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Head Office : 2344248
2346863
2345520

**MADURAI HINDU
PERMANENT NIDHI LIMITED**

**51-52, WEST TOWER STREET, MADURAI - 625 001.
(Company CIN.No. U65991 TN 1918 PLC 001601)**

**STATEMENT OF ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2020**

**AND
126th ANNUAL REPORT**

**ANNUAL GENERAL MEETING 2020
02-12-2020**

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET,
MADURAI - 625 001.

LIST OF DIRECTORS

1. **Sri. S.Kathiresan**, M.Sc.,B.L., - Director - Chairman
2. **Sri. B.Chandragupthan** - Director-Vice Chairman
3. **Dr. R.Gurusundar**, M.B.B.S.,P.G.D.D.,M.S.,- Director-Vice Chairman
4. **Selvi. G.Dhakshayani**, B.A.,B.L., - Director
5. **Smt. R.Rajarajeswari** - Director
6. **Sri. S.Ramesh** - Director
7. **Sri. S.Sadagopan**, B.Sc., - Director

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET,

MADURAI - 625 001.

(Regd. No. 1601)

NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the 126th Annual General Meeting of the Shareholders of the Company will be held at 10.00 A.M. on Wednesday, 02-12-2020 at the Registered Office No.51-52, West Tower Street, Madurai - 625 001, through Video Conferencing to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, the Audited Balance Sheet and the statement of Profit and Loss together with Auditor's Report thereon for the year ended 31st March 2020.
2. To appoint a Director in the place of Smt.R.Rajarajeswari (DIN:07269579) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in the place of Sri.S.Ramesh (DIN:07271528) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Selvi.G.Dhakshayani B.A.B.L, (DIN:06426731) who retires by rotation and being eligible, offer herself for re-appointment.
5. To appoint the Auditors for the year 2020-2021 and to fix their remuneration. As per Sec.139 of the Companies Act 2013, no person/firm shall be appointed for a continuous period of Ten years. Accordingly, Present Statutory Auditors M/s.K.Subramanian & Co. are not eligible for reappointment. In their place M/s.V.S.Ramasubramanian & Co, is proposed to be appointed as Auditor from the end of this Meeting for a period of Five Years.

PLACE: MADURAI

DATE : 07-11-2020

By Order of the Board,
(sd.) **S.Kathiresan**
CHAIRMAN

Notes :

1. Pursuant to the Circular No.14/2020 dated 08.04.2020 and 20/2020, dt 05.05.2020 issued by the Ministry of Corporate affairs, the facility to appoint a proxy to attend and cast vote instead of the member is not available for this Annual General Meeting.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a pre-requisite and pursuant to the Circular No.14/2020 dated 08.04.2020, issued by the Ministry of Corporate Affairs, physical attendance of the Members to the AGM venue is not required. Hence, Members have to attend and participate in the ensuing AGM through Video Conference (VC).
3. Those members whose email ID are not registered are requested to send their email ID immediately.
4. The Members can join the AGM in the Video Conference (VC) mode 15 minutes before and upto 15 minutes after the schedule time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through Video Conference (VC) will be made for 1000 members on first come first served basis. This will not be applicable to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination Remuneration Committee and Stakeholders Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through Video Conference (VC) will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.
6. All documents referred to in the Notice in connection with calling the AGM are available on the website of the Company for inspection by the Members.

7. Members intending to participate in the video Conference (VC) at the Annual General Meeting or to get information regarding Balance Sheet and Statement of Profit & Loss or the report of the Directors or any other matter at the Annual General Meeting are requested to give notice in writing to the company at least 7 days prior to the Meeting so that the company shall be in a position to prepare the required information to furnish the same at the Meeting. Only those members who have registered will be allowed to participate in the Video Conference (VC). Each member will be allowed to speak only for 3 minutes due to shortage of time.
8. Members are requested to intimate the office of any change in the Door numbers and their addresses with Pin code numbers along with ID Proof, Mobile Number and email ID, in order to contribute towards greener environment and to receive all documents, notices, including Annual reports and other communications of the Company.
- 9.a) As per Ministry of Corporate Affairs Notification No.GSR.908(E) dated 23.09.2016, Nidhi Companies are exempt from providing e-voting facility.
- b) As per Ministry of Corporate Affairs Notification No.GSR 465 (E) dated 05.06.2015, Shareholders who hold shares of more than one thousand rupees in face value or more than 1% of the total paid-up share capital of the Company whichever is less are eligible to get Notice of AGM and Annual Report individually only through email IDs.
10. Shareholders can cast their vote through their registered email ID to the designated email viz mduindupermanentfund@gmail.com 48 hours before commencement of Annual General Meeting.
11. Members are requested to send their request through email addressed to the Company's email ID: mduindupermanentfund@gmail.com to get the ID and Password to participate in the AGM to be held through Video Conference (VC) at least 10 days in advance.
12. The Register of Members will remain closed from 25.11.2020 to 02.12.2020 [both days inclusive] under Section 91 of the Companies Act, 2013.

13. Pursuant to the provisions of Section 123 & 124 of the Companies Act, 2013, (as amended) Dividend and Matured Deposits remaining unclaimed for a period of seven years will be transferred to the "Investors Education and Protection Fund" of the Central Government. Members who have not received dividend/encashed dividend warrants and unclaimed matured Deposits which are not transferred to "Investors Education and Protection Fund" as per Section 124 & 125 of the Companies Act, are requested to make their claim at the Registered Office immediately.
14. In terms of Section 160(1) of the Companies Act, 2013, if any member is proposed to be appointed as a director of the Company, the proposal for his/her appointment shall be made along with his/her Director Identification Number (DIN) to the Company by any other member on his/her behalf, at least 14 days before the meeting. As prescribed under Section 160(1), the proposal shall be accompanied by a deposit of Rs.10,000/- which shall be refunded to the person, in case he/she is elected as a director or gets more than 25% of the total valid votes cast.
15. In respect of Nomination.
- (a) Valid Nomination papers along with the deposit may be filed with the Company before 4.30 P.M. from 13.11.2020 to 18.11.2020.
 - (b) The Nomination papers will be scrutinized by Sri.S.Kathiresan and Sri.B.Chandragupthan directors of the company on 19.11.2020 at 3 P.M.
 - (c) Withdrawal of Nomination papers may be made on or before 21st November, 2020 before 4.30 P.M.
 - (d) Election if required will be conducted on 2nd December 2020 through email.

PLACE: MADURAI

DATE : 07-11-2020

By Order of the Board,
(sd.) S.Kathiresan
CHAIRMAN

**THE 126th ANNUAL REPORT OF
MADURAI HINDU PERMANENT NIDHI LIMITED**

51-52, WEST TOWER STREET, MADURAI - 625 001.

(Regd. No. 1601)

**REPORT OF THE DIRECTORS AND MANAGEMENT
DISCUSSION AND ANALYSIS**

Your Directors are pleased to present the 126th Annual Report together with the Audited Accounts of the Fund for the year ended 31st March 2020.

FINANCIAL RESULTS

| Particulars | 31-03-2020 Rs. | 31-03-2019 Rs. |
|------------------------------|-------------------|-------------------|
| Gross Receipts | 10,02,34,065 | 10,24,42,426 |
| Total Expenses | 10,69,25,436 | 10,24,13,486 |
| Net Profit / Loss before Tax | (66,91,371) | 28,940 |
| Net Profit / Loss after Tax | (66,91,371) | (16,61,985) |

Performance of the Company :

BUSINESS & OPERATIONAL REVIEW

As Per Nidhi Rules, 2014 vide Notification No.GSR 258(E) dated 31.03.2014 and amendment Rule 2019 vide Notification No.GSR 467(E) dated 01.07.2019, every "Nidhi" shall have the last word Nidhi Limited" as part of its name.

In the Extraordinary General Meeting held on 30.12.2019, to approve the change of name as aforesaid. The Shareholders approved the change of name from "The Madura Hindu Permanent Fund Limited to "MADURAI HINDU PERMANENT NIDHI LIMITED" and Ministry of Corporate Affairs also approved the change of name effective from 20.01.2020.

The Net Loss of the year is adjusted against General Reserve Fund which is reflected in the Balance Sheet. The Company has complied with all the directions issued by the Registrar of Companies for Nidhi Companies then and there barring Net Owned Funds.

The Company has incurred a net loss as against a net profit and its mainly due to increase in interest paid to deposits and administrative costs against the gross receipts.

Your Directors reviewed the liquidity and interest rate sensitivity and initiated steps for management of liquidity, interest rates etc., on an ongoing basis. Interest rates on deposits and advances are reviewed frequently for an alignment in tune with the emerging market trend. The Deposit position is monitored carefully and handled diligently and the deposit level on 31.03.2020 is Rs.83,68,24,289/- The Company has stopped accepting fresh Fixed Deposits after January 2020.

Your Directors are taking concerted efforts to improve the credit portfolio of your Fund and the advance position stood at Rs.66,84,92,789/- at 31.03.2020 and in the prevailing conditions the working of the Company is outstanding.

Your Directors are taking effective steps to collect the arrears on the Suit filed and decreed Accounts. The Directors are willing to accept the undecreed amount from the borrowers by one time settlement.

FUTURE PROSPECTS

Your Directors are fervently hopeful of achieving much better results in the ensuing financial year 2020-2021.

INSPECTION OF TITLE DEEDS AND JEWELS

Mrs.R.Amutha,M.A.,B.L., Advocate inspected the Title Deeds and verified the Fixed Assets etc., and Mr.R.Suresh & Mr.R.Ganesanare jewel appraisers have inspected the jewels pledged with the Head Office of the Fund and its Branches and their reports are affixed in the Notice Board of the Fund.

DIRECTORS

Directors Sri.B.Chandragupthan, Dr.R.Gurusundar M.B.B.S. P.G.D.D.M.S, Selvi.G.DhakshayaniB.A.B.L.,retired by rotation at the last Annual General Meeting and they were re-appointed.

Sri.S.SadagopanB.Sc, elected and appointed as a Director in the placeof Sri.S.Jayakanthan M.S.(I.T. & M.) who has completed 10 years as Director and as per Notification he ceased to be director at the Last Annual General Meeting.

RETIRING DIRECTORS BY ROTATION

The following Directors retire by rotation at the ensuing Annual General Meeting and by their consent they are eligible for re-appointment.

1. Smt.R.Rajarajeswari
2. Sri.S.Ramesh
3. Selvi.G.Dhakshayani B.A.,B.L.,

MEETING

During the financial year 28 Board Meetings and 48 Committee Meetings were held.

STATUTORY AUDITORS

K.Subramanian & Co. was all along the Auditor of the Fund. They have rendered yeoman service to the Company for the past several years. They were courteous and guiding us in proper perspective. The company expresses its gratitude for their guidance.

As per Sec.139 of the Companies Act 2013, no person / firm shall be appointed for a continuous period of Ten years. Accordingly, Present Statutory Auditors M/s.K.Subramanian & Co. are not eligible for reappointment.

CA.V.S.Ramasubramanian FCA is proposed to be appointed as the Statutory Auditor from the end of this Annual General Meeting for a period of Five Years.

AUDITOR'S REPORT:

The Madura Hindu Permanent Fund Employees Gratuity Trust which is managed by LIC of India which was approved by The Commissioner of Income Tax Madurai.

A Sum of Rs.1,10,00,000/- as additional contribution towards Gratuity Fund has been made to LIC during the current year. The Management has written off a sum of Rs.6,58,762/- as II Installment as against Rs.33.02 Lakhs

in the Last Financial year and has decided to write off Rs.22,00,000/- as I Installment towards Rs. 1,10,00,000/- of the current year as per estimate of the management, this benefit will be available only in the long run and hence it is felt appropriate to write it off in five annual equal installments.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the company during the year.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

As per the provisions of section 125(2) of the Companies Act 2013, a sum of Rs.2,90,593/- is to be remitted to the Investor Protection Fund after the conclusion of Annual General Meeting 2020 and it would be in time.

MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments subsequent to the period of financial statements i.e from 01.04.2020 to the date of signing of the Financial statements and report thereon.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the company.

DEPOSITS

The amount of deposits held by the Company as on 31st March 2020 was Rs.83,68,24,289/- The Company accepts deposits only from its members as per the Memorandum and Articles of Association of the fund. All deposits which matured during the year were either renewed or repaid as and when the depositors made their claim and there was no delay in repayment of Matured Deposits.

NET OWNED FUND

All the procedures and formalities as per the directions of Ministry of Corporate Affairs have been complied with. The Company was granted time till 31.03.2020 to comply with the requirement of maintenance of ratio of Net Owned Fund to Deposits within the prescribed limit which it is yet to be complied with. The Company has been taking active steps to comply with the prescribed ratio, but have been hampered by the lock down due to Covid-19 Situation.

DIVIDEND

As per Nidhi rules 2014 the company has to strengthen the Net Owned Fund and as such your Directors do not recommend Dividend for the year ended 31st March 2020.

TAXATION

Income Tax Assessments have been completed up to the Assessment year 2019-2020.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provision of corporate social responsibility is not applicable to the company.

RISK MANAGEMENT POLICY

The Company has Risk Management Policy to deal with elements of risk threatening the Company's existence..

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANY

The Company does not have Subsidiary Company or Associate Company and has not entered into any joint ventures.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

CHANGES IN SHARE CAPITAL

During the year, the company has increased the equity share capital to Rs.5014280/-and it has allotted 13581 equity shares of Rs.10/- each.

EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the companies act,2013 and rule 12(1)of the companies (Management & Administration)Rules, 2014 an extract of annual return in MGT-9 is given as part of this Annual report.

PARTICULARS OF LOANS,GUARANTEES OR INVESTMENT UNDER Sec.186

No Loans, Guarantee or investment under sec.186 have been made during the year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

No contracts or arrangements with related parties have been entered into by the company during the year.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are not applicable to the company.

INDUSTRIAL RELATIONS AND PERSONNEL

The Company has 130 employees as on 31.03.2020. Industrial relation continues to be cordial.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate internal control system commensurate with the size,scale and complexity of its operations.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of section 177 of the companies Act, 2013 read with rule 6 and 7 of the companies (Meetings of the Board and its powers) Rules 2014 is not applicable to the company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (Prevention, prohibition and Redressal) Act 2013.

The Company has been employing women employees in various cadres in its Head Office and its branches. The Company has in place an anti-harassment policy in line with the requirement of the sexual harassment of women at work place (Prevention, prohibition and Redressal) Act 2013.

Internal complaint Committee has been set up to redress complaint received regularly. There was no complaint received by any employee during the financial year 2019-2020 and hence no complaint is outstanding as on 31.3.2020 for redressal.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to their requirement under section 134 of the Companies Act 2013, with respect to Directors responsibility statement, it is hereby confirmed.

- I. That in the preparation of Annual Account for the financial year ended 31st March 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- II. That the Directors had selected such accounting policies and applied them consistently and made such Judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the statement of the profit and loss of the company for the year under review.
- III. That the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing/detecting fraud and other irregularities.

- IV. That the directors had prepared the annual accounts on a going concern basis.
- V. 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.

**STATEMENT UNDER COMPANIES (DISCLOSURE OF PARTICULARS
IN THE REPORT OF THE BOARD OF DIRECTORS) RULE 8(3)
OF COMPANY RULE 2014**

As the Company is a Nidhi doing Non-Banking Financial Business, the Provisions of Section 134(3) (M) relating to the disclosures of particulars of conservation of Energy, Technology, Absorption and Foreign Exchange are not applicable.

COST AUDIT

Cost Audit is not applicable to the company.

GRATUITY AND RETIREMENT FUND

The Company has formed a Trust in the Name of "The MHPF EMPLOYEES GRATUITY TRUST" None of the employees is prejudiced.

The Directors pray for the blessings of Goddess Meenakshi for the continued prosperity of the Fund.

ACKNOWLEDGEMENT

The Board acknowledge the services rendered by the Employees, Banks and other Agents who have supported the Company to achieve the result.

PLACE: MADURAI

DATE : 07-11-2020

By Order of the Board,
(sd.) S.Kathiresan
CHAIRMAN

FINANCIAL HIGHLIGHTS

| YEAR | SHARES | DEPOSITS | LOANS | PROFIT /LOSS | RESERVES |
|-------------|---------------|-----------------|--------------|---------------------|-----------------|
| 2012 | 3,87,341 | 80,11,53,685 | 69,15,12,566 | 48,99,437 | 8,09,61,188 |
| 2013 | 4,06,042 | 99,55,27,243 | 86,60,15,415 | 1,06,80,039 | 8,16,45,271 |
| 2014 | 4,23,259 | 117,17,70,864 | 88,10,43,136 | 49,85,421 | 7,89,32,665 |
| 2015 | 4,35,818 | 97,54,81,859 | 70,71,68,468 | 25,92,669 | 8,55,89,788 |
| 2016 | 4,46,510 | 85,47,35,681 | 57,58,02,969 | 62,347 | 8,52,30,529 |
| 2017 | 4,59,519 | 82,56,35,124 | 65,28,86,093 | (64,50,473) | 7,87,80,055 |
| 2018 | 4,74,611 | 82,76,84,869 | 63,24,28,354 | (95,43,261) | 6,92,36,794 |
| 2019 | 4,87,847 | 79,01,34,121 | 63,70,98,238 | 28,940 | 6,75,74,809 |
| 2020 | 5,01,428 | 83,68,24,289 | 66,84,92,789 | (66,91,371) | 6,08,83,438 |

Form No. MGT-9**EXTRACT OF ANNUAL RETURN****As on financial year ended on 31-03-2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Company (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|----|---|--|
| 1. | CIN | U65991 TN 1918 PLC 001601 |
| 2. | Registration Date | 22-01-1894 |
| 3. | Name of the Company | Madurai Hindu Permanent Nidhi Limited |
| 4. | Category / Sub-Category of the Company | Public Company - Limited by Shares |
| 5. | Address of the Registered office & contact details | 51-52, West Tower Street, Madurai - 625 001. Ph : 0452-2344248, 2346863 |
| 6. | Whether listed company | No |
| 7. | Name, Address and Contact details of Registrar & Transfer Agent, if any | Not applicable |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-)

| S.N. | Name and Description of main products / Services | NIC Code of the Product / Service | % to total turnover of the Company |
|------|--|-----------------------------------|------------------------------------|
| 1. | Accepting Deposits | 99711210 | 100% |
| 2. | Loan Lending on House Property, Jewels and on Deposits | 99711352 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S.N. | Name and address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of Shares held | Applicable Section |
|------|---------------------------------|-----------|----------------------------------|------------------|--------------------|
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |

Not applicable

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total Equity)

(i) Category - wise Share Holding

| Category of Share Holders | No. of Shares held at the beginning of the year [As on 31 March - 2019] | | | | No. of Shares held at the end of the year [As on 31 March - 2020] | | | | % Change during the year |
|----------------------------------|---|----------|-------|-------------------|---|----------|-------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual / HUF | | | - | 0.00% | | Nil | - | 0.00% | 0.00% |
| b) Central Govt | | | - | 0.00% | | | - | 0.00% | 0.00% |
| c) State Govt (s) | | | - | 0.00% | | | - | 0.00% | 0.00% |
| d) Bodies Corp. | | Nil | - | 0.00% | | | - | 0.00% | 0.00% |
| e) Banks / FI | | | - | 0.00% | | | - | 0.00% | 0.00% |
| f) Any other | | | - | 0.00% | | | - | 0.00% | 0.00% |
| Sub Total (A) (1) | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | | | - | 0.00% | | | - | 0.00% | 0.00% |
| b) Other Individuals | | | - | 0.00% | | Nil | - | 0.00% | 0.00% |
| c) Bodies Corp. | | | - | 0.00% | | | - | 0.00% | 0.00% |
| d) Any other | | | - | 0.00% | | | - | 0.00% | 0.00% |
| Sub Total (A) (2) | - | Nil | - | 0.00% | - | - | - | 0.00% | 0.00% |
| Total (A) | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | - | 0.00% | | | - | 0.00% | 0.00% |
| b) Banks / FI | | | - | 0.00% | | | - | 0.00% | 0.00% |
| c) Central Govt. | | | - | 0.00% | | Nil | - | 0.00% | 0.00% |
| d) State Govt (s) | | | - | 0.00% | | | - | 0.00% | 0.00% |
| e) Venture Capital Funds | | | - | 0.00% | | | - | 0.00% | 0.00% |
| f) Insurance Companies | | Nil | - | 0.00% | | | - | 0.00% | 0.00% |
| g) FIIs | | | - | 0.00% | | | - | 0.00% | 0.00% |
| h) Foreign Venture Capital Funds | | | - | 0.00% | | | - | 0.00% | 0.00% |
| i) Others (specify) | | | - | 0.00% | | | - | 0.00% | 0.00% |
| Sub Total (B) (1) | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |

2. Non-Institutions

| | | | | | | | | | |
|---|---|--------|--------|-------|--|--------|--------|-------|-------|
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | | | - | 0.00% | | | - | 0.00% | 0.00% |
| ii) Overseas | | | - | 0.00% | | | - | 0.00% | 0.00% |
| b) individuals | | | | | | | | | |
| i) individuals shareholders holding nominals share capital upto Rs.1 lakh | | | - | 0.00% | | | - | 0.00% | 0.00% |
| ii) individual shareholders holding nominal share capital in excess of Rs.1 lakh | | | - | 0.00% | | | - | 0.00% | 0.00% |
| c) Others (specify) | | 487847 | 487847 | 100% | | 501428 | 501428 | 100% | 2.78% |
| Non Resident Indians | | | - | 0.00% | | | - | 0.00% | 0.00% |
| Overseas Corporate Bodies | | | - | 0.00% | | | - | 0.00% | 0.00% |
| Foreign Nationals | | | - | 0.00% | | | - | 0.00% | 0.00% |
| Clearing Members | | | - | 0.00% | | | - | 0.00% | 0.00% |
| Trusts | | | - | 0.00% | | | - | 0.00% | 0.00% |
| Foreign Bodies-D R | | | - | 0.00% | | | - | 0.00% | 0.00% |
| Sub - total (B) (2) | - | 487847 | 487847 | 100% | | 501428 | 501428 | 100% | 2.78% |
| Total Public (B) | - | 487847 | 487847 | 100% | | 501428 | 501428 | 100% | 2.78% |
| C. Shares held by Custodian for GDRs & ADRs | | | Nil | | | | Nil | | |
| Grand Total (A + B + C) | | 487847 | 487847 | 100% | | 501428 | 501428 | 100% | 2.78% |

(ii) Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in Share holding during the year |
|----|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

| SN | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|------------------------------|------|--------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| | At the beginning of the year | | | | | | |
| | Changes during the year | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | At the end of the year | | | | | | |

(iv) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs) :

| SN | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | | | Reason | Cumulative Shareholding during the year | |
|-----|-------------------------------------|---|----------------------------------|------|-----------------------------------|--------|---|----------------------------------|
| | | No. of Shares | % of Total shares of the Company | Date | Increase / decrease Share holding | | No. of shares | % of Total Shares of the Company |
| 1. | Sri. M.Jayaraman | 1800 | 0.369 | | | | 1800 | 0.359 |
| 2. | Sri. G.Srinivasan | 1709 | 0.350 | | | | 1709 | 0.340 |
| 3. | Sri. R.Ramanathan | 1510 | 0.310 | | | | 1510 | 0.301 |
| 4. | Sri. P.Kumarasamy | 1300 | 0.266 | | | | 1300 | 0.259 |
| 5. | Sri. V.Venkatajothi | 1202 | 0.246 | | | | 1202 | 0.240 |
| 6. | Sri. S.Marimuthu | 901 | 0.185 | | | | 901 | 0.180 |
| 7. | Smt.J.Kanagalakshmi | 801 | 0.164 | | | | 801 | 0.160 |
| 8. | Sri. V.Elango | 701 | 0.144 | | | | 701 | 0.140 |
| 9. | Sri. S.Rathinakumar | 701 | 0.144 | | | | 701 | 0.140 |
| 10. | Sri. R.Janakiramulu | 600 | 0.123 | | | | 600 | 0.120 |
| | Total Shares | 11225 | | | | | 11225 | |

(v) Shareholding of Directors and Key Managerial Personnel :

| Shareholding of each directors | Shareholding at the beginning of the year | | | | Reason | Cumulative Shareholding during the year | |
|--------------------------------|---|----------------------------------|---------|-----------------------------------|------------------------|---|----------------------------------|
| | No. of shares | % of Total shares of the Company | Date | Increase / decrease Share holding | | No. of shares | % of Total Shares of the Company |
| 1. Sri. B.Chandragupthan | 1501 | 0.308 | | | | 1501 | 0.299 |
| 2. Sri. S.Jayakanthan | 510 | 0.105 | 25.9.19 | 510 | 10 Years Completed | - | - |
| 3. Dr. R.Gurusundar | 510 | 0.105 | | | | 510 | 0.102 |
| 4. Selvi. G.Dhakshayani | 501 | 0.103 | | | | 501 | 0.100 |
| 5. Sri. S.Kathiresan | 501 | 0.103 | | | | 501 | 0.100 |
| 6. Smt. R.Rajarajeswari | 511 | 0.105 | | | | 511 | 0.102 |
| 7. Sri. S.Ramesh | 600 | 0.123 | | | | 600 | 0.120 |
| 8. Sri. S.Sadagopan | - | - | 25.9.19 | 500 | As elected as Director | 500 | 0.100 |
| Total Shares | 4634 | | | | | 4624 | |

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 5247914 | 790134121 | 0 | 795382035 |
| ii) Interest due but not paid | - | 3373444 | 0 | 3373444 |
| iii) Interest accrued but not due | - | 7867389 | 0 | 7867389 |
| Total (i + iii) | 5247914 | 801374954 | 0 | 806622868 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 35609125 | 1007656906 | 0 | 1043266031 |
| * Reduction | 40857039 | 959775498 | 0 | 1000632537 |
| Net Change | - | 47881408 | 0 | 42633494 |
| Indebtedness at the end of the financial year | | | | |
| I) Principal Amount | - | 836824289 | 0 | 836824289 |
| ii) Interest due but not paid | - | 4902517 | 0 | 4902517 |
| iii) Interest accrued but not due | - | 7529556 | 0 | 7529556 |
| Total (i + iii) | - | 849256362 | 0 | 849256362 |

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

| Sl.No. | Particulars of Remuneration | Name of MD/WTM/Manager | | | | Total Amount |
|--------|--|------------------------|-------|-------|-------|--------------|
| | | | | | | |
| 1. | Gross Salary | | | | | |
| | (a) Salary as per provisions contained in section 17 (1) of the Income - tax Act, 1961 | | | | | |
| | (b) Value of prerequisites u/s 17(2) Income-tax Act, 1961 | | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | | |
| 2. | Stock Option | | | Nil | | |
| 3. | Sweat Equity | | | | | |
| 4. | Commission - as % of profit - others, specify | | | | | |
| 5. | Others, please specify | | | | | |
| | Total (A) | | | | | |

B. Remuneration of other Directors

| S.No. | Particulars of Remuneration | NAME OF DIRECTORS | | | | | | | | |
|-------|---|---|-------------------|---------------|----------------|--------------|------------------|----------|--------------|--------------|
| | | S.Jaya Kanthan | B.Chandra Gupthan | R.Guru Sundar | G.Dhaksha yani | S.Kathiresan | R.Raja Rajeswari | S.Ramesh | S.Sada gopan | Total Amount |
| 1. | Independent Directors | | | | | | | | | |
| | Fee for attending board committee meeting | | | | | | | | | |
| | Commission | | | | | | Nil | | | |
| | Others please specify | | | | | | | | | |
| | Total (1) | | | | | | | | | |
| 2. | Other non executive Directors | | | | | | | | | |
| | Fee for attending board meeting | 84000 | 168000 | 168000 | 168000 | 168000 | 162000 | 168000 | 84000 | 1170000 |
| | Committee meeting | 6900 | | 300 | 300 | 13800 | | 14100 | 7500 | 42900 |
| | Commission | | | | | | | | | |
| | Others please specify | | | | | | | | | |
| | Total (2) | 90900 | 168000 | 168300 | 168300 | 181800 | 162000 | 182100 | 91500 | 1212900 |
| | Total (B) =(1+2) | 90900 | 168000 | 168300 | 168300 | 181800 | 162000 | 182100 | 91500 | 1212900 |
| | Total Managerial Remuneration | | | | | | | | | |
| | Overall Ceiling as per the Act | Sitting Fees of Rs.1,00,000/- per Committee / Board Meeting per Director | | | | | | | | |

(C) Remuneration to Key Managerial Personnel other than MD / Manager / WTD

| Particulars of Remuneration | Name of MD / WTD / Manager | | | Total Amount |
|--|----------------------------|-----|----|--------------|
| Name | | | | (Rs/Lac) |
| Designation | CEO | CFO | CS | |
| 1. Gross Salary | | | | Nil |
| (a) Salary as per provision contained in section 17(1) of the Income-tax Act, 1961 | | | | |
| (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | | | | |
| (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961 | | | | |
| 2. Stock Option | | | | |
| 3. Sweat Equity | | | | |
| 4. Commission | | | | |
| - as % profit | | | | |
| - others, specify | | | | |
| 5. Others, please specify | | | | |
| TOTAL | | | | |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | Nil |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

INDEPENDENT AUDITORS' REPORT

To the Members of Madurai Hindu Permanent Nidhi Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Madurai Hindu Permanent Nidhi Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, 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 standalone financial statements, subject to Note on AS 15(R) , regarding amortization of terminal compensation to employees who opted for voluntary retirement and contribution by the company to Gratuity Fund administered by LIC resulting in the net understatement of Loss by Rs 71.86 lakhs and overstatement of other Current assets by Rs 122.08 lakhs, give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India,

- i) Of the state of affairs of the Company as at March 31, 2020,
- ii) Of the loss for the year ended on that date
- iii) And of 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with

the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

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 SAs, we exercise professional judgment and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Information other than the Financial Statements and Auditors Report thereon :

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

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

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

Emphasis of Matters

A.S–9 Revenue recognition :-

Interest on Loans is recognised on accrual basis. Interest on Bank deposit is recognised as per certificate issued by the Bank. Amount claimed and paid in respect of credit balances written back in earlier year has been treated as expenditure in the current year. Folio charges on deposits lying unclaimed for more than one year have been recognized as current year income. Any subsequent claim on the deposits including folio charges thereon will be treated as expenditure of the year in which they are paid.

A.S–22 Provision for current and deferred tax :-

No provision for deferred tax liability/asset has been made for the year.

Our opinion is not modified by the matters emphasised.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", 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, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note regarding Contingent liabilities 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**ANNEXURE "A" TO INDEPENDENT AUDIORS' REPORT TO THE
SHAREHOLDERS OF MADURAI HINDU PERMANENT NIDHI LIMITED,
FOR THE YEAR ENDED 31st MARCH 2020**

Annexure referred to in our report under "Report on Other Legal and Regulatory requirements Para 1" of even date on the accounts for the year ended 31st March 2020

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) Fixed assets are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
c) The title deeds of immovable properties of the company are held in the name of the company.
2. The inventory of stationery has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
3. During the year, the Company has not granted any loan to a company, firms, limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. During the year, the Company has not granted any loan or has made any investments, not given any guarantees or provided any security covered under Sections 185 and 186 of the Companies Act, 2013. Hence reporting on, whether there is compliance with provisions of section 185 and 186 of the Companies Act, 2013 does not arise.

5. The Company has not accepted any deposit within the meaning of Sections 73 to 76 of the Companies Act, 2013 during the year. Being a Nidhi Company, it has accepted deposits only from its members in course of ordinary business.
6. According to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.
7. (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales tax, Service tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and other statutory dues with the appropriate authorities.
(b) According to the information and explanations given to us, there were no undisputed dues in respect of Sales Tax, Service tax, Value Added Tax, Goods and Service tax, Duty of Customs, Duty of Excise or cess, in arrears as at 31.03.2020 for a period of more than six months from the date they became payable.
(c) (i) E.S.I. Liability of Rs.12,70,827/- is in dispute before Employees State Insurance Court (Labour Court) and the Honourable court has passed an interim stay order and directed to issue a notice to the department and pending disposal of the case no provision is made in the accounts.
8. According to the records provided to us, the company has not availed any term loans from banks or financial institutions. The company has not issued any debentures.
9. (a) The company has not raised any money by way of initial public offer or further public offers including debt instruments during the year. Hence reporting on utilisation of such money does not arise.
(b) According to the records provided to us, the company has not availed any term loans during the year.

10. Based on the audit procedures adopted and information and explanations given to us by the Board of Directors no fraud on or by the company has been noticed or reported during the course of our audit.
11. No managerial remuneration has been paid/provided during the year.
12. a) Time granted to the Company to comply with the requirement of maintenance of Net Owned funds to Deposits within the stipulated ratio of 1:20 expired on 31.03.2020. We are informed that the company is pursuing for extension of time for compliance.
b) The Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rule 2014 to meet out the liability.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of companies act, 2013.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under Section 42 of the Companies Act, 2013.
15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or persons connected with them.
16. The company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

Place: Madurai,

Date : 07.11.2020

For **K.SUBRAMANIAN & CO.,**

Chartered Accountants,

Firm Registration No: 004124S

(Sd.) K. Subramanian, Partner,

Membership No. 203021

UDIN: 20203021AAAAAN2796

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls 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 Madurai Hindu Permanent Nidhi Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management`s Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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 that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation 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

Because of the inherent limitations of the internal financial controls over financial reporting, 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 the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Madurai,
Date : 07.11.2020

For **K.SUBRAMANIAN & CO.,**
Chartered Accountants,
Firm Registration No:004124S
(Sd.) **K.Subramanian**, Partner,
MembershipNo.203021
UDIN:20203021AAAAAN2796

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET, MADURAI - 625 001.

BALANCE SHEET AS AT 31st MARCH 2020 (Rs. in Thousands)

| PARTICULARS | NOTE | As at 31st March 2020 | As at 31st March 2019 |
|--|------|--------------------------|--------------------------|
| I. EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| (a) Share Capital | 1 | 5014 | 4878 |
| (b) Reserves and Surplus | 2 | 60884 | 67575 |
| | | 65898 | 72453 |
| Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 452012 | 285255 |
| (b) Deferred tax liability (net) | | — | — |
| (c) Long term provisions | 4 | 17220 | 8785 |
| | | 469232 | 294040 |
| Current Liabilities | | | |
| (a) Short-term borrowings | 5 | 386814 | 512017 |
| (b) Other Current liabilities | 6 | 15927 | 13794 |
| (c) Short-term provisions | 7 | 15623 | 13411 |
| | | 418364 | 539222 |
| TOTAL-EQUITY AND LIABILITIES | | 953494 | 905715 |
| II. ASSETS | | | |
| Non-Current assets | | | |
| (a) Fixed Assets | 8 | 59933 | 61158 |
| (b) Deferred Tax Assets (net) | | 3702 | 3702 |
| (c) Long-term loans and advances | 9 | 37531 | 41700 |
| (d) Other non-current assets | 10 | 19509 | 9994 |
| | | 120675 | 116554 |
| Current assets | | | |
| (a) Cash and cash equivalents | 11 | 141975 | 138295 |
| (b) Short-term loans and advances | 12 | 637059 | 602324 |
| (c) Other current assets | 13 | 53785 | 48542 |
| | | 832819 | 789161 |
| TOTAL ASSETS | | 953494 | 905715 |
| III. NOTES FORMING PART OF FINANCIAL STATEMENTS | | | |

(Sd) K.Ramesh

A.A.O.(Accounts)

(Sd) B.Chandragupthan

Vice-Chairman

Directors

(Sd) G.Dhakshayani

(Sd) S.Ramesh

Place : Madurai

Date : 07-11-2020

(Sd) B.Ramesh

Addl.A.O.(Audit)

(Sd) R.Gurusundar

Vice-Chairman

(Sd) R.Rajarajeswari

(Sd) S.Sadagopan

(Sd) S.Kamu

Administrative Officer

(Sd) S.Kathiresan

Chairman

Vide our Report of even date

For **K.SUBRAMANIAN & CO.,**

Chartered Accountants.

I.C.A.I.Firm Regn. No.0041245

(Sd) **K.SUBRAMANIAN**

Partner

Membership No.203021

UDIN : 20203021AAAAAN2796

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET, MADURAI - 625 001.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

(Rs. in Thousands)

| PARTICULARS | NOTE | 31st March 2020 | 31st March 2019 |
|---|------|-----------------|-----------------|
| I Revenue from Operations | 14 | 92001 | 89847 |
| II. Other Income | 15 | 8233 | 12595 |
| TOTAL REVENUE | | 100234 | 102442 |
| III. Expenses | | | |
| (a) Employee Salary / Benefit Expenses | 16 | 35978 | 32667 |
| (b) Finance Costs | 17 | 56546 | 55473 |
| (c) Administrative and other Expenses | 18 | 12834 | 13072 |
| (d) Depreciation and amortisation expenses | | 1567 | 1201 |
| TOTAL EXPENSES | | 106925 | 102413 |
| IV. PROFIT / LOSS BEFORE TAX | | (6691) | 29 |
| V. Tax Expenses | | | |
| (a) Current Tax | | -- | -- |
| (b) Earlier Years Tax | | -- | (1691) |
| (c) Deferred Tax Assets | | -- | -- |
| VI. PROFIT / LOSS FOR THE YEAR FROM CONTINUING OPERATIONS | | (6691) | (1662) |
| VII. Earnings per share - Basic | | 0.00 | 0.00 |
| VIII. NOTES FORMING PART OF FINANCIAL STATEMENTS | | | |

(Sd) K.Ramesh

A.A.O.(Accounts)

(Sd) B.Ramesh

Addl.A.O.(Audit)

(Sd) S.Kamu

Administrative Officer

(Sd) S.Kathiresan

Chairman

(Sd) B.Chandragupthan

Vice-Chairman

(Sd) R.Gurusundar

Vice-Chairman

Directors

(Sd) G.Dhakshayani

(Sd) R.Rajarajeswari

(Sd) S.Ramesh

(Sd) S.Sadagopan

Vide our Report of even date
For **K.SUBRAMANIAN & CO.,**
Chartered Accountants.
I.C.A.I.Firm Regn. No.0041245

(Sd) K.SUBRAMANIAN

Partner

Membership No.203021

UDIN : 20203021AAAAAN2796

Place : **Madurai**

Date : **07-11-2020**

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET, MADURAI - 625 001.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. In Thousands)

| PARTICULARS | 31st March 2020 | 31st March 2019 |
|--|--------------------|--------------------|
| 1. Share Capital | | |
| Authorised | | |
| 50,00,000 Equity shares of Rs.10 each (50,00,000) | 50,000 | 50,000 |
| Issued, Subscribed and Fully paid-up | | |
| 501428 Equity Shares of Rs.10 each (501428) fully paidup | 5,014 | 4,878 |

Right attached to Equity Shares :

The Company has issued only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share, subject to the limit that no member shall exercise voting rights in excess of 5% of total voting rights of equity share holders vide notification No. GSR 527 (E) dated 31-08-2006 of Ministry of Corporate Affairs.

1.1 Reconciliation of number of shares.

| PARTICULARS | As at 31st March 2020 | | As at 31st March 2019 | |
|---------------------------|-----------------------|----------------|-----------------------|----------------|
| | No.of Shares | Amount Rs. | No.of Shares | Amount Rs. |
| Opening Balance | 487847 | 4878470 | 474611 | 4746110 |
| Additions during the year | 13581 | 135810 | 13236 | 132360 |
| Closing Balance | 501428 | 5014280 | 487847 | 4878470 |

1.2 Share holding pattern of number of shares

None of the share holders is holding more than 5% of the shares in the Company.

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET, MADURAI - 625 001.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. In Thousands)

| PARTICULARS | As at 31st March 2020 | As at 31st March 2019 |
|---|--------------------------|--------------------------|
| 2. RESERVES AND SURPLUS | | |
| (a) General Reserve ---- Opening Balance | 8206 | 9723 |
| Add : Transferred from statement of profit and loss | (6561) | (1517) |
| | 1645 | 8206 |
| (b) Surplus amount Transferred from statement of Profit and Loss | -- | -- |
| | 1645 | 8206 |
| (c) Building Fund ---- Opening Balance | 5839 | 5839 |
| Add : Transferred from statement of profit and Loss | -- | -- |
| | 5839 | 5839 |
| (d) Revaluation of reserve | 53530 | 53675 |
| Add : | -- | -- |
| Less : Recoupment of Depreciation on Revaluation amount transferred to General Reserve | 130 | 145 |
| | 53400 | 53530 |
| | 60884 | 67575 |
| 2. (1) Surplus in Statement of Profit & Loss | (6691) | (1662) |
| Opening Balance | -- | -- |
| Profit | -- | -- |
| ADD : Recoupment of Depreciation on Revaluation amount transferred to Revaluation Reserve | 130-00 | 145-00 |
| | (6561) | (1517) |
| * General reserve | (6561) | (1517) |
| * Building Fund | 0-00 | 0-00 |
| * Proposed Dividend | 0-00 | 0-00 |
| * Dividend Tax | 0-00 | 0-00 |
| * Surplus Transferred to General Reserve | 0-00 | 0-00 |

| NOTES FORMING PART OF FINANCIAL STATEMENTS (Rs. In Thousands) | | |
|--|--------------------------|--------------------------|
| PARTICULARS | As at 31st March 2020 | As at 31st March 2019 |
| 3. LONG - TERM BORROWING | | |
| Unsecured | | |
| Fixed Deposits | 374334 | 208813 |
| Recurring Deposits | 77140 | 75946 |
| Staff Security Deposit | 538 | 496 |
| | 452012 | 285255 |
| 4. LONG TERM PROVISIONS | | |
| Gratuity (c) | 17220 | 8785 |
| | 17220 | 8785 |
| | 469232 | 294040 |
| 5. SHORT - TERM BORROWINGS | | |
| (a) <u>Secured Loans</u> : | | |
| Secured overdraft loan from bank (secured by way of first charge on company's immovable properties and pledge of fixed deposit receipts) | -- | -- |
| Demand Loan | -- | 5248 |
| | -- | 5248 |
| (b) <u>Unsecured Loans</u> | | |
| Fixed deposits | 228792 | 366873 |
| Recurring Deposits | 26598 | 23532 |
| Savings Deposits | 129961 | 114970 |
| Locker key Deposit | 1463 | 1394 |
| | 386814 | 506769 |
| | 386814 | 512017 |
| 6. OTHER CURRENT LIABILITIES | | |
| Matured amount of Deposits | 12619 | 10550 |
| Employees Contribution for PF, Pension, ESI | 612 | 554 |
| Amount Due to Employees | 117 | 117 |
| TDS Payable | 20 | 30 |
| Unclaimed Dividend | 291 | 291 |
| Sales Tax Payable | -- | -- |
| Other payables | 2268 | 2252 |
| | 15927 | 13794 |
| 7. SHORT-TERM PROVISIONS | | |
| (a) Provision for employee benefits | 903 | 961 |
| (b) Others | | |
| (i) Interest accrued but not due to depositors | 12432 | 11241 |
| (ii) Proposed Dividend | 0 | 0 |
| (iii) Dividend Distribution Tax | 0 | 0 |
| (iv) Provision for Income Tax | 0 | 0 |
| (v) Gratuity (c) | 2288 | 1209 |
| | 15623 | 13411 |

8. FIXED ASSETS**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Rs. In Thousands)

| Name of the Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--|---------------------|-------------------------|-------------------------|---------------------|--------------------|-------------------------------------|-----------------|--------------------|---------------------|---------------------|
| | As at 31-03-2019 | ADDITIONS / TRANSFER | DELETIONS / TRANSFER | As at 31-03-2020 | upto 31-03-2019 | For the year ended 31-03-2020 | With drawals | Upto 31-03-2020 | As at 31-03-2020 | As at 31-03-2019 |
| (i) Tangible Assets | | | | | | | | | | |
| Land | 475 | | | 475 | | | | 0 | 475 | 475 |
| Increased different in Revaluation | 52185 | | | 52185 | | | | 0 | 52185 | 52185 |
| Land acquired in satisfaction of claim | 0.6 | | | 0.6 | 0.00 | | 0 | 0 | 0.6 | 0.6 |
| Building | 7026 | 95 | | 7121 | 4414 | 240 | | 4654 | 2467 | 2612 |
| Increased difference in Revaluation | 2927 | 0 | | 2927 | 1583 | 130 | | 1713 | 1214 | 1344 |
| Furnitures and Fixtures | 6268 | 127 | | 6395 | 5279 | 254 | | 5533 | 862 | 989 |
| Office Equipments | 5224 | 52 | | 5276 | 2454 | 745 | | 3199 | 2077 | 2770 |
| Electrical Fittings | 4552 | 68 | | 4620 | 3793 | 194 | | 3987 | 633 | 759 |
| Vehicle | 46 | 0 | | 46 | 45 | 0 | | 45 | 1 | 1 |
| Water Supply | 240 | 0 | | 240 | 218 | 4 | | 222 | 18 | 22 |
| TOTAL | 78944 | 342 | 0 | 79286 | 17786 | 1567 | 0 | 19353 | 59933 | 61158 |
| Capital Work-in Progress (Under Construction) | - | 0 | - | 0 | 0 | 0 | 0 | 0 | 0 | - |
| Grand Total | 78944 | 342 | - | 79286 | 17786 | 1567 | 0 | 19353 | 59933 | 61158 |
| Previous Year | 78306 | 4307 | 3669 | 78944 | 16585 | 1201 | 0 | 17786 | 61158 | - |

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET, MADURAI - 625 001.

NOTES FORMING PART OF FINANCIAL STATEMENTS

LOANS AND ADVANCES

(Rs. In Thousands)

| PARTICULARS | Long - term (9) | | Short - term (12) | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31-03-2020 | As at 31-03-2019 | As at 31-03-2020 | As at 31-03-2019 |
| 1 a) <u>Secured considered good</u> | | | | |
| Jewel Loans | 21463 | 24141 | 622605 | 592480 |
| Simple Loan | | | 2284 | 2359 |
| F.D.Loans | | | 11889 | 7293 |
| C.F.D.Loans | | | — | -- |
| H.M.L. 60 Month | 881 | 1502 | | |
| Staff Loan | 9090 | 9131 | 281 | 192 |
| | 31434 | 34774 | 637059 | 602324 |
| b) <u>Long Term Advances</u> | | | | |
| Mortgage Loan Suit filed | | | | |
| Considered Good | 2064 | 2752 | | |
| | 2064 | 2752 | | |
| 2. <u>Unsecured considered good</u> | | | | |
| <u>Other Advances</u> | | | | |
| Rent, Telephone | | | | |
| and Electricity Deposit etc., | 1949 | 1925 | | |
| Income Tax advances (Net Provisions) | 2084 | 2249 | | |
| | 4033 | 4174 | | |
| | 37531 | 41700 | 637059 | 602324 |
| | | | | |

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET, MADURAI - 625 001.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Rs. In Thousands)

| PARTICULARS | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| <u>10. OTHER NON-CURRENT ASSETS :-</u> | | |
| THE MHPF LTD EMPLOYEES GRATUITY TRUST (LIC) (C) | 19509 | 9994 |
| <u>11. CASH AND CASH EQUIVALENTS</u> | | |
| (i) Cash and Cash Equivalents | | |
| (a) Balance with Banks | 2866 | 1305 |
| Unclaimed Dividend of members with bank | 308 | 587 |
| (b) Cash on hand | 9491 | 7567 |
| (c) Fixed deposits with bank | 129310 | 128836 |
| | 141975 | 138295 |
| <u>13. Other Current Assets</u> | | |
| Interest due on Loans | 38560 | 39428 |
| Festival Advances | 798 | 815 |
| Advance against Expenses | 722 | 1333 |
| Instalments due from R.D. holders | 11 | 12 |
| Advance - Misc. | 12359 | 5205 |
| Stock of Stationeries | 228 | 521 |
| <u>Other advances recoverable in cash or in Kind</u> | | |
| Unsecured considered good | 1107 | 1228 |
| | 53785 | 48542 |
| <u>14. REVENUE FROM OPERATIONS</u> | | |
| Interest on loans | 82100 | 79479 |
| Other operating income | 750 | 567 |
| Interest on Fixed Deposits with Banks | 9151 | 9801 |
| Provision for NPA of prior year realised in Current year | -- | -- |
| | 92001 | 89847 |
| <u>15. OTHER INCOME (NET)</u> | | |
| Locker Rent | 1108 | 1007 |
| Incidental Charges on Jewel Loan | 5253 | 4919 |
| Other non-operating Income | 1872 | 6669 |
| Profit on Sale of Assets | -- | -- |
| | 8233 | 12595 |

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET, MADURAI - 625 001.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. In Thousands)

| PARTICULARS | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| <u>16. EMPLOYEE SALARY / BENEFIT EXPENSES</u> | | |
| Salaries | 31190 | 27660 |
| Gratuity | -- | -- |
| Contribution to provident and other funds | 3687 | 3961 |
| Staff welfare expenses | 198 | 85 |
| Bonus | 903 | 961 |
| | 35978 | 32667 |
| <u>17. FINANCE COSTS</u> | | |
| Interest on borrowings from banks | 459 | 1202 |
| Interest on Deposits | 56087 | 54271 |
| | 56546 | 55473 |
| <u>18. ADMINISTRATIVE AND OTHER EXPENSES</u> | | |
| <u>Auditors Remuneration</u> | | |
| (i) for audit | 163 | 163 |
| (ii) for taxation matter | 44 | 44 |
| (iii) for certificate fee | 55 | 109 |
| (iv) service Tax | -- | -- |
| DLA and NDLA fees | 60 | 60 |
| Directors sitting fees | 1213 | 1145 |
| Consulting fees | -- | -- |
| <u>Professional & Legal Expenses</u> | | |
| Professional fees | 299 | 139 |
| Legal expenses | 35 | 49 |
| Rent | 1999 | 1902 |
| Rates and Taxes | 795 | 423 |
| Travelling and conveyance | 789 | 858 |
| Postage, Telephone & Communication expenses | 137 | 150 |
| Electricity Charges | 625 | 635 |
| Insurance Payment | 502 | 497 |
| Printing and Stationery | 680 | 531 |
| Publication Charges | 59 | 43 |
| Repairs to Buildings | 318 | 18 |
| Repairs to other Assets | 342 | 336 |
| Other miscellaneous expenses | 4719 | 4072 |
| Provision fo Bad debts | 0 | 1898 |
| | 12834 | 13072 |

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET, MADURAI - 625 001.

Cash Flow Statement for the year ended 31st March 2020

(Rupees. In Thousands)

| PARTICULARS | As at 31st March 2020 | As at 31st March 2019 |
|---|--------------------------|--------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Retained Earning | (6691) | (1662) |
| Profit & Loss on Sale of Assets | -- | -- |
| Dividend & Dividend tax | -- | -- |
| Depreciation | 1567 | 1201 |
| Deferred Tax Assets | -- | -- |
| Funds Advanced to Members | (31395) | (4670) |
| Deposit from Members | 46759 | (37509) |
| Net Cash from operating Activities | 10240 | (42640) |
| WORKING CAPITAL CHANGES | | |
| Current Assets | (4415) | 7845 |
| Non - Current Assest | (9515) | (9994) |
| Current Liabilities | 2176 | (7966) |
| Provision | 10648 | 860 |
| CASH FROM OPERATIONS | 9134 | (51895) |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| Purchase of Fixed Assets | (342) | (637) |
| Sale of Fixed Assets | -- | -- |
| Net Cash used in Investment Activities | (342) | (637) |
| C. NET CASH FROM FINANCIAL ACTIVITIES | | |
| Proceeds from issue of Share Capital | 136 | 132 |
| Bank Loan | (5248) | 5248 |
| Net Cash flow from financial Activities | (5112) | 5380 |
| NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS | 3680 | (47152) |
| Cash and Cash equivalents as at 01-4-2019 (Opening Balance) | 138295 | 185447 |
| Cash and Cash equivalents as at 31-03-2020 (Closing Balance) | 141975 | 138295 |

MADURAI HINDU PERMANENT NIDHI LIMITED,

51-52, WEST TOWER STREET, MADURAI - 625 001.

NOTES FORMING PART OF FINANCIAL STATEMENTS

I. NOTE: CORPORATE INFORMATION

MADURAI HINDU PERMANENT NIDHI LIMITED (NIDHI In Status) is a public Limited Company established and incorporated in India in the year 1894 under the provisions of the companies Act 1882 and notified as a Nidhi Company u/s 620A of the companies Act 1956 (New Section 406 of the Companies Act, 2013). The Company's name has been changed from **"The Madura Hindu Permanent Fund Limited"** to **"Madurai Hindu Permanent Nidhi Limited"** from 20-01-2020 as required by the Nidhi Rules 2014. The Company accepts deposits from its members and grant the same as loan amongst its Members. (i.e.) the transactions are confined to the Members only. The company is governed by the Nidhi Rules 2014 issued by the Ministry of Corporate Affairs as amended from time to time.

II. ACCOUNTING CONVENTION

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis, in accordance with the generally accepted accounting principles in India to comply with the Accounting Standards notified by the Government of India/issued by the Institute of Chartered Accountants of India (ICAI) as applicable to the Nidhis and the relevant provisions of the Companies Act, 2013. The Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

SIGNIFICANT ACCOUNTING POLICIES AS-1

The accounts are prepared on accrual basis and under the historical cost Convention as a going concern and comply with mandatory Accounting standards issued by the Institute of Chartered Accountants of India under the provisions of the Companies Act 2013.

USES OF ESTIMATES

The preparation of financial statements which is in conformity with generally accepted accounting principles and requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of financial statement and reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the estimate is recognised prospectively.

AS-2 VALUATION OF INVENTORIES :

Being a Nidhi company it has no inventories except the stock of Books and Forms, stationeries etc which are classified under other Current Assets.

A.S - 6 DEPRECIATION :

Pursuant to the implementation of schedule II to the Companies Act 2013 with effect from 1.4.2014, the company has calculated depreciation on assets based on their useful lives prescribed under the schedule II except on buildings for which the life as determined by the registered valuer on revaluation has been adopted.

The Additional Depreciation on account of revalued assets is being recouped out of revaluation reserve.

A.S-9 REVENUE RECOGNITION :

Interest on Loans is recognised on accrual basis. Interest on Bank deposit is recognised as per certificate issued by the Bank. Amount claimed and paid in respect of credit balances written back in earlier year has been treated as expenditure in the current year. Folio charges on deposits lying unclaimed for more than one year have been recognized as current year income. Any subsequent claim on the deposits including folio charges thereon will be treated as expenditure of the year in which they are paid.

A.S-10 FIXED ASSETS :

Fixed Assets are shown at cost less depreciation except land. Cost comprises of cost of acquisition, erection expenses and other incidental expenses directly/indirectly contributed to the cost of the assets.

Revalued Assets are shown at cost less depreciation wherever applicable.

A.S-11 FOREIGN EXCHANGE

There was no inflow and outflow of Foreign Exchange.

A.S-15:-RETIREMENT AND OTHER EMPLOYEES' BENEFITS:

Contribution to Provident Fund, ESI and EDLI, are remitted to appropriate authorities within the stipulated time.

A Sum of Rs. 47.80 lakhs (Rs 24.00 Lakhs paid in 2016-17 and Rs. 23.80 lakhs paid in 2017-18) was paid as terminal compensation to employees who opted for the Voluntary retirement schemes. As per the estimates of the Management, this benefit will be available only in the long run and hence has decided to write-off this in five equal annual installments from the year in which it was paid as permitted by the Income Tax Act 1961. Accordingly Rs9.56 lakhs has been written off in the profit and Loss account during the current year.

The Madura Hindu Permanent Fund Employees Gratuity Trust and managed by LIC of India was approved by The Commissioner of Income Tax Madurai.

The Company has made an initial contribution of Rs.99.94 Lakhs to the Employees Gratuity Fund Trust during the F.Y.2018-19 and in the current year, the company has made an additional contribution of Rs.110.00 lakhs.

In the F.Y.2018-19 the difference between the initial contribution and gratuity liability was Rs.33.02 and the management decided to write it off in five equal installments. Accordingly a sum of Rs.6.58 Lakhs has been written off in the F.Y.2019-20. The Management has decided to write off the additional contribution of Rs.110.00 Lakhs also in five equal installments and Rs.22.00 Lakhs has been written off during the F.Y.2019-2020.

The total amount written off Rs.38.14 Lakhs has been included under the head salaries in Employees Benefit Expenses.

Unamortised balance in terminal compensation paid to Employees under VRS amounting to Rs.14.32 lakhs and Contribution to Employee gratuity fund amounting to Rs.107.76 lakhs are shown under Current Assets.

As per the rules and regulations of the Company, eligible leave salary is paid on cash basis within the accounting year itself.

A.S-16 BORROWING COST :

Borrowing costs relate to revenue items only and hence are charged in the statement of Profit and Loss in the year in which these are incurred.

A.S-17 SEGMENT :

The company operates in a single reportable segment, and as such no separate disclosure is required.

A.S-20 EARNING PER SHARE :

Basic and diluted Earning per Share (EPS) with a face value of Rs.10/- each shall be calculated as under.

| For the year ended | 31-03-2020 | 31-03-2019 |
|--|-------------|-------------|
| a) Numerator Net Profit as disclosed in Statement of Profit & Loss after tax | (66,91,371) | (16,61,985) |
| b) Denominator Equity Shares outstanding (in Numbers) | 5,01,428 | 4,87,847 |
| c) Basic Earnings Per Share | | |
| Before Deferred Tax Assets | NIL | NIL |
| After Deferred Tax Assets | NIL | NIL |

A.S-22 PROVISIONFORCURRENTANDDEFERREDTAX:

No provision for deferred tax liability/asset has been made for the year.

A.S-28-IMPAIRMENTOFASSETS:

In the opinion of the company, the recoverable amount of the Fixed Assets of the company will not be lower than the book value of the fixed assets. Hence no provision has been made for impairment.

CONTINGENTLIABILITIES:

E.S.I. Liability of Rs.12,70,827/-is in dispute before Employees State Insurance Court (Labour Court) and the Honorable court has passed an interim stay order and it has directed to issue a notice to the department and pending disposal of the case no provision is made in the accounts.

PROVISIONINGNORMS:

The company has been following the provisioning norms in accordance with the guidelines issued by Ministry of Corporate Affairs.

The audit fee is accounted for on cash basis, consistently and uniformly. The stock of Printing, Stationery is valued at cost as certified by the Chairman of the Fund and court fee (mount, other expenses etc.) will be accounted as and when it is recovered.

Staff security deposit of Rs.5,33,225/-has been invested as term deposits with Central Bank of India, Madurai.

Being a Nidhi Company the disclosure of outstanding due to micro, small and medium enterprises does not arise.

In the opinion of Board of Directors, the current Assets loans and advances as stated in the Balance sheet will be realised in the ordinary course of business.

STATUTORY DEPOSITS :

The fixed deposits with scheduled commercial banks to the extent of Rs.8,50,00,000/- as at 31.03.2020 have been earmarked as unencumbered term deposits accepted by the company from its shareholders as per Nidhi Rules 2014 of Ministry of Corporate affairs.

Place: Madurai,

Date : 07 .11 .2020

For **K.SUBRAMANIAN & CO.**

Chartered Accountants,

Firm Registration No:004124S

(sd) **K.SUBRAMANIAN**

Partner,

Membership No.203021

UDIN:20203021AAAAAN2796

AUDITOR'S CERTIFICATE PURSUANT TO
NOTIFICATION

We hereby certify that **M/s. MADURAI HINDU PERMANENT NIDHI LIMITED, MADURAI** had complied with the Nidhis Rules 2014 notified by the Ministry of Corporate Affairs, Central Government, the Book of Accounts have been maintained in accordance with the recognised principles of accounting.

Place: Madurai,

Date : 07 .11 .2020

For **K.SUBRAMANIAN & CO.**

Chartered Accountants,

Firm Registration No:004124S

(sd) **K.SUBRAMANIAN**

Partner,

Membership No.203021

UDIN:20203021AAAAAN2796

MADURAI HINDU PERMANENT NIDHI LIMITED

51-52, WEST TOWER STREET, MADURAI - 625 001.

| S.No. | BRANCHES | Ph.No. |
|--------------|--|------------------|
| 1. | HEAD OFFICE 51-52, West Tower Street, Madurai - 625 001 | 2344248, 2346863 |
| 2. | JAIHINDPURAM BRANCH 1-B/5, Ramaiah Street, Jaihindpuram 2nd Main Road, Madurai - 625 011. | 2673559 |
| 3. | PONNAGARAM BRANCH 59, New Jail Road, Madurai - 625 010. | 2360935 |
| 4. | MUNICHALAI BRANCH 326/1, Kamarajar Salai, Madurai - 625 009. | 2625596 |
| 5. | TALLAKULAM BRANCH 44, Alagar Kovil Main Road, Tallakulam, Madurai-625 002. | 2531153 |
| 6. | SOUTHVELI BRANCH 132, Southveli Street, Madurai - 625 001 | 2335169 |
| 7. | MANINAGARAM BRANCH 58, Thiru-Vi-Ka Salai, Madurai - 625 001. | 2342454 |
| 8. | PUDUR BRANCH 30-31, Alagar kovil Main Road (1st Floor) K.Pudur, Madurai - 625 007. | 2561423 |
| 9. | TIRUPPARANKUNDRAM BRANCH 86, Swami Sannathi Street, 1 st Floor Thirupparankundram, Madurai - 625 005. | 2484491 |
| 10. | NAGAMALAI PUDUKKOTTAI BRANCH 7/10, Plot No.183, Wellington Road, Keelakuyilkudi Vilakku, Nagamalai Pudukkottai, Madurai - 625 019. | 2456765 |
| 11. | BETHANIAPURAM BRANCH 91, Navalar Nagar, Bye-Pass Main Road, Madurai - 625 010. | 2301166 |
| 12. | SELLUR BRANCH Door No.33G, Ayyanarkoil Vth Street, New Extension, Petchiamman Complex 50 Feet Road, Sellur, Madurai - 625 002. | 2520083 |
| 13. | THIRUMANGALAM BRANCH New Door No.112, P.T.N.Complex, First Floor, Usilampatti Road, Thirumangalam, Madurai District - 625 706. | 04549-400345 |
| 14. | ANNANAGAR BRANCH 4/695A, SadasivaNagar, Vandiyur Main Road, Opp.toTagoreVidhyalaya School, Madurai - 625 020. | 4355122 |