

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

BOARD OF DIRECTORS

PRESIDENT

SRI. B NAGARAJA RAO, B.A.B.L., D.P.P.A, Advocate, Former Assistant Registrar, Indian Institute of Technology, No. 23/32, First Street, Balaji Nagar, Royapettah, Chennai - 600 014.

VICE-PRESIDENT

Sri.S.NARAYANAN, B.A.(Economics), CAIIB, Former Senior Manager, Bank of India, F/4 Anand Flats, No. 60/97, Dr. Rangachari Road, Mylapore, Chennai 600 004.

LEGAL ADVISOR

SRI. K. RAGHAVENDRAN, B.Com., LL.B., Diploma in Labour Laws (Hons), Bombay, Advocate, No.5\3 9th Street, S-2 Gurukalki Apts, Nanganallur Chennai 61.

DIRECTOR-INSPECTION

SRI. D S SRINIVASA RAO, B.A., Former Accounts Officer, (Finance), Tamil Nadu Housing Board, No. 60/29, Nallathambi Mudali Street, Triplicane, Chennai 600 005

Sri.K.S.MADHUKAR, B.Sc., C.A.I.I.B., BGL, MBM, Former Assistant Vice President – ING Vysya Bank Ltd., Sivagami Flats A-3, Sivagamipuram I Street, Shastri Nagar Extn., Chennai 600 041.

DIRECTORS

SRI. C.S. RAMAMURTHY, B.E., M.I.E., Chartered Engineer, Vice President, Projects, M/s C.R. Narayana Rao, Architects & Engineers, No. 38/8, Car Street, Triplicane, Chennai 600005

Dr.R.NARASIMHAN, M.B.B.S., M.D., Senior Respiratory Physician, Apollo Hospital, “ Gopalakrishna Flats “ New 21/14 Lake View Road, West Mambalam, Chennai 33.

SRI.V.MURALIDHARAN, Founder & Managing Trustee, Sevalaya, B.E. Computer Science, No.4 Judge Jambulingam Road, Mylapore, Chennai 600004.

SRI.L.MADHAVAN, Advertising Consultant, No.17/5 Car Street, Triplicane, Chennai 600 005

EX-OFFICIO DIRECTOR

CA. R. ANANTHAN, B.Sc., F.C.A., Chartered Accountant, Honorary Secretary, SMSO Sabha, Ex-Officio Director, No.12 Amarjothi Gardens, Railway Feeders Road, Tirupur - 641 601

SRI. T.S. RAGHAVENDRAN, M.A., B.L., Advocate, Joint Secretary, S M S O Sabha, Ex-officio in the absence of Sri R Ananthan, “Vittal Vihar” No.45 Bharathi Park Cross Road 3, Coimbatore – 641 011.

STATUTORY AUDITOR

M/s. RAGHAVAN & MURALIDHARAN, Chartered Accountants, No.10, 2nd Cross Street, 2nd Floor, Seethammal Extn. Teynampet, Chennai - 600 018.

INTERNAL AUDITORS

M/s. M. SRINIVASAN & ASSOCIATES, Chartered Accountants, #5, B Wing, Parsn Manere, 9th Floor, 442 Anna Salai, Chennai 600 006

M/s. MINDSCAPE SOLUTIONS PVT LTD., Chartered Accountants, , No.10, 2nd Cross Street, 2nd Floor, Seethammal Extn. Teynampet, Chennai - 600 018.

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

NOTICE TO SHAREHOLDERS

Notice is hereby given that the One Hundred and Thirty Second Annual General Meeting of the shareholders of Sriman Madhwa Sidhantaonnahini Permanent Nidhi Limited will be held at its SMSO Nidhi Hall, No.7/12, Arumugham Lane, Triplicane, Chennai - 600 005 (behind Registered Office of the Nidhi) at 03.00 p.m, on Saturday the 27th September 2014 to transact the following business:

I. ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss account for the year ended 31st March 2014, the Balance Sheet as on that date and Report of the Auditors and Directors thereon.

“RESOLVED THAT the Profit and Loss account, Balance Sheet for the year ended 31st March 2014 as approved by shareholders along with Auditor’s and Director’s Report adopted.”

2. To declare Dividend.

“RESOLVED THAT Dividend at 11 % on equity shares as approved by the shareholders for the year 2013 – 2014 be paid to the Equity Share holders.”

3. To elect Directors.

- (a) To appoint a Director in place of Sri.K.Raghavendran, Director/Legal Advisor who retires by rotation under Article 11(b) of the Articles of Association of the Nidhi and who being eligible, offers himself for re-appointment.

- (b) To appoint a Director in place of Sri.D.S.Srinivasa Rao, Director/Director Inspection who retires by rotation under Article 11(b) of the Articles of Association of the Nidhi and who being eligible, offers himself for re-appointment.

- (c) To appoint a Director in place of Sri. C.S.Ramamurthy, Director who retires by rotation under Article 11(b) of the Articles of Association of the Nidhi and who being eligible, offers himself for re-appointment.

4. To appoint Auditor :

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

“RESOLVED THAT pursuant to the provisions of Sections 139 of the Companies Act, 2013 (“Act”) and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time, M/s Raghavan & Muralidharan, Chartered Accountants (ICAI Firm Registration No 007110S) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of one hundred and thirty fifth of AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

II. SPECIAL BUSINESS :

5. To appoint Directors

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1. To Consider and if thought fit to pass the following as Ordinary Resolution with or without modification :-
Resolved that Sri V.Muralidharan be and is hereby appointed as Director of the Company liable to retire by rotation
2. To Consider and if thought fit to pass the following as Ordinary Resolution with or without modification :-
Resolved that Sri L.Madhavan be and is hereby appointed as Director of the Company liable to retire by rotation
6. Appointment of Sri. N. Vittal as an Independent Director
To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Sri.N.Vittal, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 27th September 2014 upto the year 2019.”
Appointment of Sri. T.M. Lakshmikanthan as an Independent Director
To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Sri.T.M.Lakshmikanthan, a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 27th September 2014 upto 2019.”
7. Payment of Grant-in-Aid to Sriman Madhwa Sidhantaonnahini Sabha
To Consider and if thought fit, to pass the following resolution as an Ordinary Resolution with or without modification(s):
“RESOLVED THAT pursuant to section 293(1)(e) of the Act and Clause 4c of the Memorandum of Association of the Company, the consent of the members be and is hereby accorded for granting a sum of Rs.6,00,000/- (Rupees Six lakhs only) for payment of a grant-in-aid to Sriman Madhwa Sidhantaonnahini Sabha”
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:
“RESOLVED THAT pursuant to Section 180(1)(c) and (2) and other applicable provisions, if any,

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of the Companies Act, 2013, and also that of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time, such sum or sums of money on such terms and conditions as the Board may deem fit notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 200 crores (Rupees Two Hundred Crores only) over and above the paid up capital of the Company and its free reserves."

(By order of the Board)

Place: Chennai 600 005

Date : 30.08.2014

B. NAGARAJA RAO

President

NOTE

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of items 5, 6, 7 & 8 is annexed hereto.
2. A shareholder who is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote, instead of him/her and the proxy need not be a member. The proxy form is attached to this notice.
3. Members are requested to give instruction for matured deposits, if any, as the matured deposits remaining unclaimed for seven years from the date they first became due for payment are now required to be transferred to the "Investors Education and Protection Fund" established by the Central Government under section 205 C of the Companies Act, 1956. Members shall not be able to claim any matured deposit from the Company thereafter. We have remitted the unclaimed dividend and deposits amount up to the period of 2005 under the "Investor Education and Protection Fund" to the Central Government.
4. The Register of Members and share transfer book of the Nidhi will be closed from 14.09.2014 to 27.09.2014 (both days inclusive).
5. The Nomination for Election of Director along with a deposit of Rs.10,000/- (Rupees Ten Thousand only) must be filed not less than 14 days before the Meeting as per section 257 of the Companies Act as modified for Nidhis by Notification No. GSR 517 [E] dated 31.08.2006 issued by Ministry of Corporate Affairs New Delhi.
6. Members intending to ask for information at the Annual General Meeting regarding any matter in the Directors' Report or any item in the statement of accounts are requested to leave notice to the particulars of information required at the Registered Office of the Nidhi at least seven days before the General Meeting.

Place: Chennai 600 005

Date : 30.08.2014

B. NAGARAJA RAO

President

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ANNEXURE TO THE NOTICE

Explanatory statement as required under Section 173 (2) of the Companies Act, 1956 in respect of Item No. 5, 6, 7 and 8 of the Notice.

Item No. 5

Sri.V.Muralidharan was co-opted as Director by the Board at its meeting held on 25th September 2013 to hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice from a member proposing Sri.V.Muralidharan as candidate for the office of Director along with a deposit of Rupees Ten Thousand under Section 257 of the Companies Act 1956

Sri.V. Muralidharan has given his acceptance to the proposed appointment, if elected.

Sri.V. Muralidharan, B.E. Computer Science is a former Software Engineer with Tata Consultancy Services and is hailing from a respectable family. His experience in computer related field is beneficial to the Nidhi and his appointment will be in the interest of the Nidhi.

Except Sri.V.Muralidharan none of the Directors may be considered to be concerned or interested in this resolution.

Sri.L.Madhavan was co-opted as Director by the Board at its meeting held on 25th September 2013 to hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice from a member proposing Sri.L.Madhavan as candidate for the office of Director along with a deposit of Rupees Ten Thousand under Section 257 of the Companies Act 1956

Sri.L.Madhavan has given his acceptance to the proposed appointment, if elected.

Sri.L.Madhavan a former Board Member is hailing from a respectable family and having rich experience in consultancy field and his appointment will be in the interest of the Nidhi.

Except Sri.L.Madhavan none of the Directors may be considered to be concerned or interested in this resolution.

Item No.6

The New Companies Act 2013 and under the provisions of Sections 149, 152 and other applicable provisions of the said Act, your Nidhi is expected to appoint Independent Directors on the Board of the Nidhi. Your Directors considered Padma Bhushan Sri.N.Vittal, I A S (Retired), a former Chief Vigilance Commissioner, Government of India. Further Sri.N.Vittal held several higher responsibilities in various Government Departments and was awarded with Prestigious Padma Bhushan by the Government. Sri.T.M.Lakshmiathan, B.Sc., Former General Manager, Corporation Bank and Former Executive Director, The Karur Vysya Bank Ltd., is a financial consultant.

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Considering the above personalities wealth of experience in their chosen field the Nidhi proposed to appoint the above persons as Independent Directors which will be an asset to your Nidhi. Hence, the above resolutions under item no.6 are placed for share holders consideration and approval.

Item No. 7

The Clause 4(c) of the Memorandum and Articles of Association empowers the Company to give Grants in Aid to Sriman Madhwa Sidhantaonnahini Sabha every year. Pursuant to Section 293(1) (e) of the Companies Act and Clause 4(c) of the Memorandum and Articles of Association, the company's one of the main object is to make a permanent provision for payment of a grant-in-aid to Sriman Madhwa Sidhantaonnahini Sabha every year.

The Nidhi has considered a sum of Rs.6,00,000/- for payment of Grant-in-aid to S M S O Sabha for the year 2013 - 2014.

Your Directors recommend the resolution for approval of the Share holders.

None of the Directors may be deemed to be concerned or interested in this resolution.

Item No.8

The Nidhi has accepted various schemes of deposits from its members (Fixed Deposits, Cumulative Deposits, Recurring Deposits and Savings Deposits) and the total deposits accepted on the above is Rs.156 Crores as on 31.03.2014. Since, your Nidhi is on the expansion front in its activities it is proposed to enhance the borrowing powers of the Board to Rs.200 Crores. Hence, the above resolution under item no.8 is placed for share holders consideration and approval.

(By order of the Board)

Place: Chennai 600 005

Date : 30.08.2014

B. NAGARAJA RAO

President

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

**ONE HUNDRED AND THIRTY SECOND ANNUAL REPORT OF THE DIRECTORS
OF SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD.,**

Regd, Office : No. 37, Car Street, Chennai - 600 005.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 132nd Annual Report with Audited Accounts for the year ended on 31st March 2014.

1. FINANCIAL RESULTS :

Particulars	FIGURES FOR 2013-14 Rs.	FIGURES FOR 2012-13 Rs.
Profit before Tax	2,15,41,822	1,79,65,690
Tax Expenses		
1. Current Tax	(91,85,000)	(52,05,000)
2. Deferred Tax	(1,07,255)	15,708
3. Dividend Tax	(9,25,971)	(9,09,940)
Amount Available for Appropriation	1,15,38,106	1,18,66,458

The profit after tax for the year under consideration is Rs. 115.38 lakhs as against the profit of Rs.118.66 lakhs for the previous year. This is due to additional expenditure committed under establishment.

The Nidhi has received Deposits to the extent of Rs.156.06 Crores during the current year under operation. There is an increase of deposits to the tune of Rs.29.39 crores comparing to earlier year. The deposit accepted for the corresponding year of 2012 – 2013 is Rs.126.67 Crores.

The increase in the flow of deposits is by 23.20 % over the previous year which indicates the continued confidence the depositors have on this organization.

The details regarding Registered Mortgage Loans and Jewel Loans advanced during the financial year 2013 – 2014 as compared to the earlier Financials are given below :

Particulars	For the year ending on 31st March 2014	For the year ending on 31st March 2013	Increase/ Decrease	%
Registered Mortgage Loans advanced	₹ 6,10,90,000	₹ 3,20,00,000	(+) ₹. 2,90,90,000	90.9
Jewel Loans advanced	₹.1,62,49,67,665	₹.1,60,75,09,888	(+) ₹. 1,74,57,777	1.08

Your Nidhi has improved its performance in advances of Registered Mortgage Loan and Jewel Loan comparing to earlier financial year in spite of a fall in gold rates and stiff competition from Banks and Other financial institution in Jewel Loan Business.

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2. R M LOANS AND NPA'S :

The total number of Registered Mortgage Loans advanced as at 31st March 2014 is 314 accounts for an amount of Rs.12,47,92,878 /-.

There are only 6 NPA Cases for a total outstanding amount of Rs.10.50 Lakhs as on the date of signing of the balance sheet.

The increase in business would show that the increase in Deposits has been properly deployed during the year and this increase has to be taken note of in the back ground of a stiff competition from Nationalised and Scheduled banks whose lending rates are lower than ours.

3 EXPENDITURE :

- i. The interest paid on deposits has increased this year when compared to last year as a result of mobilization of fresh deposits from members. .
- ii. The Establishment cost has increased compared to last year in view of the fresh recruitment of man power for the new branches opened .
- iii. The Administration expenses increased compared to last year due to the expansion of business activities of the Nidhi by opening New Branches.

4. BRANCHES:

The overall performances of the Branches are satisfactory. During the year we have opened two new branches for which permission was given by Regional Director, Department of Corporate Affairs, Chennai.

A new branch at Guduvanchery was opened on 21st February 2014 by His Holiness Sri. Sri. 1008 Satyatma Theertha Sripadangalavaru Pontiff of Sri Uttarathi Math, Bangalore.

The other branch at Thiruninravur was opened on 08th April 2014 by Sri.C.R.Muralidharan, Director, City Union Bank Limited, Member, IRDA – Hyderabad, Former Chief General Manager, Reserve Bank of India, Mumbai.

The Nidhi has proposed to open a new branch at Saidapet, Chennai.

In the expansion front of the business of the Nidhi and to facilitate the members to avail locker facilities, two of our erstwhile branches at Chromepet and Tambaram were shifted to a spacious ground floor premises to serve our members in that locality.

5. DIRECTORS:

1. In terms of Article 12(b) of the Articles of Association of the Nidhi, the following Directors retire and offer themselves for re-election:

1. Sri K.Raghavendran, Director/Legal Advisor.
2. Sri.D.S.Srinivasa Rao, Director/Director Inspection
3. Sri.C.S.Ramamurthy, Director

Sri. N.Sanjeeva Rao, Director/ President of the Nidhi relinquished the Directorship on 31.05.2014 on completion of ten years Service on the Board.

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Sri.N.Sanjeeva Rao, Ex-President was instrumental for the opening of New Branches at Guduvanchery and Thiruninravur which has taken place under his leadership. His wealth of experience in banking field has really helped the Nidhi for its present growth. Sri.S.R.Vittal, Director/Vice President, relinquished the Directorship on 31.05.2014 on completion of ten years Service on the Board.

Sri.S.R.Vittal, Ex-Vice President, was a key member of policy decision making body of the Board. His wealth of experience in banking field has really helped the Nidhi for its present growth.

Your Directors place on record their appreciation for the impeccable services rendered by both of them during their association with the Nidhi.

6. DIVIDEND :

Your directors are pleased to recommend a dividend of 11 % on equity shares for the financial year 2013 – 2014.

7. DIRECTORS RESPONSIBILITY STATEMENT :

Your directors confirm that:

- i. In the preparation of Annual Accounts, the applicable accounting standards have been followed.
 - ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at the end of the financial year 31st March 2014 and of the profit for that period
 - iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and .
 - iv. They have prepared the annual accounts on a going concern basis.
 - v. Further, they certify that the Notifications issued by the Regulator – Department of Corporate Affairs are all complied during the year 2013 – 2014 especially with respect to.
 - a. The provisioning with respect to N P A Assets as at 31.03.2014 since , the same is adequately covered in the books of account.
 - b. The statutory liquidity ratio of 10% on the total deposits accepted by the Nidhi is Invested with Nationalised and scheduled banks totaling to Rs. 21.05 crores.
 - c. The Net owned funds for the year exceeded the permissible ratio of 1 : 20 . For the year ended 31.03.2014 your Nidhi has a NOF ratio of 1 : 22 and to bring it down to the stipulated norms the Nidhi is taking every efforts including accepting of fresh deposits.
8. CERTIFICATE UNDER COMPANIES (COMPLIANCE CERTIFICATE) RULES, 2001.

Your Directors attach a copy of the compliance certificate dated _10.08.2014 issued by Mr. K.N. Raghavan, Company Secretary of M/s. K.N. Raghavan Associates,

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Company Secretaries in whole time practice, pursuant to proviso to section 383 A (1) of the Companies Act, 1956.

9. PERSONAL AND STATUTORY INFORMATION: -

There is no employee of the Company coming under the purview of the Companies (particulars of Employees) rules 1975 read with section 217(2-A) of the Companies Act, 1956.

10. AUDITORS :

M/s. Raghavan and Muralidharan, Chartered Accountants, Chennai, Statutory Auditors of the Nidhi retire and are eligible for re-appointment.

11. AUDIT COMMITTEE U/S 292 (a) OF THE COMPANIES ACT, 1956 AS AMENDED :

Since the paid up share capital of the company is less than Rs.5 Crores the provision of section 292 (a) does not apply.

12. OTHER PARTICULARS :

1. The particulars required under Companies (Disclosures of particulars in the Report of Directors) rules 1988 are not applicable to the Nidhi.
2. The total number of Depositors whose deposits were not renewed/claimed on the dates on which their deposits became due for payment or renewal stands at 460 for a total deposits amount of Rs. 2,89,18,216/- during the year.

Since, the Nidhi is permitting the depositors to renew their deposits within one month from the date of maturity, the deposits fallen due for payment/ renewal during the month of March 2014 are invariably renewed during the month of April 2014. Hence, the above details are placed for shareholders information.

13. ACKNOWLEDGEMENTS :

On behalf of the Board and on my own behalf, I place on record my sincere appreciation and gratitude to our share holders for their support. Further my sincere thanks are to our depositors for their continued support and the confidence they have reposed in the Nidhi. Our thanks are also due to our Bankers who have all contributed immensely by their services extended to our beloved depositors/shareholders. I record my special appreciation of the efforts of the employees, a set of dedicated and loyal people who have shown their commitments to their work in these challenging times and helped the Nidhi for its growth.

Dated : 30.08.2014
Chennai – 600 005

for and on behalf of the Board,
B.NAGARAJA RAO
President

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

COMPLIANCE CERTIFICATE

The Members

M/s Sriman Madhwa Sidhantaonnahini Permanent Nidhi Limited

I have examined the registers, records, books and papers of M/s Sriman Madhwa Sidhantaonnahini Permanent Nidhi Limited as required to be maintained under the Companies Act, 1956 (the Act) and the rules there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on March, 31, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and rules made there under.
3. The company being public limited company, provisions of section 3(1)(iii) of the Act are not applicable.
4. The board of directors duly met thirteen times respectively on April 24, 2013, May 25, 2013, June 23, 2013, July 20, 2013, August 18, 2013, August 26, 2013, September 25, 2013, October 26, 2013, November 28, 2013, December 14, 2013, February 01, 2014, February 20, 2014 and March 29, 2014 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
5. The company closed its register of members from September 11, 2013 to September 25, 2013 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on March, 31, 2013 was held on Wednesday, the September 25, 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. No extra-ordinary general meeting was held during the financial year.
8. The company has advanced housing loans to the tune of Rs. 60 lakh to five of its directors under the balance of 40.70 lakh is outstanding has on March 31st, 2014.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the

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- company has not obtained any approvals from the board of directors, members or central government.
12. The board of directors has approved the issue of duplicate share certificates.
 13. The company has:
 - a) delivered all the certificates on allotment of securities and on lodgment there of for transfer/transmission of shares in accordance with the provisions of the Act;
 - b) deposited the amount of dividend declared in a separate bank account which is within the five days from the date of declaration of such dividend;
 - c) paid / posted warrants for dividends to all the members within a period of 30 days from the date of declaration.
 - d) transferred the amounts in unpaid dividend account and matured deposits, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund;
 - e) duly complied with the requirements of section 217 of the Act.
 14. The board of directors of the company is duly constituted and the appointments of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
 15. The company has not appointed any managing director/whole-time director during the financial year since the paid up share capital is within the limits specified under section 269(1) of the Act.
 16. The company has not appointed any sole selling agents during the financial year.
 17. The company has obtained the approval of the Regional Director, Ministry of Corporate Affairs, Chennai - 6, for opening three branch offices of the Nidhi during the financial year.
 18. The directors were not required to disclose their interest in other firms/companies to the board of directors since no such contracts were entered into during the financial year.
 19. The company has issued 85,730 equity shares during the financial year and has complied with the provisions of Act.
 20. The company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transaction necessitating the company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The provisions of section 58A of the Act and the rules made there under are not applicable to his company. The company has accepted deposits from its shareholders and has complied with the directives issued by the Regional Director, Ministry of Corporate Affairs, Chennai - 6 in this regard.
 24. The company has not made any borrowing in excess of the limits specified under section 293(1)(d) of the Act during the financial year ended March 31, 2014.

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25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny at the Annual General Meeting held on September 25, 2013.
30. The company has altered its articles of association during the year under scrutiny at the Annual General Meeting held on September 25, 2013.
31. As per the records available and information given, there were no prosecution proceedings initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year under the Act nor were any prosecution proceedings pending against the company for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place : Chennai
Date : 10-8-2014

Signature :
Name of company secretary :
K N Raghavan
C P Number : 2824

Annexure – A

Registers as maintained by the company

S No	List of Register's maintained	Under Section
1.	Minutes book of Directors Meeting	193(1)
2.	Register of Members and its Index	150(1) & 151(1)
3.	Minutes book of General Meetings	193(1) & 196(1)
4.	Register of Managing Directors, Manager, Secretary and Directors	303(1) & 304(1)
5.	Register of Director's Shareholdings	307(1) & 307(5)
6.	Investment Register	49
7.	Annual General Meeting Attendance Register	
8.	Register of share transfer and transmission	

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Annexure B

Forms and returns as filed by the company with Registrar of Companies, Chennai during the financial year ending March 31, 2014

S No	Form No section	Filed under	For filing of	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1	2	75(1)	Share allotment	16.04.2013	Yes	No
2	2	75(1)	Share allotment	16.04.2013	Yes	No
3	2	75(1)	Share allotment	17.06.2013	Yes	No
4	2	75(1)	Share allotment	29.06.2013	Yes	No
5	2	75(1)	Share allotment	07.08.2013	Yes	No
6	2	75(1)	Share allotment	13.08.2013	Yes	No
7	66	383A	Compliance certificate	23.10.2013	Yes	No
8	23 AC	220	Balance sheet	23.10.2013	Yes	No
9	23 ACA	220	Profit & loss account	23.10.2013	Yes	No
10	2	75(1)	Share allotment	15.09.2013	Yes	No
11	2	75(1)	Share allotment	23.10.2013	Yes	No
12	20 B	159	Annual return	23.11.2013	Yes	No
13	32	303(2)	Appointment of director	23.10.2013	Yes	No
14	2	75(1)	Share allotment	27.11.2013	No	Yes
15	2	75(1)	Share allotment	12.12.2013	Yes	No
16	2	75(1)	Share allotment	30.12.2013	Yes	No
17	2	75(1)	Share allotment	24.02.2014	Yes	No
18	2	75(1)	Share allotment	20.03.2014	Yes	No
19	2	75(1)	Share allotment	29.03.2014	Yes	No
20	1INV	209C	Transfer to Investor Protection Fund	21.03.2014	Not applicable	Not applicable
21	5	94(1)	Increase in authorised capital	23.10.2013	Yes	No
22	23	192	Registration of special resolution	23.10.2013	Yes	No
23	32	303(2)	Resignation of directors	18.08.2013	Yes	No
24	8	125	Creation of charge	06.06.2013	Yes	No
25	64	-	Opening of Branch Offices	15.09.2013	Yes	No

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

INDEPENDENT AUDITOR'S REPORT

to the Members of
Sriman Madhwa Sidhantaonnahini Permanent Nidhi Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LIMITED ("the Company") as at 31st March 2014 which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for 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 Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

3. Auditor's Responsibility

- a) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- b) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- c) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date and,
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

5. Report on Other Legal and Regulatory Requirements:

- 1. As required by the Companies (Auditor's Report) Order, 2003, ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- 2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Chennai

Date : 30/08/2014

For Raghavan & Muralidharan

Chartered Accountants

Firm Registration No. 007110S

K B Muralidharan

Partner

Membership No. 205490

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Annexure to the Auditors' Report Referred to in Paragraph 5 of our Report of Even Date

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Fixed Assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed asset has not been disposed off during the year.
2. (a) The Company has granted secured loan to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.43,16,569/=. The balance outstanding at the end of the year was Rs.40,69,653/=.
(b) The rate of interest and other terms and conditions of the loan are prima facie, not prejudicial to the interest of the company.
(c) The payment of interest and the repayment of principal are generally regular.
(d) There is no amount of overdue on the loans.
(e) Apart from the above the company has not granted loans to companies, firms or other parties covered in the register maintained under section 301 of the Act.
3. The Company has not taken any loans, secured or unsecured to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and for the sale of services. There is no major weakness in internal control.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under that section have been so entered.
(b) In our opinion, according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year, prima facie, have been made at prices which are reasonable having regard to the nature of the service and prevailing market prices at the relevant time.
6. The Company has accepted deposits from its shareholders and has complied with the directives issued by Central Government of India.
7. The Company has an internal audit system commensurate with the size and nature of its business.
8. (a) The Company is regular in depositing un-disputed Statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other Statutory dues with the appropriate authorities. According to the information and explanation given to us there are no undisputed amounts payable in respect of such Statutory dues which have remained outstanding as at 31.03.2014 for a period of more than 6 months from the date they became payable.
(b) At the end of financial year there were no dues of Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

any dispute except the following:

Details of disputed contribution to employee state insurance (ESI) not deposited are as follows:

Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
ESI	Rs.12,59,653/=	01/04/1999 to 30/09/2004	ESI Corporation Rs.3,78,000 paid under dispute

9. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year under and in the immediate preceding financial year.
10. The Company has not defaulted in repayment of dues to a Financial Institution or Bank.
11. The Company has not granted any loans or advances on the basis of any securities.
12. (i) The Company is not a Chit Fund.
(ii) (a)The Net Owned Funds to deposit liability ratio is more than 1:20 as on the date of Balance Sheet
(b)The company has complied with the prudential norms on income recognition and provisioning against sub-standard/default/loss assets.
(c)The Company has adequate procedures for appraisal of credit proposal/requests, assessment of credit needs and repayment capacity of the borrowers.
(d)The repayment schedule of various loans granted by the Nidhi is based on the repayment capacity of the borrower.
13. The Company is not dealing or trading in Shares, Securities, Debentures and other investments.
14. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
15. The company has not obtained any term loans during the year.
16. On the basis of review of utilization of Funds on overall basis, in our opinion funds raised on short-term basis have not been used for long-term investments.
17. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Sec.301 of the Act.
18. In our opinion and according to the information given to us the provisions of other clauses 4(ii), 4(viii), 4(xix) and 4(xx) are not applicable to this company.
19. To the best of our knowledge and according to information and explanations given to us, during the year no fraud on or by the Company was noticed or reported during the course of our audit.

Place: Chennai

Date : 30/08/2014

For Raghavan & Muralidharan

Chartered Accountants

Firm Registration No. 007110S

K B Muralidharan

Partner

Membership No. 205490

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	31st March 2014 Rs.	31st March 2013 Rs.
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	1	49,517,170	48,659,870
(b) Reserves and Surplus	2	20,645,238	15,154,021
2. Non-Current Liabilities			
(a) Long Term Borrowings	3	447,522,186	281,323,451
(b) Deferred Tax Liability (Net)	4	506,679	613,934
(c) Other Long term liabilities	5	2,355,948	4,389,110
(c) Long Term Provisions	6	1,658,800	1,658,800
3. Current Liabilities			
(a) Short term borrowings	7	938,398,326	643,052,679
(b) Other Current Liabilities	8	257,271,529	481,066,736
(c) Short term provisions	9	7,186,527	7,138,791
TOTAL		1,725,062,404	1,483,057,392
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	28,973,746	17,916,865
(b) Long Term Loans and Advances	11	176,812,771	122,617,923
(c) Other Non Current Assets	11A	378,000	378,000
2. Current Assets			
(a) Cash and Bank Balances	12	246,293,321	162,138,660
(b) Short Term Loans and Advances	13	1,268,900,411	1,176,756,372
(c) Other Current Assets	14	3,704,155	3,249,572
TOTAL		1,725,062,404	1,483,057,392

The notes form an integral part of the financial statements 20

B. Nagaraja Rao

President

S. Narayanan

Vice-President

K. Raghavendiran

Legal Advisor

CA. R. Ananthan

Ex. Officio Director

L. Venkatesan

Deputy Manager Accounts

D.S. Srinivasa Rao

K.S. Madhukar

Director - Inspections

C.S. Ramamurthy

Dr. R. Narasimhan

L. Madhavan

V. Muralidharan

Directors

R. Srinivasan

Executive Officer

For Raghavan & Muralidaran

Chartered Accountants

Firm Registration No. 007110S

K.B. Muralidharan

Partner

Membership No. 205490

Date : 30-08-2014

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

Particulars	Note	31st March 2014 Rs.	31st March 2013 Rs.
Revenue from operations	15	236,279,503	186,231,865
Other income	16	11,831,519	10,795,077
Total Revenue		248,111,022	197,026,942
Expenses			
Employee benefits expense	17	50,234,455	38,604,063
Finance costs	18	156,397,066	126,940,864
Depreciation and amortisation expense	10	3,658,925	2,420,797
Other Expenses	19	16,278,754	11,095,528
Total Expenses		226,569,200	179,061,252
Profit before Tax		21,541,822	17,965,690
Tax expenses			
(1) Current tax		(9,185,000)	(5,205,000)
(2) Deferred tax		107,255	15,708
(3) Dividend Tax		(925,971)	(909,940)
Profit for the year		11,538,106	11,866,458
Earnings per Equity share Basic		2.36	2.95
The notes form an integral part of the financial statements	20		

B. Nagaraja Rao

President

S. Narayanan

Vice-President

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D.S. Srinivasa Rao**K.S. Madhukar**

Director - Inspections

C.S. Ramamurthy**Dr. R. Narasimhan****L. Madhavan****V. Muralidharan**

Directors

R. Srinivasan

Executive Officer

For Raghavan & Muralidaran

Chartered Accountants

Firm Registration No. 007110S

K.B. Muralidharan

Partner

Membership No. 205490

Date : 30-08-2014

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2014

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
1.	SHARE CAPITAL		
	AUTHORISED SHARE CAPITAL		
	1,00,00,000 Equity shares of Re.10/- each (Previous year 50,00,000 Equity shares of Rs.10/- each)	10,00,00,000	50,000,000
		<u>100,000,000</u>	<u>50,000,000</u>
	ISSUED, SUBSCRIBED & PAID-UP :		
	49,51,717 Equity Shares of Rs.10/- each (Previous year 48,65,987 Equity shares of Rs. 10/- each)	49,517,170	48,659,870
		<u>49,517,170</u>	<u>48,659,870</u>
a)	Equity shares	No of shares	No of shares
	Opening Balance	4,865,987	3,908,587
	Fresh issue	85,730	344,097
	Rights Issue	0	613,303
	Closing Balance	<u>4,951,717</u>	<u>4,865,987</u>
b)	The equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed under the provisions of the Companies Act, 1956		
c)	Shareholders holding more than 5% of the total share capital		
	Sriman Madhwa Sidhantaonnahini Sabha holds 10,62,800 as on 31.03.2014 (Previous year 10,62,800) Equity Shares of Rs.10/- each fully paid up		
	However , right to vote is restricted to 5% vide Govt. notification.		

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2014

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
2	RESERVES AND SURPLUS		
	Capital Redemption Reserve: (A)	80,996	80,996
	General Reserve:		
	Opening balance	15,073,025	9,059,153
	Add: Transfer from Surplus in the Profit and Loss statement	5,491,217	6,013,872
	(B)	20,564,242	15,073,025
	(A) +(B)	20,645,238	15,154,021
	Surplus in the Profit and Loss statement		
	Opening balance	-	-
	Profit for the year from Profit and Loss statement	11,538,106	11,866,458
	Less: Appropriations		
	Proposed Dividend on Equity Shares	(5,446,889)	(5,352,586)
	Proposed Grant-in-aid to S M S O Sabha	(600,000)	(500,000)
	Transfer to General Reserve	(5,491,217)	(6,013,872)
		-	-
3	LONG TERM BORROWINGS UNSECURED		
	Fixed deposits	428,610,876	240,395,982
	Recurring deposits	18,609,850	10,167,975
	Cumulative deposits	301,460	30,759,494
		447,522,186	281,323,451
4	DEFERRED TAX LIABILITY (NET)		
	Deferred Tax liability on account of Depreciation	506,679	613,934
		506,679	613,934
5	OTHER LONG TERM LIABILITIES		
	Interest accrued but not due on deposits (Net of tax deducted at source on cumulative deposits)	1,505,948	3,539,110
	Rent Advance	850,000	850,000
		2,355,948	4,389,110

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2014

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
6	LONG TERM PROVISIONS		
	For Non performing assets	1,658,800	1,658,800
		1,658,800	1,658,800
7	SHORT TERM BORROWINGS UNSECURED :-		
	Fixed deposits	554,751,234	469,836,739
	Recurring deposits	40,240,085	29,331,030
	Cumulative deposits	255,167,143	68,379,057
	Savings deposits	85,775,864	72,806,853
	Flexi deposits	2,464,000	2,699,000
		938,398,326	643,052,679
8	OTHER CURRENT LIABILITIES		
	Unpaid matured deposits and interest accrued thereon	29,464,586	56,195,697
	Other Security Deposits	26,817,500	20,022,500
	Cheques Pending Realisation	10,000	29,634,250
	Unpaid dividends	1,669,638	1,177,741
	Investor Education & Protection Fund		
	Unpaid matured deposits and interest accrued thereon	-	63,592
	Unpaid dividends	-	27,322
	Other liabilities	1,108,120	1,267,028
	Interest accrued but not due on Deposits (Net of tax deducted at source on cumulative deposits)	23,450,845	30,070,784
	Interest accrued and due on fixed deposits	67,528	241,167
	Deposits maturing within next 12 months	174,683,312	342,366,655
		257,271,529	481,066,736
9	SHORT TERM PROVISIONS		
	For Proposed dividend	5,446,889	5,352,586
	For Proposed Grant-in aid	600,000	500,000
	For Dividend distribution tax	925,971	909,940
	For Gratuity	0	0
	For others	213,667	376,265
		7,186,527	7,138,791

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Note Particulars
10. FIXED ASSETS

Sl. No.	Descriptions TANGIBLE ASSETS	Gross Block at cost as at 1st April 2013 Rs.	Additions during the year Rs.	Deductions during the year Rs.	Gross Block at cost as at 31st March 2014 Rs.	D E P R E C I A T I O N				N E T	
						up to 31st March 2013 Rs.	for the year 2013-2014 Rs.	Withdrawn Rs.	upto at 31st March 2014 Rs.	Block at 31st March 2014 Rs.	Block at 31st March 2013 Rs.
1	Land	364,823	-	-	364,823	-	-	-	-	364,823	364,823
2	Premises	9,700,791	179,980	-	9,880,771	5,040,182	236,013	-	5,276,195	4,604,576	4,660,609
3	Improvements in Lease hold premises	947,100	822,835	-	1,769,935	55,802	119,341	-	175,143	1,594,792	891,298
4	Furniture & Fixtures	14,543,798	9,939,100	-	24,482,898	6,450,038	2,348,758	-	8,798,796	15,684,102	8,093,760
5	Electrical & Other Installations	1,293,840	156,511	-	1,450,351	1,090,294	38,592	-	1,128,886	321,465	203,547
6	Office Equipments	5,156,395	2,162,847	-	7,319,242	2,353,595	542,637	-	2,896,232	4,423,010	2,802,800
7	Computer	5,040,094	1,058,400	-	6,098,494	4,476,077	272,187	-	4,748,264	1,350,230	564,017
8	Vehicle	632,005	655,772	612,974	674,803	295,994	101,397	353,336	44,056	630,747	336,011
	31.03.2014	37,678,846	14,975,445	612,974	52,041,317	19,761,982	3,658,925	353,336	23,067,571	28,973,746	17,916,865
	31.03.2013	28,592,595	9,086,251	-	37,678,846	17,341,184	2,420,797	-	19,761,981	17,916,865	11,251,412

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2014

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
11	LONG TERM LOANS AND ADVANCES FULLY SECURED (CONSIDERED GOOD)		
	Registered Mortgage Loan	121,092,475	88,230,536
	Loan on deposits	16,064,420	4,843,710
	UNSECURED (CONSIDERED GOOD)		
	Loan to Directors	4,069,653	2,316,529
	Housing Loan to Staff	18,073,839	9,894,931
	Staff Children's Education Loan	1,484,100	2,092,212
	Vehicle Loan to Staff	62,496	148,763
	Personal Loan to Staff	8,050,214	8,991,170
	Other Deposits	181,005	180,505
	Taxes recoverable	1,729,569	1,864,567
	Rent Advances	6,005,000	4,055,000
		176,812,771	122,617,923
	The Registered Mortgage Loan includes Non Performing assets of Rs.10,50,238/- (Previous year Rs.6,19,911/-)		
#	Taxes recoverable is net of provisions for taxation as stated below :		
	Tax Deducted at Source as at the beginning of the year	5,302,496	3,815,195
	Tax Deducted at source during the year	1,650,001	1,487,300
	Advance Tax as at the beginning of the year	8,666,002	4,616,002
	Advance Tax paid during the year	7,400,000	4,050,000
	Self assessment tax as at the beginning of the year	1,677,070	688,840
	Self assessment tax paid during the year	0	988,230
		24,695,569	15,645,567
	Less: Provision for income tax	22,966,000	13,781,000
		1,729,569	1,864,567
11 A	OTHER NON CURRENT ASSETS		
	Advance recoverable	378,000	378,000
		378,000	378,000

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2014

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
12	CASH AND BANK BALANCES		
	Cash and cash equivalents		
	Cash on hand	17,199,919	11,633,836
	Balance with Banks in current accounts	14,783,981	12,348,567
*	Debit Balance with Banks in overdraft account	2,122,085	-
#	Bank deposit (upto 3 months maturity)	20,000,000	-
	Stamps on Hand	-	56
	Other Bank balances		
#	Bank deposits (More than 3 months and upto 12 months maturity)	190,500,000	137,000,000
	Balance with Banks in unpaid dividend account	1,687,336	1,156,201
		246,293,321	162,138,660
#	Represents deposit made to comply with requirement of maintenance of Statutory Liquidity Ratio of 10% of deposits outstanding.		
*	Overdraft facility availed for a value of Rs.4.5 crores, against security by way of equitable mortgage on one of the immovable properties of the company.		
13	SHORT TERM LOANS AND ADVANCES		
	FULLY SECURED (CONSIDERED GOOD)		
	Jewel Loan	1,179,248,840	1,097,452,925
	Loan on Deposits	15,901,490	18,568,048
	Interest Accrued on Loans	71,336,361	58,765,606
	The Interest accrued on loan includes interest on Non Performing assets recognised upto 31/03/2005 in respect of loans disbursed on or before 31/03/2002 amounting to Rs.8,49,997/- (Previous year Rs.8,52,997/-)		
	UNSECURED (CONSIDERED GOOD)		
	Advance to officers of the company	-	428,000.00
	Festival Advance	1,333,720	1,228,430
	Other Advances	1,080,000	313,363
		1,268,900,411	1,176,756,372
14	OTHER CURRENT ASSETS		
	Interest Accrued on Investments	2,167,057	2,011,543
	Prepaid Rent	-	-
	Rent receivable	59,252	59,252
	Prepaid Expenses	807,654	632,070
	Stationery at cost	670,192	546,707
		3,704,155	3,249,572

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2014

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
15	REVENUE FROM OPERATIONS		
	Interest on Jewel Loans	200,034,356	156,624,975
	Interest on Mortgage Loans	15,998,006	11,410,107
	Interest on Loans on deposits	2,938,667	3,099,151
	Interest on Loan to Employees	1,871,940	1,686,163
	Interest on Deposit With Schedule Banks	15,436,534	13,411,469
		236,279,503	186,231,865
16	OTHER INCOME		
	Rent Received	2,228,140	2,167,102
	Processing and penal charges	9,533,017	8,627,975
	Profit on Sale of Asset	70,362	0
		11,831,519	10,795,077
17	EMPLOYEE BENEFITS EXPENSE		
	Salaries and Allowances	35,711,318	29,436,573
	Contribution to EPF & Deposit linked Insurance	3,254,303	2,842,423
	Medical Reimbursement	706,500	515,000
	Contribution to Gratuity Fund	5,994,182	1,399,134
	Contribution to Superannuation Fund	1,699,305	1,240,410
	Group Insurance	118,288	98,535
	Group Mediclaim Policy	831,410	779,136
	Group Leave encashment Policy	964,866	1,336,242
	Staff Welfare Expenses	954,283	956,610
		50,234,455	38,604,063
18	FINANCE COSTS		
	INTEREST EXPENSE		
	On Fixed Deposits	118,903,028	92,744,869
	On Cumulative Deposits	26,128,677	24,248,613
	On Akshaya Nidhi Deposits	10,468	29,046
	On Flexi Deposits	359,346	73,093
	On Recurring Deposits	5,979,616	5,281,143
	On Savings Deposits	3,554,086	2,908,593
	On Bank Overdraft	1,461,845	1,655,507
		156,397,066	126,940,864

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD**Notes to the financial statements for the year ended 31st March 2014**

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
19	OTHER EXPENSES		
	Lighting Charges	738,548	599,333
	Insurance	485,678	321,028
	Rent	4,066,828	2,815,525
	Payment to Auditors		
	Audit Fees	44,944	44,944
	Company Law Matters	3,000	3,000
	Taxation Matters	3,000	3,000
	Expenses	1,865	1,865
	Repairs to Building	662,471	555,712
	Rates & Taxes	421,094	184,244
	Bad Debts	2,564,501	-
	Miscellaneous expenses	7,286,825	6,566,877
		16,278,754	11,095,528

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

20. NOTES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES:

- A Revenue and expenses are generally accounted for on accrual basis, subject to policy in item (B) and (C) below :
- B The company complies with the Prudential Norms for Income Recognition as prescribed in the Notification issued by Ministry of Corporate Affairs vide GSR No.309E dated 30.04.2002 read with GSR No.203E dated 31.03.2006 and amended by Notification No.880(E) dated 03/11/2010.
- C Interest on loans and advances is net of interest waived as per one time settlement with borrowers, if any. Penal charges for Non payment of advances and non payment of recurring deposit installments are recognised only at the time of ultimate realisation.
- D Fixed assets are stated at cost less depreciation.
- E Leasehold improvements are amortized over the period of lease and Depreciation on other assets has been provided under WDV method as per Schedule XIV to the Companies Act, 1956 .
- F Employee Retirement Benefits :
- (i) Short term employee benefit : Provision for leave liability is based on the respective premium advices from Life Insurance Corporation of India.
- (ii) Post employment benefits - Defined Benefit Plans:
Company's contribution to provident fund is determined under the relevant schemes and / or statute and charged to revenue. The company's contribution to Superannuation Fund and group insurance is based on the respective premium advices from Life Insurance Corporation of India. The gratuity liability is funded through the scheme administered by the Life Insurance Corporation of India and the amounts paid / provided under the scheme are charged to Profit and Loss account.
- G Payments made for assets taken on operating lease are recognised as expenses over the lease period.
- H Deffered Tax is recognised , subject to consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and or capable of reversal in one or more subsequent periods. Deffered Tax Assets are recognised on unabsorbed depreciation and/or on carry forward losses only to the extent that there is virtual certainty of sufficient future taxable income that may be available against which such Deffered Tax Assets can be realised.
- Claim of Rs. 12,59,653/- along with interest for the period from 01/04/1999 to 30/09/2004 from ESI Corporation is under dispute and not recognized as debt. Advances recoverable in cash or in kind includes Rs. 3,78,000 being 30%of the disputed liability deposited with ESI Corporation.

The Company is in the practice of taking office buildings on operating lease

		As at 31.03.2014	As at 31.03.2013
4	A Deferred Tax Details:- Deferred Tax Liability on account of Depreciation	Rs. 506,679	Rs. 613,934
	Deferred Tax Assets on account of expenses allowable in income tax under payment basis	-	-

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

B	Earnings Per Share (Basic & Diluted)	2.36	2.95
	Balance amount outstanding as at 31/03/2010 in respect of loans disbursed before 31/03/2002	1,219,247	1,472,908
	Amount provided upto 31/03/2014 @ 80% [Previous Year 60%]	1,658,800	1,658,800
	Balance to be provided	-	-

As the amount provided in earlier years covers the requisite amount of provisioning of the amount outstanding, no provision is made during the financial year.

The Company generally follows the prudential norms of provisioning for non-performing assets as per the notifications referred in Note 1 (B) above.

In the case of overdue Jewel loans, auction of jewels had happened after the balance sheet date but before the date of approval of financial statements by Board of directors, the realization of which is considered for provisioning based on principles of prudence. The amount of loan remaining unrealised post sale of jewellery has been considered and written off as bad debts during the year under review.

The Company obtained permission from Regional Director, Department of Corporate Affairs, Chennai-6, letter vide No. 2/M-8294/2014 dated 28th August 2014, for extension of time upto 31.03.2015 for achieving NOF of 1:20.

There has been no interest or principal waiver during year under review under one time settlement [Previous year Nil]

6 Employee Retirement Benefits

During the year the company has adopted Accounting Standards 15 (Revised 2005) Employee Benefits. According the company has calculated the various employee benefits provided to employees as under:

- A) Employee Plan
 - a) Provident Fund: The company's contribution to Provident Fund is vested with the Employees Provident Fund Scheme of the Government of India.
 - b) Superannuation Fund: The Superannuation Fund is managed by the Life Insurance Corporation of India.
 - c) Short term accumulated leave liability as at the year end is provided on accrual basis.

	As at	As at
	31.03.2014	31.03.2013

B. In respect of Gratuity

Reconciliation of liability recognised in the Balance Sheet		
Present value of commitments	15,195,778	9,505,604
Fair value of Plan Assets	15,935,253	10,078,594
Funded Stated assets	739,475	572,990
Movement in the assets recognised in the Balance Sheet		
Net Asset as at beginning of the year	572,990	474,715
Contribution during the year	6,071,888	1,479,112
Net expenses recognised in the Profit and Loss Account	5,905,403	1,380,837
Net Assets as at the end of the year	739,475	572,990
Expenses recognised in the Profit and Loss Account		

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Current Service Cost	407,270	380,511
Interest cost	760,448	627,948
Expected return on plan assets	(1,253,160)	(775,746)
Net Actuarial Loss recognised in the year	5,990,845	1,148,124
Expenses recognised in the Profit and Loss Account	5,905,403	1,380,837
Return on Plan Assets		
Expected return on plan assets	1,253,160	775,746
Net Actuarial Loss recognised in the year	-	-
Actual Return on Plan Assets	1,253,160	775,746
Changes in present value of obligations		
Present value of obligations as at beginning of the year	9,505,604	7,849,344
Current Service Cost	407,270	380,511
Interest cost	760,448	627,948
Paid benefits	(1,468,389)	(500,323)
Actuarial (Gains)/Losses	5,990,845	1,148,124
Commitment as at end of the year	15,195,778	9,505,604
Changes in fair value of plan assets		
Fair value of plan assets as at beginning of the year	10,078,594	8,324,059
Expected return on plan assets	1,253,160	775,746
Contributions	6,071,888	1,479,112
Benefits paid	(1,468,389)	(500,323)
Actuarial Gain on plan Assets	-	-
Fair value of plan assets as at end of the year	15,935,253	10,078,594
Principle Assumption		
Discount Rate	8%	8%
Expected return on plan assets		
Expected rate of Salary increase	6%	6%
Attrition Rate		

Disclosure as per Accounting Standard 18 - Related Party Disclosure

	As at 31.03.2014	As at 31.03.2013
Related parties disclosure		
A. Relationships		
Key-Management Personnel		
President upto 20th July 2013	Sri C.Narayana Rao	Sri C.Narayana Rao
President from 21st July 2013	Sri N.Sanjeeva Rao	
Executive officer	Sri.R.Srinivasan	Sri.R.Srinivasan

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

B. Nature and volume of Transactons			
Particulars for the year ended		31.03.2014	31.03.2013
Income			
(i)	Interest income from Key Management Personnel	108,007	-
	Expenditure		
(i)	Remuneration of Key Management Personnel	539,046	472,146
	Assets		
(i)	Loans and Advances Paid to Key Management Personnel	1,500,000	428,000
(ii)	Loans and Advances repaid by Key Management Personnel	530,443	-
		As at	As at
C.	Balances outstanding	31.03.2014	31.03.2013
	Loans and Advances outstanding from Key Management Personnel	2,134,855	428,000
	Interest Accrued on Loans outstanding from Key Management Personnel	69,468	-

8. The presentation in the Balance Sheet, Profit and Loss Statement and Notes to the Accounts is in terms of Revised Schedule VI to the Companies Act, 1956 which has become mandatory with effect from 1st April 2011. The assets and liabilities have been classified as current and non-current based on twelve month operating cycle.

9. Previous year's figures have been regrouped wherever necessary in conformity with the current year classification.

B. Nagaraja Rao

President

S. Narayanan

Vice-President

K. Raghavendiran

Legal Advisor

CA. R. Ananthan

Ex.Officio Director

L. Venkatesan

Deputy Manager Accounts

D.S. Srinivasa Rao

K.S. Madhukar

Director - Inspections

C.S. Ramamurthy

Dr. R. Narasimhan

L. Madhavan

V. Muralidharan

Directors

R. Srinivasan

Executive Officer

For Raghavan & Muralidaran

Chartered Accountants

Firm Registration No. 007110S

K.B. Muralidharan

Partner

Membership No. 205490

Date : 30-08-2014

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

Rs.

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
A. Cash flow from operating activities		
Net profit / [loss] before extra-ordinary items and tax	21,541,822	17,965,690
<i>Adjustments for:</i>		
Depreciation and amortisation	3,658,925	2,420,797
[Profit] / Loss on sale / write off of assets	(70,362)	-
Finance Costs	1,461,845	1,655,507
Rental Income from operating leases	(2,228,140)	(2,167,102)
	2,822,268	1,909,202
Operating profit / [loss] before working capital changes	24,364,090	19,874,892
<i>Changes in working capital:</i>		
<i>Adjustment for [increase] / decrease in operating assets:</i>		
Short term loans and advances	(92,144,039)	(391,489,281)
Long term loans and advances	(55,979,848)	(1,828,109)
Bank deposits not considered as cash equivalents	(53,500,000)	(44,000,000)
Bank accounts not considered as cash equivalents	(531,135)	(413,918)
Other current assets	(454,581)	(166,262)
	(202,609,603)	(437,897,570)
<i>Adjustment for increase / [decrease] in operating liabilities:</i>		
Other current liabilities	(223,795,207)	293,254,639
Other long term liabilities	(2,033,162)	(7,748,004)
Short term provisions	(162,598)	(481,753)
	(225,990,967)	285,024,882
	<u>(404,236,481)</u>	<u>(132,997,796)</u>
Cash generated from operations	(404,236,481)	(132,997,796)
Net income tax [paid] / refunds	(7,400,000)	(5,038,230)
Net cash flow from / [used in] operating activities [A]	(411,636,481)	(138,036,026)
B. Cash flow from investing activities		
Capital expenditure on fixed assets including capital advances	(14,975,445)	(9,086,251)
Proceeds from sale of fixed assets	330,000	-
Rental income from operating leases	2,228,140	2,167,102
	<u>(12,417,305)</u>	<u>(6,919,149)</u>
Net cash flow from / [used in] investment activities [B]	(12,417,305)	(6,919,149)
C. Cash flow financing activities [C]		
Proceeds from issue of equity shares	857,300	9,574,000
Net increase / [decrease] in long term borrowings	166,198,735	(169,628,182)
Net increase / [decrease] in short term borrowings	295,345,647	322,146,946
Finance Cost	(1,461,845)	(1,655,507)
Grant-in-aid paid	(500,000)	(1,400,000)
Dividend paid [including dividend tax]	(6,262,526)	(4,769,687)
	454,177,311	154,267,570

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Cash flow from extraordinary items		
Net cash flow from / [used in] financing activities [C]	<u>454,177,311</u>	<u>154,267,570</u>
Net increase / [decrease] in cash & cash equivalents [A + B + C]	30,123,526	9,312,395
Cash and cash equivalents at the beginning of the year	<u>23,982,459</u>	<u>14,670,064</u>
Cash and cash equivalents at the end of the year	<u>54,105,985</u>	<u>23,982,459</u>
Reconciliation of cash & cash equivalents with the Balance Sheet :		
Cash & Bank balances as per Balance Sheet [As per note 12]	246,293,321	162,138,660
Less: Bank deposits not considered as cash & cash equivalents	(190,500,000)	(137,000,000)
Less: Bank account not considered as cash & cash equivalents	(1,687,336)	(1,156,201)
Net cash & cash equivalents	54,105,985	23,982,459
Cash and cash equivalents at the end of the year **	<u>54,105,985</u>	<u>23,982,459</u>
**Comprises:		
[a] Cash on hand	17,199,919	11,633,836
[c] Balances with banks		
[i] in current accounts	14,783,981	12,348,567
[ii] debit balance in overdraft accounts	2,122,085	-
[iii] in deposit accounts with original maturity less than 3 months	20,000,000	-
	36,906,066	12,348,567
[d] Stamps on hand	-	56
Total	<u>54,105,985</u>	<u>23,982,459</u>

Notes :

- The Cash Flow Statement reflects combined cash flows pertaining to continuing and discontinuing operations.
- These earmarked account balances with banks only for the specific identified purposes.

B. Nagaraja Rao

President

S. Narayanan

Vice-President

K. Raghavendiran

Legal Advisor

CA. R. Ananthan

Ex. Officio Director

L. Venkatesan

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Chartered Accountants

Firm Registration No. 007110S

K.B. Muralidharan

Partner

Membership No. 205490

Date : 30-08-2014

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Regd. Office : No.37, Car Street, Triplicane, Chennai - 600 005.

e-mail : smso1881@gmail.com

CIN No. U65110TN1881PLC002799

PROXY FORM

Folio No. :

No of shares held :

I/We.....of..... being the
Member/Members of Sriman Madhwa Sidhantaonnahini Permanent Nidhi Ltd do hereby
appoint.....
of.....(or failing him.....
.....of.....) as my / our
proxy and to vote for me / us at the one hundred and thirty second Annual General
Meeting to be held at 3.00 p.m. on Saturday, 27th September 2014 and any adjournment
thereof.

Signed.....this.....day of.....2014

N.B.

Any Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member. This form duly completed should be deposited at the Registered Office of the Company at Chennai before 3.00 p.m. on Saturday 27th September 2014.

Affix
Re 1/-
Revenue
Stamp

