03-2022
(a)	Fixed deposits with bank (maturing after period of three months but less than 12 months)	14,638.00	34,624.09
(b)	Balance in escrow accounts		
	- For Share Application Money	1.31	1.69
	- Unpaid Dividend Account	267.86	259.34
	<b>Total</b>	<b>14,907.17</b>	<b>34,885.12</b>

\*It includes unencumbered deposits of ₹.35,585 Lakhs

**Note 8 Loans**

Carried at Amortized Cost

(₹ in lakhs)

S.No.	PARTICULARS	31-03-2023	31-03-2022
		Amortized cost	Amortized cost
	<b>Loans</b>		
<b>(A)</b>			
(i)	Jewel Loans	3,16,322.30	2,86,001.81
(ii)	Simple Loan	129.15	113.71
(iii)	Other Pledge Loan	4,127.71	3,363.73
(iv)	Decreed Loans	-	2.55
(v)	Loan to employees	54.29	240.21
(vi)	Mortgage Loan Suit filed	100.57	100.57
	<b>Total (A) - Gross</b>	<b>3,20,734.02</b>	<b>2,89,822.58</b>
	Less: Impairment loss allowance	849.24	835.32
	<b>Total (A) - Net</b>	<b>3,19,884.78</b>	<b>2,88,987.26</b>

<b>(B)</b>		<b>31-03-2023</b>	<b>31-03-2022</b>
(i)	<b>Secured by tangible assets</b>		
	- Gold Loan	3,16,322.30	2,86,004.36
	- Covered by Deposits	4,272.91	3,493.49
(ii)	<b>Unsecured</b>		
	(a) Staff Loan	54.29	240.21
	(b) Mortgage Loan	84.52	84.52
	<b>Total (B) - Gross</b>	<b>3,20,734.02</b>	<b>2,89,822.58</b>
	Less: Impairment loss allowance	849.24	835.32
	<b>Total (B) - Net</b>	<b>3,19,884.78</b>	<b>2,88,987.26</b>
<b>(C)</b>			
(I)	Loans in India		
(i)	Public Sector	-	-
(ii)	Others - retail	3,20,734.02	2,89,822.58
	<b>Total (C) - Gross</b>	<b>3,20,734.02</b>	<b>2,89,822.58</b>
	Less: Impairment loss allowance	849.24	835.32
	<b>Total (C) (I) - Net</b>	<b>3,19,884.78</b>	<b>2,88,987.26</b>
(II)	Loans outside India	-	-
	Less: Impairment loss allowance	-	-
	<b>Total (C)(II) - Net</b>	<b>-</b>	<b>-</b>
	<b>Total (C) - Net</b>	<b>3,19,884.78</b>	<b>2,88,987.26</b>

**Note 9 Other Financial Assets**

(₹ in lakhs)

S.No.	PARTICULARS	31-03-2023	31-03-2022
(a)	Interest accrued on loan portfolio (Secured, considered good)	15,750.37	14,505.70
(b)	Interest accrued on fixed deposits and investment	396.19	258.31
(c)	Bank deposits with original maturity exceeding 12 months	35,979.32	5,492.72
(d)	Security deposits	10.30	9.57
(e)	Staff Advance	87.33	88.33
(f)	Rental Advance	286.93	233.02
(g)	Prepaid Staff Welfare	412.71	407.45
	<b>Total</b>	<b>52,923.15</b>	<b>20,995.10</b>

**Note 10 Current Tax Assets (Net)**

S.No.	PARTICULARS	31-03-2023	31-03-2022
	Advance tax and tax deducted at source (net of provisions)	-	183.67
	<b>Total</b>		<b>183.67</b>

**Note 11 Investment Property**

(₹ in lakhs)

PARTICULARS	Amount
<b>Cost</b>	
At 31 March 2021	251.00
Additions	-
Revaluation Gain	-
Disposals	-
At 31 March 2022	251.00
Additions	-
Revaluation Gain	-
Reclassification to PPE	251.00
At 31 March 2023	-
<b>Depreciation and Impairment</b>	
At 31 March 2021	12.22
Additions	-
Depreciation Charge for the period	11.63
Disposals	-
At 31 March 2022	23.85
Depreciation Charge for the period	-
Reclassification to PPE	23.85
At 31 March 2023	-
<b>Net Book Value :</b>	
At 31 March 2022	227.15
At 31 March 2023	-

The investment property of prior year is put use for business in the current financial year and is regrouped under Property and Plant and Equipment.

**Note 12 Property, Plant and Equipment**

(₹ in lakhs)

Particulars	Land - Freehold	Buildings	Furniture and Fixtures	Computer Equipment	Plant and Equipment	Vehicles	Total
<b>Cost:</b>							
At 31 March, 2022	5,470.00	685.00	1,413.47	828.70	306.78	26.61	8,730.57
Additions / Reclassification*		266.45	90.33	229.22	54.15	38.19	678.34
Disposals	-	-	6.28	20.78	12.59	26.61	66.26
Revaluation Gain							
<b>At 31 March, 2023</b>	<b>5,470.00</b>	<b>951.45</b>	<b>1,497.52</b>	<b>1,037.14</b>	<b>348.34</b>	<b>38.19</b>	<b>9,342.65</b>
<b>Accumulated Depreciation:</b>							
At 31 March, 2022	-	65.09	976.85	728.27	223.50	17.85	2,011.56
Depreciation charge for the year	-	41.41	48.66	104.62	19.21	3.77	217.67
Reclassification*	-	23.85	-	-	-	-	23.85
Disposals	-	-	6.16	20.24	11.33	20.08	57.81
<b>At 31 March, 2023</b>	<b>-</b>	<b>130.35</b>	<b>1,019.35</b>	<b>812.65</b>	<b>231.38</b>	<b>1.54</b>	<b>2,195.27</b>
<b>Carrying Amount</b>							
At 31 March, 2022	5,470.00	619.91	436.62	100.43	83.28	8.76	6,719.01
<b>At 31 March, 2023</b>	<b>5,470.00</b>	<b>821.10</b>	<b>478.17</b>	<b>224.49</b>	<b>116.97</b>	<b>36.65</b>	<b>7,147.38</b>

\*The investment property has been put to use for the business.

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

No Revaluation of Property, Plant and Equipment has been carried out during the year

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**Note 13 Capital Work in Progress**

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) Project in Progress	-	-	-	-	-
(b) Project Temporarily Suspended	-	-	-	-	-
(c) Software	-	35.40	-	-	35.40
(d) Buildings and Fittings	218.07	-	-	-	218.07
Total	218.07	35.40	-	-	253.47

**Note 14 Right of Use - Assets**

(₹ in lakhs)

Particulars	ROU Buildings
<b>GROSS BLOCK AT COST</b>	
<b>As at 01.04.2022</b>	<b>2,517.10</b>
<b>Reclassified on account of adoption of IND AS 116</b>	
Additions	868.18
Deductions	116.40
<b>As at 31.03.2023</b>	<b>3,268.88</b>
<b>Depreciation</b>	
Upto March 31,2022	1,003.83
Additions	325.27
Deductions	
<b>As at 31.03.2023</b>	<b>1,329.10</b>
<b>Carrying Amount</b>	
<b>At 31 March, 2022</b>	<b>1,513.27</b>
<b>At 31 March, 2023</b>	<b>1,939.78</b>

**Note 15 Intangible Assets**

(₹ in lakhs)

Particulars	Computer Software
<b>Gross block-at cost</b>	
<b>As at March 31,2022</b>	<b>31.76</b>
Additions	79.07
Disposals	
<b>As at March 31,2023</b>	<b>110.83</b>
<b>Accumulated amortisation</b>	
<b>As at March 31, 2022</b>	<b>29.97</b>
Charge for the year	14.43
Disposals	-
<b>As at March 31, 2023</b>	<b>44.40</b>
<b>Carrying Amounts</b>	
<b>At 31 March, 2022</b>	<b>1.79</b>
<b>At 31 March, 2023</b>	<b>66.42</b>

No Revaluation of Intangible assets is done during the year.

**Note 16 Other Non Financial Assets**

(₹ in lakhs)

	PARTICULARS	31-03-2023	31-03-2022
(a)	Group Gratuity Prepaid	-	10.00
(b)	Group Insurance EDLI Prepaid	32.08	33.00
(c)	Prepaid Expenses	89.82	98.51
(d)	Income Tax paid under protest	425.90	562.02
(e)	Sundry Receivables	5.18	3.45
(F)	Stock of Books and Forms	17.57	21.48
(g)	Other Advances	24.42	30.64
(h)	IND AS Prepaid Asset	3,086.65	1,443.83
	<b>Total</b>	<b>3,681.63</b>	<b>2,202.93</b>

**Note 17 Deposits**

(₹ in lakhs)

	PARTICULARS	31-03-2023	31-03-2022
	<b>At Amortised Cost</b>		
(a)	Deposits From Members	3,50,046.03	3,11,972.11
	<b>Total</b>	<b>3,50,046.03</b>	<b>3,11,972.11</b>

**Note 18 Other Financial Liabilities**

	PARTICULARS	31-03-2023	31-03-2022
(a)	Unclaimed dividend	267.86	259.34
(b)	Unclaimed matured deposits and interest accrued thereon	377.83	293.08
(c)	Statutory Dues Payable	268.81	220.66
(d)	Auction surplus payable	218.34	209.16
(e)	Lease Liability	2,217.84	1,776.27
	<b>Total</b>	<b>3,350.68</b>	<b>2,758.51</b>

**Note 19 Provisions**

	PARTICULARS	31-03-2023	31-03-2022
(a)	Provision against mortgage loans	100.57	100.57
(b)	Provision for Employee benefits	2,850.49	2,832.36
(c)	Provision for Current year Tax	50.85	242.12
(d)	Provision for Jewel Loan under Litigation	1,521.56	257.99
(e)	Other Provisions	3.09	11.46
	<b>Total</b>	<b>4,526.56</b>	<b>3,444.50</b>

**Movement of provisions other than employee benefits during the year:**

	PARTICULARS	Litigation	Other Assets	Total
	<b>At 31 March,2022</b>	257.99	100.57	358.56
	Provided during the year	1,263.57	0.00	1,263.57
	<b>At 31 March,2023</b>	<b>1,521.56</b>	<b>100.57</b>	<b>1,622.13</b>

\***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 20 Other Non-Financial Liabilities**

	PARTICULARS	31-03-2023	31-03-2022
(a)	Other Liabilities	146.52	143.49
(b)	IND AS Outstanding Liability	313.02	156.34
	<b>Total</b>	<b>459.54</b>	<b>299.83</b>

**Note 21 Equity Share Capital**

(₹ in lakhs)

PARTICULARS	31-03-2023	31-03-2022
<b>Authorised</b>		
4,00,00,000 Equity Shares of Rs.10 each (4,00,00,000)	4,000.00	4,000.00
	4,000.00	4,000.00
<b>Issued</b>		
3,01,63,208 Equity Shares of Rs.10 each fully paid up (2,99,86,083)	3,016.32	2,998.61
<b>Issued, Subscribed and Fully paid-up</b>		
3,01,63,208 Equity Shares of Rs.10 each fully paid up (2,99,86,083)	3,016.32	2,998.61
<b>Total</b>	<b>3,016.32</b>	<b>2,998.61</b>

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

PARTICULARS	No. in Lakhs	Rs. in Lakhs
As at 1 April, 2018	294.26	2,942.58
Issued during the year	1.17	11.66
As at 1 April, 2019	295.43	2,954.24
Issued during the year	1.61	16.11
As at 31st March 2020	297.04	2,970.35
Issued during the year	1.39	13.92
As at 31 March 2021	298.43	2,984.27
Issued during the year	1.43	14.34
As at 31 March 2022	299.86	2,998.61
Issued during the year	1.77	17.71
As at 31 March 2023	<b>301.63</b>	<b>3,016.32</b>

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 22 Interest income**

(₹ in lakhs)

PARTICULARS	31-03-2023	31-03-2022
<b>On financial assets measured at amortised cost:</b>		
(a) Interest on gold loans and Loan against deposits	41,000.04	38,171.96
(b) Interest on deposits with banks	3,169.74	2,382.08
<b>Total</b>	<b>44,169.78</b>	<b>40,554.04</b>

**Note 23 Fees and commission income**

PARTICULARS	31-03-2023	31-03-2022
(a) Documentation fees	16.52	31.47
(b) Service Charges	35.86	52.94
<b>Total</b>	<b>52.38</b>	<b>84.41</b>

**Note 24 Net gain on Fair Value Changes**

(₹ in lakhs)

PARTICULARS	31-03-2023	31-03-2022
Net gain on financial instruments at fair value through Amortized cost		
- On Financial Instruments designated at Amortized Cost	1,417.26	488.62
- On Change in Impairment loss allowance	-	103.30
<b>Total net gain on fair value changes (A)</b>	<b>1,417.26</b>	<b>591.92</b>
Fair value changes:		
- Unrealized	1,417.26	591.92
<b>Total net gain on fair value changes (B)</b>	<b>1,417.26</b>	<b>591.92</b>

**Note 25 Other Income**

PARTICULARS	31-03-2023	31-03-2022
(a) Net gain/ (loss) on derecognition of property, plant and equipment	10.62	4.72
(b) Provisions no longer required written back	-	-
(c) Other income	36.37	8.04
<b>Total</b>	<b>46.99</b>	<b>12.76</b>

**Note 26 Finance Costs**

PARTICULARS	31-03-2023	31-03-2022
<b>On financial liabilities measured at amortised cost:</b>		
(a) Interest on deposits	24,126.60	21,715.27
(b) Interest on borrowings	2.56	189.01
(c) Finance Costs on Lease Liability	142.42	121.68
<b>Total</b>	<b>24,271.58</b>	<b>22,025.96</b>

**Note 27 Net Loss on fair value changes**

PARTICULARS	31-03-2023	31-03-2022
- On Financial Instruments designated at Amortized Cost	1,421.54	446.28
- On Change in impairment loss allowance	13.92	-
<b>Total net loss on fair value changes (A)</b>	<b>1,435.46</b>	<b>446.28</b>
Fair value changes :		
unrealised	1,435.46	446.28
<b>Total net loss on fair value changes (B)</b>	<b>1,435.46</b>	<b>446.28</b>

**Note 28 Employee Benefit Expenses**

(₹ in lakhs)

	PARTICULARS	31-03-2023	31-03-2022
(a)	Salaries and wages	7,132.39	7,054.64
(b)	Contribution to provident and other funds	758.88	691.86
(c)	Staff welfare expenses	98.80	83.27
	<b>Total</b>	<b>7,990.07</b>	<b>7,829.77</b>

**Note 29 Depreciation and Amortization**

	PARTICULARS	31-03-2023	31-03-2022
(a)	Depreciation of tangible assets	217.67	162.52
(b)	Depreciation of Investment property	-	11.63
(c)	Amortisation of intangible assets	14.43	0.85
(d)	Depreciation on Right-of-Use Assets	325.27	333.81
	<b>Total</b>	<b>557.37</b>	<b>508.81</b>

**Note 30 Other expenses**

	PARTICULARS	31-03-2023	31-03-2022
(a)	Energy Costs	110.60	87.11
(b)	Repairs and maintenance	-	
	- Vehicles	0.67	1.84
	- Others	93.35	86.13
(c)	Rates and Taxes	64.22	35.75
(d)	Printing and stationery	124.56	96.92
(e)	Advertising and publicity	12.95	22.73
(f)	Director's fees, allowances and expenses	116.92	134.94
(g)	Auditor's fees and expenses - Refer Note (i)	22.00	22.00
(h)	Communication costs	173.06	206.29
(i)	Legal and Professional Charges	45.80	17.31
(j)	Insurance	131.32	112.54
(k)	Bank Charges	5.23	7.31
(l)	Traveling Expenses	42.70	31.77
(m)	Other expenditure	304.24	247.17
	<b>Total</b>	<b>1247.62</b>	<b>1,109.81</b>

(₹ in lakhs)

Note (i)	Payment to auditors as	31-03-2023	31-03-2022
	Statutory Audit	22.00	22.00
	For taxation matters	-	-
	For company law matters	-	-
	For other services	-	-
	For reimbursement of expenses	-	-
	<b>Total</b>	<b>22.00</b>	<b>22.00</b>

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

Details of CSR expenditure	31-03-2023	31-03-2022
a) Gross Amount required to be spent by the Company during the year	153.44	137.31
b) Amount spent during the year ended	155.09	137.31
i) Construction/acquisition of any asset	-	-
- In Cash	-	-
- Yet to be paid Cash	-	-
ii) On purpose other than (i) above	-	-
- In Cash	155.09	137.31
- Yet to be paid Cash	-	-
<b>Total</b>	<b>155.09</b>	<b>137.31</b>

## Note 31 Income Tax

(₹ in lakhs)

PARTICULARS	31-03-2023	31-03-2022
Current tax	2,603.04	2,399.56
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(534.41)	597.03
<b>Income tax expense reported in statement of profit and loss</b>	<b>2,068.63</b>	<b>2,996.59</b>
<b>Income tax recognised in other comprehensive income (OCI)</b>		
Deferred tax related to items recognised in OCI during the period:		
Remeasurement of defined benefit plans	-	107.35
Income tax charged to OCI		-
Current tax	-	-
Deferred tax	-	107.35
<b>Profit before tax as per IND AS</b>	<b>8,922.31</b>	<b>9,327.16</b>
Add: Ind AS Adjustments on profit before tax	99.56	(47.69)
<b>Profit before tax for computation</b>	<b>9,021.87</b>	<b>9,279.47</b>
Allowances / disallowances (Net)	1,420.49	170.19
<b>Adjusted profit before tax for income tax</b>	<b>10,442.36</b>	<b>9,449.66</b>
Current tax as per Books (Effective rate of 25.17%)	2,603.04	2,399.56
Adjustment of earlier year taxes	-	-
<b>Total tax as given in Books</b>	<b>2,603.04</b>	<b>2,399.56</b>

PARTICULARS	Deferred Tax Assets 31-Mar-23	Deferred Tax Liabilities 31-Mar-23	Income Statement 2022-23	OCI 2022-23
(a) Timing difference : Property, plant and equipment		167.89	191.91	-
(b) Impairment allowance for financial assets	636.93	-	(426.70)	-
(c) Remeasurement gain / (loss) on defined benefit plan	-	29.18	41.25	-
(d) Debt instrument measured at amortised cost	39.43	-	(0.08)	-
(e) Financial assets measured at amortised cost	-	128.97	(337.00)	-
(f) Revaluation gain on property, plant and equipment	195.27	-	-	0.00
(g) Right of Use Assets	69.99	-	(3.79)	-
<b>Total</b>	<b>941.62</b>	<b>326.04</b>	<b>(534.41)</b>	<b>0.00</b>

(₹ in lakhs)

	PARTICULARS	Deferred Tax Assets 31-Mar-22	Deferred Tax Liabilities 31-Mar-22	Income Statement 2021-22	OCI 2021-22
(a)	Timing difference : Property, plant and equipment	24.02	-	8.65	-
(b)	Impairment allowance for financial assets	210.23	-	(30.29)	-
(c)	Remeasurement gain / (loss) on defined benefit plan	41.25	-	-	107.35
(d)	Debt instrument measured at amortised cost	39.35	-	91.60	-
(e)	Financial assets measured at amortised cost	-	465.97	(676.93)	-
(f)	Revaluation gain on property, plant and equipment	195.27	-	-	-
(g)	Right of Use Assets	66.20	-	9.94	-
	Total	576.32	465.97	(597.03)	107.35

**Note 32 : EARNINGS PER SHARE**

PARTICULARS	31-03-2023	31-03-2022
Net profit for calculation of basic earnings per share (Rs. In Lakhs)	6,624.22	6,330.57
Weighted average number of equity shares in calculating basic earning per share (Nos.)	3,01,63,208	2,99,86,083
Effect of dilution:	-	92,326
Weighted average number of equity shares in calculating diluted earning per share (Nos.)	3,00,73,141	2,98,93,757
<b>Basic Earnings per share (INR)</b>	<b>21.96</b>	<b>21.11</b>
<b>Diluted earnings per share (INR)</b>	<b>22.03</b>	<b>21.18</b>

**Note 33 : RETIREMENT BENEFIT PLAN****Defined Contribution Plan**

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized INR 180.61 Lakhs (31 March, 2022: INR 198.34 Lakhs) for Provident Fund contributions and INR 6.51 Lakhs (31 March, 2022: INR 8.94 Lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

**Defined Benefit Plan**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company makes an annual contribution to a gratuity fund administered and managed by the Life Insurance Corporation of India (LIC). The company accounts its liability using the Projected Unit Credit Method as at the Balance Sheet date determined every year by an independent actuary.

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

(Rupees)

Components of employer expense	31-03-2023	31-03-2022
Current Service Cost	1,73,56,531	1,51,83,158
Past Service Cost	-	-
Net interest on net defined benefit liability/ (asset)	2,67,304	15,48,388
<b>Total employer expense</b>	<b>1,76,23,835</b>	<b>1,67,31,546</b>

#### Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31-03-2023	31-03-2022
Actuarial (Loss) / Gain from changes in financial assumptions	8,78,844	1,53,87,002
Actuarial (Loss) / Gain from experience over the past year	72,45,206	(4,92,955)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	2,35,870	14,96,023
<b>Balance at end of year (Loss)/ Gain</b>	<b>83,59,920</b>	<b>1,63,90,070</b>

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

Particulars	31-03-2023	31-03-2022
<b>Opening defined benefit obligation</b>	<b>34,31,18,356</b>	<b>35,91,91,229</b>
Transfer in/ out	-	-
Interest cost	2,33,97,692	2,31,31,915
Current service cost	1,73,56,531	1,36,11,217
Benefits paid	(3,53,96,878)	(3,79,21,958)
Past service cost	-	-
Actuarial loss / (gain) from changes in financial assumptions	8,78,844	(1,53,87,002)
Actuarial loss / (gain) from experience over the past year	72,45,206	4,92,955
<b>Closing defined benefit obligation</b>	<b>35,65,99,751</b>	<b>34,31,18,356</b>

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

Particulars	31-03-2023	31-03-2022
<b>Opening fair value of plan assets</b>	<b>32,17,02,193</b>	<b>32,68,01,356</b>
Transfer in/ out	-	-
Expected Return	2,31,30,388	2,25,42,030
Contributions by employer	1,71,84,584	1,02,80,765
Benefits paid	(3,53,96,878)	(3,79,21,958)
Actuarial gains/ (losses)	(2,35,870)	-
<b>Closing fair value of plan assets</b>	<b>32,63,84,417</b>	<b>32,17,02,193</b>
<b>Closing Liability (net) recognized in Balance Sheet</b>	<b>(3,02,15,334)</b>	<b>(2,14,16,163)</b>

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

Particulars	31-03-2023	31-03-2022
Discount Rate	7.19%	6.44%
Salary growth rate	7.86%	7.86%
Attrition rate	1.00%	1.00%
Expected rate of return on assets*	7.19%	6.44%

**Percentage Break-down of total plan assets**
**(Rupees)**

Particulars	31-03-2023	31-03-2022
Investment Funds with Insurance Company		
Of which Unit Linked	32,17,02,193	32,68,01,356
Of which Traditional / Non-Unit Linked	-	-
Cash and cash equivalents	-	-
<b>Total</b>	<b>32,17,02,193</b>	<b>32,68,01,356</b>

Assumptions	31st March 2023				31st March 2022			
	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)]	(2,07,53,088)	2,34,62,533	2,27,74,602	(3,02,15,334)	(1,76,96,973)	1,98,43,071	1,94,51,105	(1,76,84,781)

**Maturity Analysis of the Benefit Payments**

Particulars	31-03-2023	31-03-2022
1st Following Year	3,17,22,779	3,60,97,346
2nd Following Year	5,02,19,766	2,16,12,601
3rd Following Year	5,87,32,198	4,45,59,432
4th Following Year	6,10,09,385	4,40,42,472
5th Following Year	5,14,14,699	5,84,82,761
Sum of Years 6 to 10	15,97,73,219	18,13,20,058
Sum of Years 11 and above	22,25,68,894	18,52,57,222

The weighted average duration of the defined benefit obligation as at 31 March, 2023 is 7 years (2022 : 7 years)

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

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

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

**NOTE 34: MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

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

(₹ in lakhs)

Particulars	31st March 2023			31st March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	7,548.75		7,548.75	7,286.55	-	7,286.55
Bank balance other than above	14,907.17		14,907.17	34,885.12	-	34,885.12
Loans	3,19,754.47	130.31	3,19,884.78	2,88,886.69	100.57	2,88,987.26
Other Financial Assets	16,156.87	36,766.28	52,923.15	14,861.91	6,133.19	20,995.10
<b>Non-financial Assets</b>						
Current tax assets (net)	-		-	183.67	-	183.67
Deferred tax assets (net)		615.58	615.58	-	110.35	110.35
Investment Property	-		-	-	227.15	227.15
Property, plant and equipment		7,147.38	7,147.38	-	6,719.01	6,719.01
Capital Work in Progress	218.07	35.40	253.47	-	-	-
Right of Use Asset	15.03	1924.75	1,939.78	-	1,513.27	1,513.27
Other intangible assets		66.42	66.42	-	1.79	1.79
Other Non-Financial Assets	169.08	3,512.55	3,681.63	333.20	1,869.73	2,202.93
<b>Total Assets (A)</b>	<b>3,58,769.44</b>	<b>50,198.67</b>	<b>4,08,968.11</b>	<b>3,46,437.14</b>	<b>16,675.06</b>	<b>3,63,112.20</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Deposits	3,46,106.68	3,939.35	3,50,046.03	3,09,619.10	2,353.01	3,11,972.11
Other Financial Liabilities	18.02	3,332.66	3,350.68	492.48	2,266.03	2,758.51
<b>Non-financial liabilities</b>						
Provisions	4,526.56	-	4,526.56	3,085.94	358.56	3,444.50
Other non-financial liabilities	146.52	313.02	459.54	143.50	156.33	299.83
<b>Total Liabilities (B)</b>	<b>3,50,797.78</b>	<b>7,585.03</b>	<b>3,58,382.81</b>	<b>3,13,341.02</b>	<b>5,133.93</b>	<b>3,18,474.95</b>
<b>Net (A-B)</b>	<b>8,001.41</b>	<b>42,583.89</b>	<b>50,585.30</b>	<b>33,096.12</b>	<b>11,541.13</b>	<b>44,637.25</b>

**Note 35 : CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

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

**Note 36 : CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS****(A) Contingent Liabilities**

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

(₹ in lakhs)

	Nature of Dues	Amount
A.	Contigent Liabilities : Claims against the company not acknowledged as debt.	
	1. Income Tax Demands	Rs. 98.00
	2. Others	Rs. 107.31
B.	Commitments	
	Unexecuted portion of the contracts / commitments	Rs. 125.10

**(B) Lease Disclosures - Lease of Branch Premises**

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

**Right of Use Assets :**

(Rupees)

Particulars	Amount
<b>Balance as at 31st March 2022</b>	<b>15,13,27,401</b>
Additions	8,68,17,836
Deletion	(1,16,39,941)
Amortization of ROU assets	(3,25,27,087)
<b>Balance as at 31st March 2023</b>	<b>19,39,78,209</b>

**Lease Liabilities****(Rupees)**

Particulars	31.03.2023	31.03.2022
<b>Opening Balance</b>	<b>17,76,26,743</b>	<b>18,16,42,501</b>
Additions	8,69,11,813	2,50,19,303
Payment of lease liabilities	(5,69,02,447)	(4,12,03,133)
Finance cost accrued during the period	1,41,48,175	1,21,68,072
<b>Closing Balance</b>	<b>22,17,84,284</b>	<b>17,76,26,743</b>

**Amounts recognised in Profit and Loss**

Particulars	31.03.2023	31.03.2022
Depreciation expense on right-of-use assets	3,25,27,087	3,33,81,395
Interest expense on lease liabilities	1,41,48,175	1,21,68,072

The total cash outflow for leases amount to INR 569.02 Lakhs (31st March 2022 INR 412.03 Lakhs)

**Maturity analysis of Lease Liability**

Particulars	31.03.2023	31.03.2022
Not later than one year	3,39,39,844	2,71,82,378
Later than one year but not later than four years	12,36,91,900	9,90,64,680
Later than four years	6,41,52,540	5,13,79,685

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

**Note 37 : CORPORATE SOCIAL RESPONSIBILITY**

Particulars	31.03.2023	31.03.2022
Amount required to be spent by the company during the year	1,53,44,400	1,36,71,459
Amount of expenditure incurred	1,55,08,754	2,38,69,849
Shortfall at the end of the year / (Excess Spent)	(1,64,354)	-
Total of previous years shortfall	-	1,01,38,770
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, 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 38 : RELATED PARTY DISCLOSURE AND TRANSACTION DETAILS**

(₹ in lakhs)

Sl. No.	Name of related party	Nature of related party	31st March 2023				31st March 2022			
			Sitting Fees	Remuneration	Int. Paid	Dividend Paid	Sitting Fees	Remuneration	Int. Paid	Dividend Paid
1.	Thiru. S.Kalyanasundaram	Chairman	3.60	11.15	Nil	0.22	1.30	4.73	Nil	0.20
2.	Thiru. S.Ramalingam	Vice - Chairman	3.50	11.15	0.31	0.83	1.30	4.73	0.08	0.73
3.	Thiru. PR.P.Velappan	Managing Director	Nil	Nil	Nil	0.13	0.10	Nil	Nil	0.11
4.	Thiru. G.Anbalagan	Director	3.60	11.15	Nil	1.25	1.20	4.73	Nil	1.10
5.	Thiru. S.Hariharan	Director	3.20	11.15	0.17	Nil	1.30	4.73	0.22	Nil
6.	Thiru. B.Prakasam	Director	3.30	11.15	0.16	1.66	0.90	4.73	0.17	1.46
7.	Thiru. G.Durairaj	Director	3.40	11.15	Nil	0.15	1.20	4.73	Nil	Nil
8.	Thirumathi. E.Ambika	Director	3.60	11.15	Nil	Nil	1.30	4.73	Nil	Nil
9.	Thiru. M.Guru Prasanth	Director	3.50	11.15	Nil	Nil	1.30	4.73	Nil	Nil
10.	Thiru. R.Subash	GM	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
11.	Thiru.B.Chakrapani ★	DGM & CFO	Nil	Nil	Nil	0.04	Nil	Nil	Nil	0.04

★*Since suspended.***Salary Paid**

Particulars	Nature of related party	31st March 2023	31st March 2022
Thiru. PR.P.Velappan	Managing Director	36.00	14.20
Thiru.R.Subash	GM	20.13	18.05
Thiru. B.Chakrapani ★	DGM & CFO	20.38	17.68
Thiru.V.Vijayakumar	Company Secretary	1.20	-
Ms.Neha Sancheti	Company Secretary	2.36	2.70

★*Since suspended.***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.

Particulars	31.03.2023	31.03.2022
Short-Term Employee Benefits	36.00	30.05
Total	<b>36.00</b>	<b>30.05</b>

**NOTE 39: CAPITAL MANAGEMENT**

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

Particulars	31.03.2023	31.03.2022
Ratio of Net Owned Funds	1:7.447	1:7.928
Percentage of Unencumbered Deposits maintained	10.11%	10.01%

**NOTE 40: FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT****40.1 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

**40.2 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)

**40.3 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 lakhs)

Particulars	Level	Carrying Value		Fair Value	
		31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>Financial Assets</b>					
Cash and cash equivalents	Level 1	7,548.75	7,286.55	7,548.75	7,286.55
Bank balance other than above	Level 1	14,907.17	34,885.12	14,907.17	34,885.12
Loans	Level 3	3,19,884.78	2,88,987.26	3,19,884.78	2,88,987.26
Other Financial assets	Level 3	54,422.80	22,258.39	52,923.15	20,995.10
<b>Total Financial Assets</b>		<b>3,96,763.50</b>	<b>3,53,417.32</b>	<b>3,95,263.85</b>	<b>3,52,154.03</b>
<b>Financial Liabilities</b>					
Deposits	Level 3	3,50,339.26	3,12,129.21	3,50,046.03	3,11,972.11
Other Financial Liabilities	Level 3	3,327.78	2,758.51	3,350.68	2,758.51
<b>Total Financial Liabilities</b>		<b>3,53,667.04</b>	<b>3,14,887.72</b>	<b>3,53,396.71</b>	<b>3,14,730.62</b>

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

**Valuation methodologies of financial instruments not measured at fair value**

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

**(a) Short-term financial assets and liabilities**

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

**(b) Loans and advances to customers**

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

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

**NOTE 41 : RISK MANAGEMENT**

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

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

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

**41.1 CREDIT RISK**

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

- a) Standardize the process of identifying new risks and designing appropriate controls for these risks

- b) Maintain an appropriate credit administration and loan review system establish metrics for portfolio monitoring
- c) Minimize losses due to defaults or untimely payments by borrowers Design appropriate credit risk mitigation techniques

The Company's exposure is primarily to 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 enables 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 interative 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	31.03.2023			31.03.2022		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
Gold Loan	1.61%	2.51%	2.60%	1.75%	3.41%	4.00%

### 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	31.03.2023	31.03.2022
Gold loan - Normal Risk	4.73%	5.55%

### 41.2 LIQUIDITY RISK

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

#### Maturity pattern of assets and liabilities as on 31 March 2023 : (₹ in lakhs)

Particulars	Upto 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
<b>Financial Assets</b>						
Cash and cash equivalents	2,573.55	4,975.20	-	-	-	7,548.75
Bank balance other than above	269.17	-	14,638.00	-	-	14,907.17
Loans	57,669.39	9,007.00	2,45,374.43	7,703.65	130.31	3,19,884.78
Other Financial assets	4,843.97	6,781.86	5,021.07	35,979.02	297.23	52,923.15
<b>Total Financial Assets</b>	<b>65,356.08</b>	<b>20,764.06</b>	<b>2,65,033.50</b>	<b>43,682.67</b>	<b>427.54</b>	<b>3,95,263.85</b>
<b>Financial Liabilities</b>						
Deposits	70,848.42	45,195.77	2,33,175.90	825.94	-	3,50,046.03
Other Financial Liabilities	1,117.55	85.65	256.95	1,271.50	619.03	3,350.68
<b>Total Financial Liabilities</b>	<b>71,965.97</b>	<b>45,281.42</b>	<b>2,33,432.85</b>	<b>2,097.44</b>	<b>619.03</b>	<b>3,53,396.71</b>

#### Maturity pattern of assets and liabilities as on 31 March 2022 : (₹ in lakhs)

Particulars	Upto 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
<b>Financial Assets</b>						
Cash and cash equivalents	2,159.55	5,127.00	-	-	-	7,286.55
Bank balance other than above	261.03	-	34,624.09	-	-	34,885.12
Loans	32,657.31	8,113.60	2,39,217.97	8,895.26	103.12	2,88,987.26
Other Financial assets	4,373.37	2,650.86	7,579.37	6,205.09	186.41	20,995.10
<b>Total Financial Assets</b>	<b>39,451.26</b>	<b>15,891.46</b>	<b>2,81,421.43</b>	<b>15,100.35</b>	<b>289.53</b>	<b>3,52,154.03</b>
<b>Financial Liabilities</b>						
Deposits	63,142.36	40,279.90	2,07,813.71	736.14	-	3,11,972.11
Other Financial Liabilities	886.68	67.96	322.08	990.65	491.14	2,758.51
<b>Total Financial Liabilities</b>	<b>64,029.04</b>	<b>40,347.86</b>	<b>2,08,135.79</b>	<b>1,726.79</b>	<b>491.14</b>	<b>3,14,730.62</b>

### 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 42 : EXPENDITURE IN FOREIGN CURRENCY

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

#### NOTE 43: FRAUD

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

#### NOTE 44: SEGMENT REPORTING

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

##### a) Reporting based on products and services :

The entity primarily has only one type of service - Loan against gold and its own deposit. The revenue generated by the company, majority attributable to the said service is as below :

(₹ in lakhs)

Particulars	31st March 2023	31st March 2022
Loan against gold and its own deposit	41,059.38	38,171.96

##### b) Geographical Segments:

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

##### c) Major Customer:

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

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

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

Further, as per the 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 15 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 46 : EXCEPTIONAL ITEMS**

A fraud has occurred during the tenure of the previous board (FY 2017-2019). The present management has ordered investigations on above fraud more so on the transactions of the company with a person, who was adjudicated as insolvent in April '2019, and his associates during the period between 2019 & 2021. It was found out that the laid out procedures and norms more particularly with respect to KYC compliance, auction notices, ceiling on granting of loans, redemption of loans and release of jewels had been flouted with an intent to defraud the company.

As also the company is a respondent in a plaint which seeks to cancel the adjudication of the said person as insolvent. The case is pending before the Honourable Madras High Court. The Honourable Court has ordered investigation in to the whole issue by the Economic offences wing of Tamilnadu Police and has passed then and their interim directions. The Company has complied with the interim directions and is cooperating fully with the investigating officials and simultaneously, the company has filed a criminal complaint against the alleged perpetrators of this crime. The company recognised a provision of Rs. 1,262.00 Lakhs as charge to the Profits of financial year 2022-23 in accordance with Ind AS rules of recognition of provisions. The charge is presented as an exception items in the Profit & Loss account.

**NOTE 47 : PREVIOUS YEAR FIGURES**

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

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****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. The registered office address of the Company is No. 145, TSR Big Street, Kumbakonam, Thanjavur - 612001. The main objective of the company is to encourage thrift, saving habits and to render all financial assistance to its members by receiving long and short term deposits and in particular Savings, Recurring, Fixed and other deposits from members and to lend or advance monies only to its members with security, as are allowed by law. The company is governed by the Notifications issued from time to time by the Ministry of Corporate Affairs.

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

The financial statements have been prepared as a going concern 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 3 - Significant accounting judgements, estimates and assumptions.

**2.3 Basis of Measurement**

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

**2.4 Presentation of Financial Statement**

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

- 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 Lakh, except when otherwise indicated.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 REVENUE FROM OPERATIONS

##### 3.1.1 Interest Income

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

The EIR in case of a financial asset is computed:

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

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

##### 3.1.2 Fees & Commission Income

Fees and 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 very 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 Rental Income**

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

Assets leased out on Operating Lease are recognised as an Investment Property in the Balance Sheet.

Lease income from operating lease is recognised as income on straight line basis over the lease term.

#### **3.1.5 Disaggregate Revenue Information**

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

### **3.2 EXPENSES**

#### **3.2.1 Finance Costs**

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

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

#### **3.2.2 Retirement and other employee benefits**

##### **Short Term Employee Benefits**

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

#### **c) Other Long Term Employee Benefits**

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

### **3.2.3 Rent Expense**

#### **Identification of lease**

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

### Recognition of lease payment

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

#### 3.2.4 Other income and expenses

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

#### 3.2.5 Impairment of non-financial assets

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

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

#### 3.2.6 Taxes

##### a) Current Tax

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

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 Items at fair value through profit or loss Items at fair value through profit or loss comprise:

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

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

### Financial Instruments held for trading

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

### 3.3.5 Debt securities and other borrowed funds

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

### 3.3.6 Recognition and derecognition of financial assets and liabilities

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

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially

all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

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

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

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

#### Stage 1: 12-months ECL

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

#### Stage 2: Lifetime ECL - not credit impaired

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

#### Stage 3: Lifetime ECL - credit impaired

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

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

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

collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

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

- Financial assets that are not credit-impaired at the reporting date: as the cash shortfalls over the expected life of the financial asset. The Company believes that the cash inflows (whether through recovery or through auction) will be received within the next 12 months and accordingly discounting is not applicable. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company has grouped its various financial assets 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 customers/obligors.

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

### **Write-offs**

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could

generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

### **Determination of fair value**

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

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

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

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

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

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

### **Difference between transaction price and fair value at initial recognition:**

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

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

### 3.4 CASH AND CASH EQUIVALENTS

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

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

### 3.5 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

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

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

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

\* The Company has estimated useful life which is different for Schedule II useful life's based on technical 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 ASSETSS

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 judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised 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 judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### 4.4 Impairment of loans portfolio

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

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

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

### 4.5 Contingent liabilities and provisions other than impairment on loan portfolio

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

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

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

### 4.6 Effective Interest Rate (EIR) Method

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

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, 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 derecognised.

## 5.4 Other items of Other Comprehensive Income

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

**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, Hence disclosure under this clause is not applicable.
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, Hence disclosure under this clause is not applicable
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)	Yes
6	Intangible assets under development	Nil
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, Hence disclosure under this clause is not applicable
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, Hence disclosure under this clause is not applicable.
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

Sl.No	Disclosure requirement as per Amended Schedule III	Remarks for Non Disclosure (If any)
		<p>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;</p> <p>(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;</p>
16	Undisclosed income	Nil
17	Corporate Social Responsibility (CSR)	Refer Note 37
18	Details of Crypto Currency or Virtual Currency	The Company has not Traded or invested in crypto currency or virtual currency, Hence disclosure under this clause is not applicable.

### BRANCHES TELEPHONE NUMBER

01.	Aduthurai	0435-2472205
02.	Ambattur	044-26584899
03.	Ammapettai	04374-232636
04.	Annanagar-Madurai	0452-2532114
05.	Annanagar - Chennai	044-26545119
06.	Aranthangi	04371-223116
07.	Arani	04173-226865
08.	Ariyalur	04329-220990
09.	Ashok Nagar	044-24899584
10.	Avadi	044-26554899
11.	Aattur	04282-250102
12.	Batlagundu	04543-262369
13.	Chengalpattu	044-27429510
14.	Cheyyar	04182-223107
15.	Chidambaram	04144-223009
16.	Chinmaya Nagar	044-24791217
17.	Chinnamanur	04554-248149
18.	Chintadripet	044-28456700
19.	Chromepet	044-22655767
20.	Coimbatore	0422-2599944
21.	Cuddalore	04142-236753
22.	Dharmapuri	04342-265005
23.	Dindigul	0451-2433206
24.	East Tambaram	044-22273055
25.	Erode	0424-2264290
26.	Gandarvakottai	04322-275337
27.	Guduvanchery	044-27462001
28.	Jayankondam	04331-250211
29.	K.Pudur, Madurai	0452-2564666
30.	Kallakurichi	04151-223875

31.	Kanchipuram	044-27233104
32.	Kangeyam	04257-220113
33.	Karaikal	04368-223294
34.	Karaikudi	04565-234277
35.	Karur	04324-264138
36.	Koothanallur	04367-232737
37.	Krishnagiri	04343-237005
38.	Kulithalai	04323-222390
39.	Kuthalam	04364-230115
40.	Kumbakonam Bazaar	0435-2420790
41.	Kumbakonam Besant Road	0435-2421041
42.	Kumbakonam	0435-2431648
43.	Madipakkam	044-22423130
44.	Madukkur	04373-260252
45.	Madurai	0452-2344187
46.	Mangalapuram	04362-246100
47.	Mannachanallur	0431-2560879
48.	Manapparai	04332-260402
49.	Mannargudi	04367-252237
50.	Mayiladuthurai	04364-223067
51.	Melur	0452-2417194
52.	Mylapore	044-24981439
53.	Nachiarkoil	0435-2466622
54.	Nagapattinam	04365-240776
55.	Nagercoil	04652-220677
56.	Namakkal	04286-223129
57.	Nanganallur	044-22242749
58.	Nannilam	04366-230111
59.	Needamangalam	04367-260202
60.	Neyveli	04142-263444

**BRANCHES TELEPHONE NUMBER (continued...)**

61.	Orathanadu	04372-232446
62.	Palani	04545-243148
63.	Pallavaram	044-22641332
64.	Panruti	04142-242077
65.	Papanasam	04374-222854
66.	Pattukkottai	04373-252348
67.	Peralam	04366-238579
68.	Perambalur	04328-276548
69.	Perambur	044-25510490
70.	Periyakulam	04546-231821
71.	Pollachi	04259-229426
72.	Ponneri	044-27973103
73.	Poonamallee	044-26495583
74.	Porur	044-24769124
75.	Pudukkottai	04322-222154
76.	Rajapalayam	04563-220525
77.	Ramanathapuram	04567-222101
78.	Redhills	044-26310117
79.	Saidapet	044-24340484
80.	Salem	0427-2210203
81.	Sankarankoil	04636-222269
82.	Sirkali	04364-270985
83.	Srirangam	0431-2433158
84.	Sholinganallur	044-24502118
85.	T.Nagar (Fax:044-28144286)	044-28141334
86.	Tambaram	044-22266043
87.	Tenkasi	04633-224112
88.	Thanjavur	04362-231641
89.	Theni	04546-254472
90.	Tirukkoyilur	04153-253110

91.	Thirukkattupalli	04362-280545
92.	Thirumangalam	04549-280284
93.	Thiruppanandal	0435-2456020
94.	Thiruppurambiyam	0435-2455472
95.	Thiruthuraiipoondi	04369-222851
96.	Thiruvaiyaru	04362-260551
97.	Thiruvallur	044-27662664
98.	Thiruvanmiyur	044-24421789
99.	Thiruvarur	04366-222367
100.	Thiruverumbur	0431-2510197
101.	Thiruvottriyur	044-25737701
102.	Thoothukudi	0461-2323548
103.	Thuraiyur	04327-256109
104.	Tindivanam	04147-222074
105.	Tiruchirapalli	0431-2419856
106.	Thirunelveli	0462-2333548
107.	Tirupattur	04179-221006
108.	Tiruppur	0421-2203150
109.	Thiruvannamalai	04175-223182
110.	Triplicane	044-28480609
111.	Udumalaipettai	04252-224033
112.	Valangaiman	04374-264455
113.	Vandavasi	04183-226106
114.	Velachery	044-22431109
115.	Vellore	0416-2222201
116.	Villivakkam	044-26171108
117.	Villupuram	04146-222956
118.	Virudhachalam	04143-230337
119.	Virudhunagar	04562-246093

**KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED**

CIN : U65991TN1903PLN001246

145, Big Street, Kumbakonam - 612 001

**Form No. MGT - 11**

**PROXY FORM**

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

**119th Annual General Meeting – 29th September, 2023**

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **119th Annual General Meeting** of the Company, to be held on **Friday, the 29th September, 2023, at 10.00 a.m at RAYA MAHAL, 73, Gandhi Adigal Salai, Kumbakonam - 612 001** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
	Ordinary Business
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.
2	To declare dividend for the year 2022-23.
3	To appoint a director in the place of Thiru.M.Guru Prasanth (DIN 09359770) who retires by rotation and, being eligible for re-election as Director.
4	To appoint a director in the place of Thirumathi.E.Ambika (DIN: 09353335) who retires by rotation and, being eligible, offers herself for re-appointment as Director.
Special Business	
5	To consider the amendments of Memorandum of association of the Nidhi

Signed this..... day of....., 2023.

Signature of shareholder(s) .....

Signature of Proxy holder(s) .....



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



**Kumbakonam Mutual Benefit Fund Nidhi Limited**  
(Regd. Office: 145, Big Street, Kumbakonam – 612 001)

CIN : U65991TN1903PLN001246. Ph: 0435 – 2401548  
Fax : 0435-2431682 Website : www.kmbf.co e-mail : kmbf@kmbf.co

**Attendance Slip**

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

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

I hereby record my presence at the **119th** Annual General Meeting on **Friday, the 29th September, 2023 at 10.00 a.m at Raya Mahal Gandhi Adigal Salai, Kumbakonam - 612 001.**

Signature of the Member/Proxy

-----

**Kumbakonam Mutual Benefit Fund Nidhi Limited**  
(Regd. Office: 145, Big Street, Kumbakonam – 612 001)

**Attendance Slip Counterfoil**

**Annual General Meeting : 29-09-2023, Time 10.00 a.m.**

**Venue : RAYA MAHAL, Gandhi Adigal Salai, Kumbakonam - 612 001.**

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



## அறந்தாங்கி கிளை திறப்பு விழா



## செங்குன்றம் கிளை திறப்பு விழா

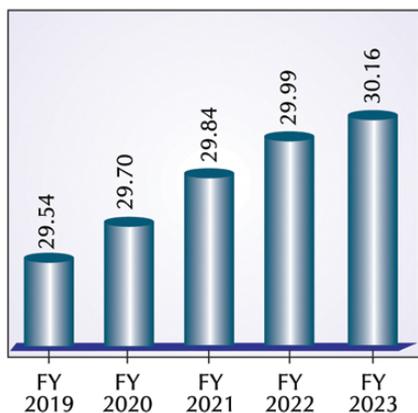
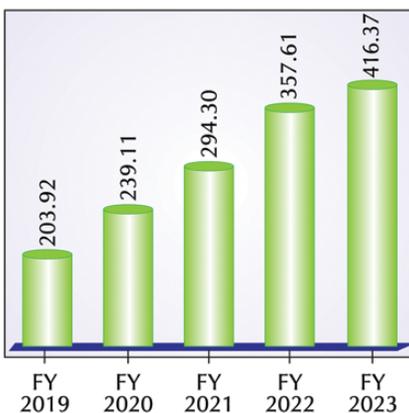
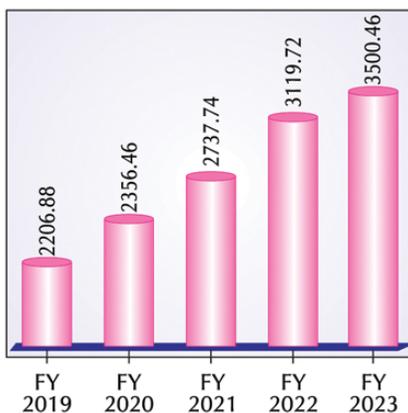
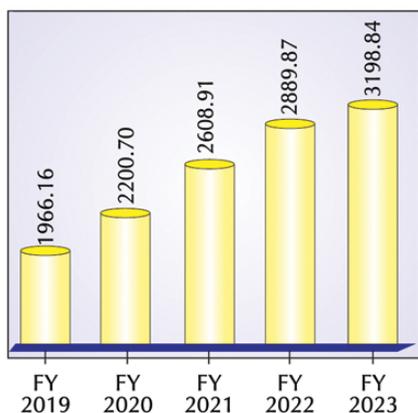
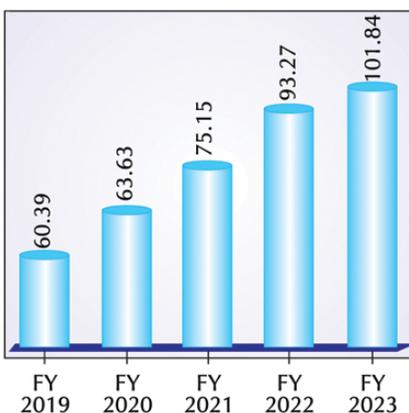
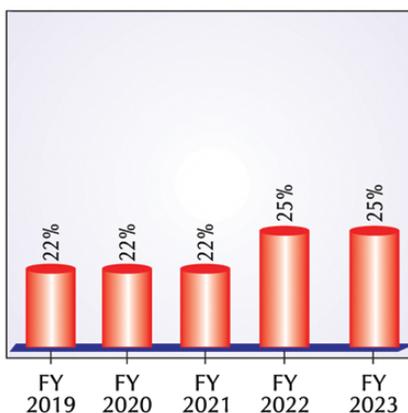


## சோழிங்கநல்லூர் கிளை திறப்பு விழா



## காங்கேயம் கிளை இடமாற்றம்



**PAID UP CAPITAL** (₹ in Crore)

**RESERVES & SURPLUS** (₹ in Crore)

**DEPOSITS** (₹ in Crore)

**ADVANCES** (₹ in Crore)

**PROFIT** (₹ in Crore)

**DIVIDEND** (₹ in Crore)

**DECADE OF PROGRESS**

(₹ in Crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23*
Paid up capital	28.96	29.04	29.11	29.20	29.29	29.43	29.54	29.70	29.84	29.99	30.16
Reserves & Surplus	78.33	93.51	109.37	123.69	140.56	167.55	203.92	239.11	294.30	357.61	416.37
Deposits	1530.46	1607.35	1570.74	1664.55	1806.63	1916.36	2206.88	2356.46	2737.74	3119.72	3500.46
Advances	1671.36	1339.18	1424.77	1384.52	1620.83	1739.16	1966.16	2200.70	2608.91	2889.87	3198.84
Profit	56.40	40.37	37.67	35.69	37.37	49.59	60.39	63.63	75.15	93.27	101.84
Dividend (p.a.)	22%	22%	22%	22%	22%	22%	22%	22%	22%	25%	25%
No. of Branches	99	99	103	107	107	108	109	112	113	114	116

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

To



Registered Office, 145, Big Street, Kumbakonam.



If undelivered, please return to :



**KUMBAKONAM MUTUAL BENEFIT FUND NIDHI LIMITED**

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

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

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

இந்தியாவில் NDH4 அங்கீகாரம் பெற்ற முதல் நிதி நிறுவனம்