

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

NOTICE TO SHAREHOLDERS

Notice is hereby given that the One Hundred and Thirty Fifth Annual General Meeting of the shareholders of **Sriman Madhwa Sidhantaonnahini Permanent Nidhi Limited will be held at "Poornapragnya Hall"**, No.7/12, Arumugham Lane, Triplicane, Chennai - 600 005 (Behind Registered Office of the Nidhi) at 03.00 p.m., on Wednesday the 27th September 2017 to transact the following business:

ORDINARY BUSINESS:

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

"RESOLVED that the Audited Balance Sheet of the Company as at 31st March 2017 and the Statement of Profit and Loss account for the year ended on that date together with the Reports of Directors and of the Auditors thereon as presented to this Annual General Meeting, be and are hereby approved and adopted."
2. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

" RESOLVED that dividend at the rate of ₹.1.25 per equity share be and is hereby declared, on the fully paid up Equity shares of ₹.10/- each in the paid up capital of the company, to those members whose names appear in the Register of Members of the company as on the date of the Annual General Meeting."
3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

To appoint a Director in the place of Sri. B.Nagaraja Rao, Director (DIN: 02801734) who retires by rotation in terms of Article 11(b) of the Articles of Association of the Company and who being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

To appoint a Director in the place of Sri. K.S.Madhukar, Director, (DIN: 05158265) who retires by rotation in terms of Article 11(b) of the Articles of Association of the Company and who being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

To appoint a Director in the place of Sri. L.Madhavan, Director (DIN: 00729891) who retires by rotation in terms of Article 11(b) of the Articles of Association of the Company and who being eligible, offers himself for re-appointment.
6. To consider and if thought fit to pass the following resolution as an Ordinary Resolution with or without modification:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act,2013 (including any statutory modification(s) or re-enactment(s) of the Act and/

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or the Rules thereof for the time being in force) and based on the recommendations of the Audit Committee and the Board of Directors, M/s. Raman Associate, Chartered Accountants, Chennai (ICAI Firm Registration No.002910S), be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors M/s.Raghavan and Muralidharan, Chartered Accountants, Chennai (ICAI Firm Registration No. 007110S)), to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of 140th Annual General Meeting of the Company to be held in the financial year 2021 – 2022, (subject to ratification of their appointment by members at every Annual General Meeting if so required under the Act), at such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED that Sri. C.R.Muralidharan (DIN: 02443277) who was appointed as an Additional Director / Independent Director of the Company, by a resolution passed by the Board of Directors at its meeting held on 28th January 2017, pursuant to the provisions of under Section 149, 152 and other applicable provisions, if any, of the Companies Act 2013, (“Act) and the Rules framed there under as read with Schedule IV to the Act, as amended from time to time, Shri.C.R.Muralidharan, 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 2017 upto 27th January 2022.”

8. 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 181 of the Companies Act 2013 and Clause 3 (c) of the Memorandum of Association of the Company read with clause 4(c) of Articles of Association, the consent of the members be and is hereby accorded for making permanent provision, granting a sum of ₹.18,00,000/- (Rupees Eighteen lakhs only) for payment of a grant-in-aid to Sriman Madhwa Sidhantaonnahini Sabha, Tiruchanur” for the year 2016 – 2017.

“RESOLVED FURTHER that Mr.M.Bhagavantha Rao, Director of the Company be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto including filing of forms/returns as may be required with the Registrar of companies or such authorities.”

9. Payment of Donation towards construction of a Memorial Hall in the name of the founder Late. Shri.Kanchi Subba Rao

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 181 of the Companies Act 2013, approval of the members be and is hereby accorded to the Board of the Nidhi to contribute to Sri Uttaradhi

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Mutt, Kanchipuram, a sum of ₹.40,00,000/- (Rupees Forty lakhs only) towards donation for construction of a Memorial Hall in the name of our Founder, at Kanchipuram.

“RESOLVED FURTHER that Mr.M.Bhagavantha Rao, Director of the Company be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto including filing of forms/returns as may be required with the Registrar of companies or such authorities.”

10. Payment of Donation to S M S O Employees Welfare Trust.

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 181 of the Companies Act 2013, approval of the members be and is hereby accorded to the Board of the Nidhi to contribute to S M S O Employees Welfare Trust a sum of ₹. 5,00,000/- (Rupees Five lakhs only) towards donation for meeting the educational loan of the employee wards.

“RESOLVED FURTHER that Mr.M.Bhagavantha Rao, Director of the Company be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto including filing of forms/returns as may be required with the Registrar of companies or such authorities.”

11. Participation in the Equity of New Housing Finance Company proposed to be floated under the banner of S M S O Permanent Nidhi Limited.

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

“RESOLVED THAT approval of the members be and is hereby accorded to the Board of the Nidhi to subscribe to the extent of not exceeding ₹.10,00,00,000 (Rupees Ten Crores) in the Equity of the proposed Company to be floated exclusively cater to the needs of housing finance under promoters equity participation.

(By order of the Board)

Place: Chennai
Date: 26.08.2017

M. BHAGAVANTHA RAO
President

NOTE:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of items 7 - 11 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and

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signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.

3. Members are requested to advise the Company immediately of any change in their address.
4. The Register of Members and share transfer book of the Nidhi will be closed from 14.09.2017 to 27.09.2017 (both days inclusive).
5. The Nomination for Election of Director along with a deposit of ₹. 10,000/- (Rupees Ten Thousand only) must be filed not less than 14 days before the Meeting as per Section 160 of the Companies Act as modified for Nidhi Company by Notification No. GSR 465 [E] dated 05.06.2015 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 Body Meeting.
7. Members are requested to give instruction for matured deposits and interest accrued, 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 125 of the Companies Act, 2013.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO Section 102 OF THE COMPANIES ACT 2013

Item No.6 :-

The shareholders of the Company had, at their 130th Annual General Meeting of the Company held on 27th September 2012 appointed M/s Raghavan and Muralidharan, Chartered Accountants, Chennai (ICAI Firm Registration No.007110S) as Statutory Auditors of the Company to hold office from the conclusion of 130th Annual General Meeting until the conclusion of 135th Annual General Meeting of the Company at such remuneration as may be decided by the Board of Directors. M/s. Raghavan and Muralidharan have been holding office as Statutory Auditors of the Company for 5 years, prior to the commencement of the Companies Act, 2013.

The Board of Directors have, based on the recommendation of the Audit Committee, at its meeting held on 23rd August 2017, proposed the appointment of M/s.Raman Associate, Chennai [ICAI Firm Registration No. 002910 S] as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 135th Annual General Meeting to be held in the financial year 2021 – 2022 (subject to ratification of their appointment at every AGM, if so required under the Act).

M/s.Raman Associate have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 6 of the Notice.

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Item No.7 :

Shri.C.R.Muralidharan was appointed as an additional director / Independent Director of the Company with effect from 28th January 2017.

As per Section 149 and other applicable provisions, if any of the Companies Act, 2013 Shri.C.R.Muralidharan is proposed to be appointed as an Independent Director of the Company for a term of five years upto 27th January 2022. He is not liable to retire by rotation.

Profile of Shri.C.R.Muralidharan :-

Shri.C.R.Muralidharan is a Director in City Union Bank Limited and in other financial Institutions like ICICI Prudential Assets Management Company Limited, Universal Sompo General Insurance Company Limited, GMR Infra Limited. He is also a Former CGM, Reserve Bank of India, Mumbai and Former Whole Time Member, IRDA, Hyderabad.

Considering his experience in the financial field the Nidhi proposes to appoint Shri.C.R.Muralidharan, as Independent Director which will be an asset to your Nidhi.

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

Item No. 8 :

The Clause 3(c) of the Memorandum of Association read with clause 4(c) of Articles of Association empowers the Company to make permanent provisions for payment of a Grant- in-Aid to Sriman Madhwa Sidhantaonnahini Sabha, Tiruchanur. Pursuant to Section 181 of the Companies Act, 2013 and Clause 3(c) of the Memorandum of Association and clause 4(c) of the Articles of Association, company's one of the main objects 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 ₹.18,00,000/- (Rupees Eighteen Lakhs only) for payment of Grant-in-aid to S M S O Sabha for the year 2016 – 2017.

Since the company's annual contribution may be in excess of limits stipulated under Section 181 of the Companies Act, 2013 viz., 5% of the average net profits of the immediately three preceding financial years, the approval of the shareholders is sought under Section 181 of the Companies Act, 2013

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise in the said Ordinary Resolution.

Item No. 9 :

The Nidhi has proposed to donate a sum of ₹.40 lakhs to Sri Uttaradhi Mutt, Kanchipuram for construction of a Memorial Hall in Memory of our Founder Late Sri Kanchi Subba Rao. The Board felt that, commemorating the memory of our Founder, in his birth – place, would be an apt tribute to the great visionary, who founded the Nidhi 135 years ago. Setting up a lasting monuments to a great seer by constructing a spacious hall, which could be used for hosting spiritual and cultural programmes, dear to his heart, in the only mokshapuri in the south would enhance our image and hence, we seek shareholders approval for making the donation to Uttaradhi Mutt, Kanchipuram.

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Since the company's annual contribution may be in excess of limits stipulated under Section 181 of the Companies Act, 2013 viz., 5% of the average net profits of the immediately three preceding financial years, the approval of the shareholders is sought under Section 181 of the Companies Act, 2013

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise in the said Ordinary Resolution.

Item No. 10 :

The Nidhi has decided to sanction a sum of ₹.5 lakhs to S M S O Nidhi's Employees Welfare Trust, for meeting the educational loan to the staff members wards. It is pertinent to inform the share holders that, the Nidhi is sanctioning interest free loan to employee's wards to pursue higher education all these years and the loan amount was sanctioned with the available funds in the Trust Account. Since, there is more number of applications are received year after year due to recruitment of more number of staff, we thought it fit to raise the resources to meet the emerging demand.

Since the company's annual contribution may be in excess of limits stipulated under Section 181 of the Companies Act, 2013 viz., 5% of the average net profits of the immediately three preceding financial years, the approval of the shareholders is sought under Section 181 of the Companies Act, 2013

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise in the said Ordinary Resolution.

Item No. 11 :

The Nidhi is examining the available options for future growth considering the present activities permitted outside Tamil Nadu. A study was accordingly undertaken based on the same and the Management is of the opinion that, it maybe helpful in the long run if we consider a proposal for entry in the sector of Housing Finance. and cater to the needs of Housing Finance to appropriate sections, in the years to come The Nidhi has accordingly represented to the concerned Ministry of Corporate Affairs, New Delhi for their approval for floating a New Company vide letter no_1, dated 12/03/2016. It is added that the present Companies Act 2013, does not permit your Nidhi to participate in any investment of equity capital of other companies.

To add strength to our representation to the Ministry the approval of the Members is sought through this enabling resolution under item no.11 of the notice.

It is informed that, the participation of your Nidhi in the Equity Capital of a new housing finance company is subject to the approval of the Ministry of Corporate Affairs, New Delhi.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise in the said Ordinary Resolution.

(By order of the Board)

Place: Chennai
Date: 26.08.2017

M. BHAGAVANTHA RAO
President.

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ONE HUNDRED AND THIRTY FIFTH ANNUAL REPORT OF THE DIRECTORS OF SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LIMITED,

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

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their 135th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

The Company's financial performances for the year under review along-with previous year's figures are given hereunder:

Particulars	31st March 2017 ₹.	31st March 2016 ₹.
Revenue from operations	29,18,30,634	26,80,47,523
Other income	30,27,645	29,56,888
Total Revenue	29,48,58,279	27,10,04,411
Expenses		
Employee benefits expenses	5,86,29,833	5,29,57,477
Finance costs	16,35,12,739	16,43,59,695
Depreciation and amortization expenses	80,11,533	65,67,927
Other Expenses	3,01,00,435	2,61,11,161
Total Expenses	26,02,54,540	24,99,96,260
Profit before Tax	3,46,03,739	2,10,08,151
Tax expenses		
(1) Current tax	(1,33,18,000)	(88,60,000)
(2) Deferred tax	87,239	2,32,510
(3) Previous year Income Tax	(8,658)	6,03,700
Profit for the year	2,13,64,320	1,29,84,361

2. DIVIDEND

Your Directors are pleased to recommend a dividend of 12.5 % (₹. 1.25 per Equity Share) on the paid-up capital of the company. The dividend if approved and declared at this Annual General meeting would result in a Dividend outflow of ₹.79,25,874/- and dividend Distribution Tax of ₹. 16,13,708/- aggregating a total outflow of ₹. 95,39,582/-.

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3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The company does not have any unpaid dividend amount which it is mandated to transfer to the Investor Education and Protection Fund.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of Business operations done during the year under review:

The Nidhi has received fresh Deposits to the extent of ₹.8.71 Crores during the current year under operation and total deposits as at 31.03.2017 is ₹. 200.10 Crores.

The details regarding Registered Mortgage Loans and Jewel Loans advanced during the financial year 2016 – 2017 as compared to the earlier Financials are given below:

Particulars	For the year ending on 31st March 2017 ₹.	For the year ending on 31st March 2016 ₹.	Increase	%
Registered Mortgage Loans advanced	11,56,60,000	19,55,50,000	(7,98,90,000)	(40.85)
Jewel Loans advanced	218,14,99,569	198,77,19,000	19,37,80,569	9.75

Your Nidhi has improved its performance in advance of Jewel Loan inspite of stiff competition from Banks and Other financial institution in Jewel Loan Business. The mortgage loan advances showed a declining trend as the business in this segment was reduced for want of good proposals.

The profit after tax for the year under consideration is ₹. 213.64 lakhs as against the profit of ₹.129.84 lakhs for the previous year.

R M LOANS AND NPA'S :

The total number of Registered Mortgage Loans advanced as at 31st March 2017 is numbering 585 accounts for an amount of ₹. 37,11,99,989/-.

There are 25 Nos. NPA accounts with a total outstanding amount of ₹.2.11 Crores as on the date of signing of the balance sheet. The Nidhi is monitoring and the recovery team meeting the borrowers continuously to reduce the NPA.

5. BRANCHES:

Your Board is pleased to inform you that, during the year the Nidhi has opened seven new branches at the following places :-

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S.No.	Date of Opening	Place of Opening	Branch Opened by
1	07.09.2016	Karur	Shri.A.J.Suriya Narayanan, Director, The Karur Vysya Bank Limited, Karur.
2	07.09.2016	Woraiyur, Trichy	Shri.A.Kaliyamurthy, Former Deputy Superintendent of Police, Trichy.
3	14.09.2016	Edayarpalayam, Coimbatore.	Shri.T.S.Raghavendran, Senior Advocate, Coimbatore
4	14.09.2016	Thudiyalur, Coimbatore	Shri.CA.P.R.Vittal, Partner, M/s P.N.Raghavendra Rao & Co. Coimbatore
5	09.11.2016	Krishnagiri	Shri.K.Natarajan, Managing Director, Aryabhavan Sweets & Groups of Hotels
6	09.03.2017	Chinna Chokkikulam Madurai	Shri.S.Nadanagopal, Partner, M/s.Ganesh Prasad, Chartered Accountants, Madurai
7	29.04.2017	Tirupur	H.H.Shri.Shri.Satyatma Theertharu, Pontiff of Uttaradhi Mutt, Bangalore.

The above branches are functioning well soliciting new business in their respective areas to enhance the business prospects of your Nidhi.

Velachery Branch :- It is heartening to inform you that, your Nidhi has moved to its own premises at Flat No. F-3, First Floor, Plot No.28, Door No.3, 5th Main Road, Vijaya Nagar, Velachery, Chennai 600 042.

The Nidhi has purchased around 1425 sq.ft , the above addressed property to house its Velachery Branch at a cost of ₹.1,41,14,111/- .

6. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

The following material changes and commitment occurred during the year under review affecting the financial position of the Company.

Since, the major exposure of the Nidhi's business is in Jewel Loan and the market volatility in gold prices directly affecting the business of the Nidhi and the Management's prudent measures / decision at the appropriate time in advances of Jewel Loan have considerably reduced the risk in realising the loan amount except in the case of Registered Mortgage Loan were certain

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borrowers are finding it difficult in honoring their commitments for due repayment of loan amount borrowed due to the general economic condition prevailing in the country. There are no major financial changes or any foreseeable changes in the market conditions affecting the financial position of the company except the above. The Nidhi doesn't have any commitment to any authorities for payment of any dues.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange Inflow or Outflow during the year under review.

8. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The risks associated in our business operations include credit risk, liquidity risk, interest rate risk and operational risk since, the Nidhi is dealing in financial products by accepting Deposits from members and lending on securities like Gold and Mortgage of Properties. The Risk Management Committee and the Assets Liability Management Committee review and monitor these risks at periodic intervals. The Nidhi manages credit risk through stringent credit norms established through several years of experience in this line of business and continues to follow the time tested practice of personally assessing every borrower, before committing to a credit exposure. This process ensures that the expertise in lending operations acquired by the Nidhi is put to best use and acts to mitigate credit risks. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Nidhi monitors Assets and Liabilities Management periodically to mitigate the liquidity risk.

Operational risks arising from inadequate or failed internal process, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored by the Board of Directors. Process improvements and quality control are on-going activities and are built into the employee's training modules, as well.

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

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER Section 186 OF THE COMPANIES ACT, 2013

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

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12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualifications, reservations or adverse remarks made by the Auditors in their reports.

13. 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 Board of Directors by Nomination and Remuneration Committee are not applicable to the Company. The Company has a time tested policy relating to appointment of Directors in the Board, which was in vogue for the past several years and got its approval from the Shareholders of the Nidhi. The Directors are selected considering their qualifications, experience, positive attributes, and their utility for the development of the institutions with independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

14. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return In Form MGT – 9 is annexed with this report - Annexure I.

15. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had the following Seven Board meetings during the financial year under review.

Dates of Board Meeting Held : - 30/04/16, 28/05/16, 18/06/16, 16/07/16, 27/08/16, 29/09/16 & 28/01/17

Name of the Director	No. of meetings held	No. of meetings attended
Sri.M.Bhagavantha Rao	07	06
Sri.N.Vittal	07	07
Late.T.M.Lakshmikanthan	07	05
Sri.S.Narayanan	07	07
Sri.K.Raghavendran	07	07
Sri.D.S.Srinivasa Rao	07	07
Sri.K.S.Madhukar	07	07
Sri.B.Nagaraja Rao	07	07
Sri.C.S.Ramamurthy	07	06
Dr .R.Narasimhan	07	04

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Sri.L.Madhavan	07	05
Sri.V.Muralidharan	07	07
Sri.V.S.Sridhar	07	06
Sri.C.V.Raveendran	07	05
CA.R.Ananthan	07	05
Sri.C.R.Muralidharan	07	01

16. NUMBER OF MANGEMENT COMMITTEE OF THE BOARD (MCB) MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had the following five MCB meetings during the financial year under review.

Dates of MCB Meeting Held : - 14/10/16, 23/11/16, 27/12/16, 25/02/17 & 25/03/17.

Name of the Director	No. of meetings held	No. of attended meetings
Sri.M.Bhagavantha Rao	05	05
Sri.N.Vittal	05	05
Late T.M.Lakshmikanthan	05	01
Sri.S.Narayanan	05	05
Sri.C.S.Ramamurthy	05	05
Sri.V.S.Sridhar	05	01
Sri.C.V.Raveendran	05	03
CA.R.Ananthan	05	04

17. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement :-

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and

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- 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.
- The Auditor of the Nidhi have certified that the Nidhi has complied with all the provisions contained in the Nidhi rules 2013, except in few cases repayment of deposits has been made within a period of three months from the date of its acceptance which are essentially cases of urgent necessity for funds, mainly on account of Medical emergencies when the depositor seek return of their own monies, the Nidhi has a trusted custodian of such monies is compelled to repay on humanitarian grounds. Henceforth, will ensure that such repayment is not made and proper counselling to the depositors be given to avoid pre closure of their deposit with in three months period.
- The Directors of the Nidhi is pleased to inform you that, a Management Committee of the Board consisting of 7 members was constituted on 14.10.2016 to meet every month to take stock of the business performance of the Nidhi. The MCB is focusing on the day to day business developments on a regular basis to improve and to satisfy the stakeholders expectations.
- Audit Committee was formed with three directors of the Board to pursue and regulate audit and inspection work and
- Share Allotment Committee consisting of three directors was formed to over see the allotment of Equity Shares on a daily basis in compliance with the Companies Act, 2013

18. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

19. DEPOSITS

S No PARTICULARS and AMOUNT IN ₹.

- a) Increase in deposits during the year is ₹.8.71 crores and it was ₹ 200.10 crores as at the end of the year (including renewal of deposits)
- b) Amount remained unpaid or unclaimed as at the end of the year ₹.3,63,00,292/-
- c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved
 - at the beginning of the year } There is no default by the Nidhi in repaying
 - maximum during the year } the deposits or interest to the depositors at any
 - at the end of the year } point of time

20. DIRECTORS

1. Shri B.Nagaraja Rao, Sri.K.S.Madhukar and Shri L.Madhavan, are the directors who retire at this Annual General Meeting and being eligible offer themselves for re election.

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

2. Shri.T.M.Lakshmikanthan, Independent Director, who was instrumental for all the developments took place in the recent two years period suddenly passed away on 21st October 2016. The Board condoled his death during the transition period when the Nidhi is progressing by opening more number of branches. He brought to the Nidhi, a rare amalgam of vision and wisdom and did his best to carry the entire team along fresh territories. We place on record yeoman services rendered by him during his association with the Nidhi.
3. Shri.K.Raghavendiran, Director / Legal Advisor, relinquished his Directorship from the Board on completion of 10 years of tenure on 18th June 2017. The Board record his yeoman services during his association with the Nidhi.

21. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

22. STATUTORY AUDITORS

M/s Raman Associate, Chartered Accountants, No.13 Luz Avenue, Mylapore, Chennai 600 004 were proposed to be appointed as Statutory Auditors for a period of five years upto 31.03.2022. The present auditors M/s Raghavan and Muralidharan Chartered Accountant is retiring on completion of 10 years tenure with this 135th Annual General Meeting on 27.09.2017.

23. ACKNOWLEDGEMENTS

On behalf of the Board and on my own behalf, I place on record my sincere appreciation and gratitude to our shareholders for their patronage for all these years. Further my sincere thanks are to our depositors for their continued support and the confidence they have reposed in this Nidhi. Our thanks are also due to our Bankers who have all contributed immensely by their service 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 commitment to their work in these challenging times and helped the Nidhi for its growth.

for and on behalf of the Board,

Chennai 600005
26.08.2017

M. BHAGAVANTHA RAO.
President.

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

ANNEXURE I

FORM No. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U65110TN1881PLC002799
ii	Registration Date	10-11-1881
iii	Name of the Company	SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD
iv	Category/Sub-category of the Company	NIDHI COMPANY
v	Address of the Registered office & contact details	No. 37, CAR STREET, TRIPLICANE, CHENNAI- 600005
vi	Whether listed company	UNLISTED
vii	Name , Address & contact details of the 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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Other Credit Granting	64920	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/	% OF SHARES HELD	APPLICABLE Section
1	NOT APPLICABLE				

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(1) Indian										
a) Individual/HUF										
b) Central Govt. or State Govt.										
c) Bodies Corporates										
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B. PUBLIC SHAREHOLDING	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
C) Central Govt.										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture										

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2) Non Institutions										
a) Bodies corporates										
i) Indian										
ii) Overseas										
b) Individuals	Nil	6296409	6296409	100%	Nil	6340699	6340699	100%	44290	0.70
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	Nil	2298056	2298056	100%	Nil	2373756	2373756	100%	71890	3.03
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	Nil	3998353	3998353	100%	Nil	3970753	3970753	100%	(-27600)	(0.70)
c) Others (specify)										
SUB TOTAL (B)(2):	Nil	6296409	6296409	100%	Nil	6340699	6340699	100%	44290	0.70
Total Public Shareholding										
(B)= (B)(1)+(B)(2)										
C. Shares held by Custodian for										
GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)		6296409	6296409	100%	NIL	6340699	6340699	100	44290	0.70

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

(II) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholders 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	
	Not Applicable							

(III) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Not Applicable			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) At the End of the year				

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc				
S M S O SABHA	1062800	16.88	1062800	16.88
SRINIVASA MURTHY BANAJI	355000	5.64	355000	5.64
RAGHAVENDRA RAO M N	112500	1.79	112500	1.79
SRI UTTARADI MATH	111610	1.77	111610	1.77
LALITHA BADRINATH	100010	1.59	100010	1.59
TARA ANAND	75000	1.19	75000	1.19
VASUDEVA RAO D	53894	0.86	53894	0.86
JANANI S	50100	0.80	50100	0.80
SREENIVASA RAGHAVAN V R	50010	0.79	50010	0.79
PRAMILA G RAO	50000	0.79	50000	0.79
At the end of the year (or on the date of separation, if separated during the year)				
S M S O SABHA	1062800	16.76	1062800	16.76
SRINIVASA MURTHY BANAJI	355000	5.60	355000	5.60
RAGHAVENDRA RAO M N	112500	1.77	112500	1.77
SRI UTTARADI MATH	111610	1.76	111610	1.76
LALITHA BADRINATH	100010	1.58	100010	1.58
TARA ANAND	75000	1.18	75000	1.18
VASUDEVA RAO D	53894	0.85	53894	0.85
JANANI S	50100	0.79	50100	0.79
SREENIVASA RAGHAVAN V R	50010	0.79	50010	0.79
PRAMILA G RAO	50000	0.79	50000	0.79

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

(V) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)				
	SRI M.BHAGAVANTHA RAO	15000	0.24	15000	0.24
	SRI S. NARAYANAN	10040	0.16	10040	0.16
	SRI V.MURALIDHARAN	166980	2.65	166980	2.65
	SRI D.S.SRINIVASA RAO	15840	0.25	15840	0.25
	SRI B.NAGARAJA RAO	15000	0.24	15000	0.24
	SRI C.S RAMAMURTHY	15000	0.24	15000	0.24
	Dr.R. NARASIMHAN	60000	0.95	60000	0.95
	SRI K.S MADHUKAR	10140	0.16	10140	0.16
	SRI R.ANANTHAN	2000	0.03	2000	0.03
	SRI C.V RAVINDRAN	12500	0.20	12500	0.20
	SRI V.S.SRIDHAR	50000	0.79	50000	0.79
	SRI L.MADHAVAN	10000	0.16	10000	0.16
	Total	382500	6.07	382500	6.07
	At the End of the year				
	SRI M.BHAGAVANTHA RAO	15000	0.24	15000	0.24
	SRI S. NARAYANAN	10040	0.16	10040	0.16
	SRI V. MURALIDHARAN	166980	2.63	166980	2.63
	SRI D.S.SRINIVASA RAO	15840	0.25	15840	0.25
	SRI B.NAGARAJA RAO	15000	0.24	15000	0.24
	SRI C.S RAMAMURTHY	15000	0.24	15000	0.24
	Dr.R. NARASIMHAN	60000	0.95	60000	0.95
	SRI K.S MADHUKAR	10140	0.16	10140	0.16
	SRI R.ANANTHAN	2000	0.03	2000	0.03

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount			191,39,12,265	191,39,12,265
ii) Interest due but not paid			63,492	63,492
iii) Interest accrued but not due			36,25,506	36,25,506
Total (i+ii+iii)			191,76,01,263	191,76,01,263
Change in Indebtedness during the financial year				
Additions			447,26,33,278	447,26,33,278
Reduction			438,41,56,021	438,41,56,021
Net Change			8,84,77,257	8,84,77,257
Indebtedness at the end of the financial year				
i) Principal Amount			200,09,88,283	200,09,88,283
ii) Interest due but not paid			7,784	7,784
iii) Interest accrued but not due			50,82,453	50,82,453
Total (i+ii+iii)			200,60,78,520	200,60,78,520

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	TOTAL AMOUNT ₹.
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax. 1961.		
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission		
	as % of profit		
	others (specify)		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

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B. REMUNERATION TO OTHER DIRECTORS :

Sl. No.	Particulars of Remuneration	Name of the Directors	Total Amount ₹.
1	Independent Directors		
	(a) Fee for attending board / committee meetings		
		SRI. N.VITTAL	1,20,000
		LATE. T.M.LAKSHMIKANTHAN	60,000
		SRI.C.R.MURALIDHARAN	10,000
	(b) Commission		
	(c) Others, please specify		
	Total (1)		1,90,000
2	Other Non Executive Directors		
	(a) Fee for attending board / committee meetings		
		SRI. M.BHAGAVANTHA RAO	1,37,000
		SRI. S. NARAYANAN	1,43,000
		SRI. B.NAGARAJA RAO	85,000
		SRI. D.S.SRINIVASA RAO	76,000
		SRI. K.S.MADHUKAR	70,000
		SRI. C.S.RAMAMURTHY	1,39,000
		DR. R.NARASIMHAN	50,000
		SRI. V.MURALIDHARAN	85,000
		SRI. L.MADHAVAN	50,000
		SRI. C.V. RAVEENDRAN	80,000
		SRI. V.S. SRIDHAR	85,000
		CA. R.ANANTHAN	90,000
	(b) Commission		
	(c) Others, please specify.		
	Annual Remuneration		
		SRI. M.BHAGAVANTHA RAO	25,000
		SRI. S. NARAYANAN	20,000
		SRI. D.S.SRINIVASA RAO	20,000
		SRI. K.S.MADHUKAR	20,000
	Total (2)		11,95,000
	Total (B)=(1+2)		13,85,000
	Total Managerial Remuneration		
	Overall Ceiling as per the Act.		

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount ₹.
		CEO	Company Secretary	CFO	
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	R.SRINIVASAN			4,53,852
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				15,131
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	Others, please specify				
	Total				4,68,983

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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					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility 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, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the standards on auditing specified under Section 143(10) of the Act. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the "Annexure – A" a statement on the matters specified in paragraph 3 of the Order.

9. 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) The aforesaid 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

information and according to the explanations given to us:

- i. The Company has, in accordance with the generally accepted accounting practice has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 22.2 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 under the applicable law or accounting standards.
- iii. There has been no delay in transferring amounts, required to be transferred to Investor Education and Protection Fund except a sum of ₹.23,460/- which was held in abeyance for want of claim documents, was paid to the legal heir of the deceased depositor within one month from the due date of remittance to IEPF.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 as mentioned in Note 22.13 to the financial statements. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. As stated in note 22.13 to the financial statements and as represented to us by the Management, amounts aggregating to ₹.2,39,000/- have been utilized for other than permitted transactions and amounts aggregating to ₹.6,16,500/- have been received from transactions which are not permitted, during the specified period.

For Raghavan & Muralidharan
Chartered Accountants
Firm No.007110S

Place: Chennai
Date :26/08/2017

K B Muralidharan
Partner
Membership No.205 490

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date on the accounts of SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LIMITED ("the company") for the year ended March 31, 2017)

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and records submitted to us, such records comprising the registered sale deed/transfer deeds/conveyance deeds/ evidencing title provided to us, we report that, the title deeds comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date.
2. In our opinion and according to the information and explanations given to us the nature of the company's business/ activities during the year has been such that clause (ii) of paragraph 3 of the Order in respect of inventory, is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to Companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.
4. The provisions of Section 185 of the Act are not applicable to the company. According to information and explanations given to us, the company has not given any loan or guarantee or made any investments or provided any security covered under Section 186 of the Act.
5. According to information and explanations given to us, the Company has not accepted any deposits from public and hence clause (v) of paragraph 3 of the Order is not applicable to the Company.
6. The Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
7. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
 - a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, service tax and other statutory dues applicable to it except Advance tax,

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Service tax and cess thereon in respect of reverse charge liability on legal fees with the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as on March 31, 2017 for a period of more than six months from the date they became payable except as stated below:

Name of the Statute	Nature of the Dues	Amount (₹.)	Period to which the amount relates	Due Date	Date of Payment	Remarks
Finance Act 1994	Service Tax and Cess thereon	3,625	Apr 2016	05th Apr '16	Yet to be paid	Reverse charge liability on Legal fees.
		1,450	May 2016	05th May '16		

- b) There are no dues of Income Tax, Service Tax or Cess which have not been deposited on account of any dispute with the relevant authorities. Details of dues towards contribution to Employees State Insurance that have not been deposited as at March 31, 2017 on account of disputes are as stated below:

Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
ESI	₹.12,59,653/=	01/04/1999 to 30/09/2004	The Principal Labour Court, Chennai.
₹.3,78,000 has been paid under dispute in respect of above.			

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and has not taken any term loan during the year.
10. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 as modified and applicable to Nidhi.

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

12. The Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and the Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.
13. In our opinion and according to the information and explanations given to us the company has not entered into transactions with related parties covered under Sections 177 and 188 of the Act.
14. According to the information and explanations provided to us and records examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence compliance of provisions of Section 192 of the Act is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Raghavan & Muralidharan
Chartered Accountants
Firm No.007110S

Place: Chennai
Date :26/08/2017

K B Muralidharan
Partner
Membership No.205 490

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Annexure - B to the Independent Auditors' Report - 31st March 2017

(Referred to in paragraph 9(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting of SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LIMITED under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LIMITED ("the company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components on internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include 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 accounting records, and the timely preparation of reliable financial information, as required by the Act.

Auditors Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over 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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment,

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. 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 expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

7. Because of the inherent limitations of 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 changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For Raghavan & Muralidharan
Chartered Accountants
Firm No.007110S

Place: Chennai
Date :26/08/2017

K B Muralidharan
Partner
Membership No.205 490

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

AUDITOR'S CERTIFICATE

TO THE MEMBERS OF SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LIMITED

According to the information and explanations given to us and the books of accounts examined by us, pursuant to the requirement under Nidhi Rules, 2014 ("the Rules") prescribed under the Companies Act 2013, we hereby certify that, for the financial year ended 31st March 2017, **SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LIMITED** ("the Nidhi") has generally complied with all the provisions contained in the rules except that the Nidhi has repaid deposits in some cases within a period of three months from the date of acceptance of deposit.

For Raghavan & Muralidharan
Chartered Accountants
Firm No.007110S

Place: Chennai
Date :26/08/2017

K B Muralidharan
Partner
Membership No.205 490

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note	31st March 2017 ₹	31st March 2016 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	6,34,06,990	6,29,64,090
(b) Reserves and Surplus	2	5,47,16,312	3,51,51,992
2 Share Application money pending allotment	3	38,100	-
3 Non-Current Liabilities			
(a) Long Term Borrowings	4	5,90,401,535	36,33,90,996
(b) Other Long term liabilities	5	13,24,354	12,38,643
(c) Long Term Provisions	6	28,58,313	19,65,097
4 Current Liabilities			
(a) Short term borrowings	7	103,75,46,946	143,85,60,787
(b) Other Current Liabilities	8	47,49,14,022	20,07,52,519
(c) Short term provisions	9	70,42,827	1,00,99,479
TOTAL		223,22,49,399	211,41,23,603
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		6,41,94,948	3,66,56,757
(ii) Intangible Assets		21,40,803	21,17,646
(b) Long Term Loans and Advances	11	41,03,68,012	38,03,57,319
(c) Other Non Current Assets	12	3,78,000	3,78,000
(d) Deferred Tax Asset (Net)	13	5,28,079	4,40,840
2 Current Assets			
(a) Cash and Bank Balances	14	3,235,29,201	38,81,23,691
(b) Short Term Loans and Advances	15	142,39,47,690	129,90,85,284
(c) Other Current Assets	16	71,62,666	69,64,066
TOTAL		223,22,49,399	211,41,23,603
The notes form an integral part of the financial statements	22		

M. Bhagavantha Rao
President

S. Narayanan
Vice-President

N. Vittal **C.R. Muralidharan**
Independent Directors

B. Nagaraja Rao

C.S. Ramamurthy

Dr. R. Narasimhan

D.S. Srinivasa Rao

V. Muralidharan

L. Madhavan

K.S. Madhukar
Directors

V.S. Sridhar
Directors

C.V. Raveendran
Directors

R. Srinivasan
Chief Executive Officer

L. Venkatesan
Manager

R. Ananthan
Ex-Officio Director

For Raghavan & Muralidharan

Chartered Accountants

Firm registration No. 007110S

Partner : K.B.Muralidharan

Membership No : 205490

Date : 26/Aug/2017

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note	31st March 2017 ₹.	31st March 2016 ₹.
Revenue from operations	17	29,18,30,634	26,80,47,523
Other income	18	30,27,645	29,56,888
Total Revenue		29,48,58,279	27,10,04,411
Expenses			
Employee benefits expense	19	5,86,29,833	5,29,57,477
Finance costs	20	16,35,12,739	16,43,59,695
Depreciation and amortisation expenses	10	80,11,533	65,67,927
Other Expenses	21	3,01,00,435	2,61,11,161
Total Expenses		26,02,54,540	24,99,96,260
Profit before Tax		3,46,03,739	2,10,08,151
Tax expenses			
(1) Current tax		(1,33,18,000)	(88,60,000)
(2) Deferred tax		87,239	2,32,510
(3) Previous year Income Tax		(8,658)	6,03,700
Profit for the year		2,13,64,320	1,29,84,361
Earnings per Equity share			
Basic		3.38	2.38

The notes form an integral part of the financial statements 22

M. Bhagavantha Rao
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Vice-President

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D.S. Srinivasa Rao
K.S. Madhukar
Directors

C.S. Ramamurthy
V. Muralidharan
V.S. Sridhar
Directors

Dr. R. Narasimhan
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For Raghavan & Muralidharan
Chartered Accountants
Firm registration No. 007110S

Partner : K.B.Muralidharan
Membership No : 205490
Date : 26/Aug/2017

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net profit / [loss] before extra-ordinary items and tax		3,46,03,739		2,10,08,151
Adjustments for:				
Depreciation and amortisation	80,11,533		65,67,927	
Provision for NPA made / (written back)	8,93,216		13,46,244	
[Profit] / Loss on sale / write off of assets	2,52,037		-	
Finance Costs	3,12,285		5,19,767	
Rental Income from operating leases	(27,33,637)		(26,39,115)	
		67,35,434		57,94,824
Operating profit / [loss] before working capital changes		4,13,39,173		2,68,02,975
Changes in working capital:				
Adjustment for [increase] / decrease in operating assets:				
Short term loans and advances	(12,48,62,406)		(12,19,26,370)	
Long term loans and advances	(3,20,58,380)		(13,43,64,544)	
Bank deposits not considered as cash equivalents	8,64,37,770		(16,09,37,770)	
Bank accounts not considered as cash equivalents	(2,13,842)		(5,012)	
Other current assets	(1,98,601)		(5,22,397)	
		(7,08,95,459)		(41,77,56,093)
Adjustment for increase / [decrease] in operating liabilities:				
Other current liabilities	27,41,61,503		(22,29,83,759)	
Other long term liabilities	85,711		2,08,035	
Short term provisions	40,79,542		5,82,517	
		27,83,26,756		(22,21,93,207)
		24,87,70,470		(61,31,46,325)
Cash generated from operations		24,87,70,470		(61,31,46,325)
Net income tax [paid] / refunds		(1,12,78,970)		(52,00,000)
Net cash flow from / [used in] operating activities [A]		23,74,91,500		(61,83,46,325)

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
	₹	₹	₹	₹
B. Cash flow from investing activities				
Capital expenditure on fixed assets including capital advances	(3,58,24,918)		(1,44,72,442)	
Proceeds from sale of fixed assets	-		-	
Rental income from operating leases	27,33,637		26,39,115	
		(3,30,91,281)		(1,18,33,327)
Net cash flow from / [used in] investment activities [B]		(3,30,91,281)		(1,18,33,327)
C. Cash flow financing activities [C]				
Proceeds from issue of equity shares	4,81,000		1,30,35,920	
Net increase / [decrease] in long term borrowings	22,70,10,539		23,69,10,914	
Net increase / [decrease] in short term borrowings	(40,10,13,841)		39,73,89,888	
Finance Cost	(3,12,285)		(5,19,767)	
Grant-in-aid paid	(6,00,000)		(6,00,000)	
Dividend paid [including dividend tax]	(83,36,194)		(72,11,225)	
		(18,27,70,781)		63,90,05,730
Cash flow from extraordinary items		-		-
Net cash flow from / [used in] financing activities [C]		(18,27,70,781)		63,90,05,730
Net increase / [decrease] in cash & cash equivalents [A + B + C]		2,16,29,438		88,26,078
Cash and cash equivalents at the beginning of the year		3,67,33,512		2,79,07,434
Cash and cash equivalents at the end of the year		5,83,62,950		3,67,33,512
Reconciliation of cash & cash equivalents with the Balance Sheet:				
Cash & Bank balances as per Balance Sheet [As per note 14]		32,35,29,201		38,81,23,691
Less: Bank deposits not considered as cash & cash equivalents		(26,30,00,000)		(34,94,37,770)
Less: Bank account not considered as cash & cash equivalents		(21,66,251)		(19,52,409)
Net cash & cash equivalents		5,83,62,950		3,67,33,512

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
	₹	₹	₹	₹
Add: Current investments considered as part of cash & cash equivalents		-		-
Cash and cash equivalents at the end of the year **		5,83,62,950		3,67,33,512
**Comprises:				
[a] Cash on hand		1,91,09,403		1,19,93,038
[b] Cheques, drafts on hand		-		-
[c] Balances with banks				
[i] in current accounts	1,87,49,822		1,28,25,107	
[ii] debit balance in overdraft accounts	5,03,725		19,15,367	
[iii] in deposit accounts with original maturity less than 3 months	2,00,00,000		1,00,00,000	
		3,92,53,547		2,47,40,474
[d] Stamps on hand		-		-
Total		5,83,62,950		3,67,33,512

Notes:

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

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For Raghavan & Muralidharan
Chartered Accountants
Firm registration No. 007110S

Partner : K.B.Muralidharan
Membership No : 205490
Date : 26/Aug/2017

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2017

Note Particulars	31st March 2017	31st March 2016
	₹.	₹.
1 SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
1,00,00,000 Equity shares of ₹.10/- each (Previous year 1,00,00,000 Equity shares of ₹.10/- each)	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED & PAID-UP :		
63,40,699 Equity Shares of ₹.10/- each (Previous year 62,96,409 Equity shares of ₹. 10/- each)	6,34,06,990	6,29,64,090
	6,34,06,990	6,29,64,090
a) Equity shares	No of shares	No of shares
Opening Balance	62,96,409	49,92,817
Fresh issue	44,290	62,710
Private Palacement	-	12,40,882
Closing Balance	63,40,699	62,96,409

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, 2013.

c) Shareholders holding more than 5% of the total share capital

Equity Shares of ₹.10/- each

fully paid up

Name

	31st March 2017		31st March 2016	
	No of shares	% of Holding	No of shares	% of Holding
Sriman Madhwa Sidhanta Onnahini Sabha	10,62,800	16.76%	10,62,800	16.88%
Srinivasa Murthy Banaji	3,55,000	5.60%	3,55,000	5.64%

However, right to vote is restricted to 5% vide Govt. notification No.GSR 465(E) dated 5th June 2015.

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2017

Note	Particulars	31st March 2017 ₹.	31st March 2016 ₹.
2	RESERVES AND SURPLUS		
	Capital Redemption Reserve: (A)	80,996	80,996
	General Reserve:		
	Opening balance	3,50,70,996	3,10,22,828
	Less: Amount withdrawn from General Reserve	-	(14,50,000)
	Add: Transfer from Surplus in Statement of Profit and Loss	20,98,864	54,98,168
	TOTAL (B)	<u>3,71,69,860</u>	<u>3,50,70,996</u>
	Surplus in Statement of Profit and Loss		
	Opening balance	-	-
	Profit for the year from Statement of Profit and Loss	2,13,64,320	1,29,84,361
	Add: Amount withdrawn from General Reserve	-	14,50,000
	Less: Appropriations		
*	Proposed Dividend on Equity Shares (Refer Note 22.12)	-	(69,26,050)
	Dividend Tax on above	-	(14,10,144)
	Proposed Grant-in-aid to S M S O Sabha	(18,00,000)	(6,00,000)
	Transfer to General Reserve	(20,98,864)	(54,98,167)
	TOTAL (C)	<u>1,74,65,456</u>	<u>-</u>
	(A) +(B) + (C)	<u>5,47,16,312</u>	<u>3,51,51,992</u>
*	Includes ₹. NIL (Previous year ₹.14,50,000/-) declared out of accumulated profits of earlier years.		
3	SHARE APPLICATION MONEY PENDING ALLOTMENT	<u>38,100</u>	<u>-</u>
a)	The application money is non refundable and no interest is payable for any belated allotment.		
b)	The above amount is pending for allotment of 3,810 shares [Previous year NIL] of ₹.10/ each at par.		
c)	The above shares have been allotted in April 2017.		
d)	The Company does have sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money.		
e)	There are no amounts due for refund.		
f)	There is no specific period mentioned in the form for allotment of shares		
4	LONG TERM BORROWINGS		
	UNSECURED		
	Fixed deposits	57,67,81,877	35,14,26,586
	Recurring deposits	1,36,19,658	1,19,64,410
		<u>59,04,01,535</u>	<u>36,33,90,996</u>

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2017

Note	Particulars	31st March 2017 ₹.	31st March 2016 ₹.
5	OTHER LONG TERM LIABILITIES		
	Interest accrued but not due on deposits (Net of tax deducted at source as applicable)	4,74,354	3,88,643
	Rent Advance	8,50,000	8,50,000
		13,24,354	12,38,643
6	LONG TERM PROVISIONS		
	For Non performing assets	28,58,313	19,65,097
		28,58,313	19,65,097
7	SHORT TERM BORROWINGS		
	SECURED :-		
	Demand Loans from Banks [Secured against deposits with banks - Refer Note 14]	-	1,75,00,000
	UNSECURED :-		
	Fixed deposits	78,30,01,557	121,91,21,792
	Recurring deposits	6,50,63,320	6,61,01,040
	Savings deposits	18,94,82,069	13,58,37,955
		1,03,75,46,946	1,43,85,60,787
8	OTHER CURRENT LIABILITIES		
	Unpaid matured deposits and interest accrued thereon	3,63,00,292	1,86,60,102
	Other Security Deposits	5,23,38,000	4,24,50,000
	Cheques Pending Realisation	7,92,776	7,39,107
	Unpaid dividends	30,53,156	25,59,590
	Other liabilities	47,74,113	34,75,563
	Interest accrued and due on fixed deposits	7,784	63,492
	Interest accrued but not due on Other Deposits (Net of tax deducted at source as applicable)	46,08,099	32,36,863
	Interest due on Loan against bank deposits	-	1,07,320
	Deposits maturing within next 12 months	37,30,39,802	12,94,60,482
		47,49,14,022	20,07,52,519
9	SHORT TERM PROVISIONS		
	For Proposed dividend	-	69,26,050
	For Proposed Grant-in aid	18,00,000	6,00,000
	For Dividend distribution tax	-	14,10,144
	Provision for Employee		
	In respect of Leave Encashment	-	6,86,844
	In respect of Ex-gratia	46,41,000	-
	Others	6,01,827	4,76,441
		70,42,827	1,00,99,479

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2017

Note Particulars

10. FIXED ASSETS

S No	Description	Gross Block at cost as at 1st April 2016 ₹.	Additions during the year ₹.	Deductions during the Year ₹.	Gross Block at cost as at 31st March 2017 ₹.	DEPRECIATION				NET Block as at		
						up to 31st March 2016 ₹.	for the year 2016-2017 ₹.	Withdrawn ₹.	up to 31st March 2017 ₹.	31st March 2017 ₹.	31st March 2016 ₹.	
	TANGIBLE ASSETS											
1	Land	3,64,823	29,19,685	-	32,84,508	-	-	-	-	32,84,508	3,64,823	
2	Premises	98,80,771	1,19,05,426	-	2,17,86,197	57,38,445	3,89,637	-	61,28,082	1,56,58,115	41,42,326	
3	Improvements in Lease hold premises	44,00,296	3,581,677	4,02,100	75,79,873	7,70,690	6,17,903	1,54,340	12,34,253	63,45,620	36,29,606	
4	Furniture & Fixtures	3,76,51,205	1,24,18,719	-	5,00,69,924	1,43,86,673	37,29,279	-	1,81,15,952	3,19,53,971	2,32,64,531	
5	Electrical & Other Installations	20,08,875	13,74,173	-	33,83,048	14,04,843	2,83,588	-	16,88,431	16,94,617	6,04,032	
6	Office Equipments	1,13,66,153	27,80,983	76,257	1,40,70,879	80,21,506	21,55,267	71,980	1,01,04,793	39,66,086	33,44,648	
7	Computer	67,88,733	5,71,180	-	73,59,913	57,80,296	4,92,357	-	62,72,652	10,87,261	10,08,437	
8	Vehicle	6,88,503	3,700	-	6,92,203	3,90,149	97,284	-	4,87,433	2,04,770	2,98,354	
	Sub Total	7,31,49,359	3,55,55,543	4,78,357	10,82,26,545	3,64,92,602	77,65,315	2,26,320	4,40,31,596	6,41,94,948	3,66,56,757	
	INTANGIBLE ASSETS											
1	Software	24,39,302	2,69,375	-	27,08,677	3,21,656	2,46,218	-	5,67,874	21,40,803	21,17,646	
	31.03.2017	7,55,88,661	3,58,24,918	4,78,357	11,09,35,222	3,68,14,258	80,11,533	2,26,320	4,45,99,470	6,63,35,751	3,87,74,403	
	31.03.2016	6,11,16,219	1,44,72,442	-	7,55,88,661	3,02,46,331	65,67,927	-	3,68,14,258	3,87,74,403	3,08,69,888	

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2017

Note	Particulars	31st March 2017 ₹.	31st March 2016 ₹.
11	LONG TERM LOANS AND ADVANCES FULLY SECURED (CONSIDERED GOOD)		
@	Registered Mortgage Loan	37,00,80,630	33,77,08,161
	Loan on deposits	63,47,485	69,60,150
	UNSECURED (CONSIDERED GOOD)		
	Loan to Directors	12,19,359	26,80,832
	Housing Loan to Staff	1,63,80,043	1,77,26,959
	Staff Children's Education Loan	7,00,000	7,00,000
	Personal Loan to Staff	23,48,213	41,59,883
	Other Deposits	1,88,205	1,81,005
#	Taxes recoverable (Net of provision)	(15,923)	7,61,729
	Rent Advances	1,13,40,000	91,53,600
	Capital Advances	17,80,000	3,25,000
		41,03,68,012	38,03,57,319
@	The Registered Mortgage Loan includes Non Performing assets of ₹.2,11,04,639/- (Previous year ₹.1,23,46,898/-)		
#	Taxes recoverable is net of provisions for taxation as stated below:		
	Taxes recoverable	2,64,88,077	2,88,25,729
	Less: Provision for income tax	2,65,04,000	2,80,64,000
	Taxes recoverable (Net of provision)	(15,923)	7,61,729
12	OTHER NON CURRENT ASSETS		
	Advance recoverable	3,78,000	3,78,000
		3,78,000	3,78,000
13	DEFERRED TAX ASSET (NET)		
	Deferred Tax Asset on account of Depreciation	5,28,079	4,40,840
		5,28,079	4,40,840

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2017

Note	Particulars	31st March 2017 ₹.	31st March 2016 ₹.
14	CASH AND BANK BALANCES		
	Cash and cash equivalents		
	Cash on hand	1,91,09,403	1,19,93,039
	Balance with Banks in current accounts	1,87,49,822	1,28,25,107
*	Debit Balance with Banks in overdraft account	5,03,725	19,15,367
#	Bank deposit (upto 3 months maturity)	2,00,00,000	1,00,00,000
	Other Bank balances		
#	Bank deposits (More than 3 months and upto 12 months maturity)	26,30,00,000	34,94,37,770
	Balance with Banks in unpaid dividend account	21,66,251	19,52,408
		<u>32,35,29,201</u>	<u>38,81,23,691</u>
#	Represents deposit made to comply with requirement of maintenance of Statutory Liquid Ratio of 10% of deposits outstanding		
*	Overdraft facility availed for a value of ₹.4.5 crores, against security by way of equitable mortgage on one of the immovable properties of the company.		
15	SHORT TERM LOANS AND ADVANCES		
	FULLY SECURED (CONSIDERED GOOD)		
@	Jewel Loan	1,32,44,39,323	1,20,97,37,827
	Loan on Deposits	1,67,04,732	1,73,53,814
	Interest Accrued on Loans	7,89,55,495	6,94,39,152
	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 ₹. 1,03,455/- (Previous year ₹.1,03,455/-)		
	UNSECURED (CONSIDERED GOOD)		
	Festival Advance	18,48,140	16,91,490
	Flood Advance		3,63,001
	Other Advances	20,00,000	5,00,000
		<u>1,42,39,47,690</u>	<u>1,29,90,85,284</u>
@	The jewel Loan includes non performing assets of ₹. Nil (Previous year) ₹.5,13,335/-.		
**	Other Advances includes ₹. 20,00,000/- paid by way of contribution to Sri Uttaradhi Math, Kanchipuram for construction of Memorial Hall in the name of the founder Shri Kanchi Subbarao. The said amount exceeds the permissible limit under Section 181 of the Companies Act 2013 and is subject to approval of members in the general meeting.		

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2017

Note	Particulars	31st March 2017 ₹.	31st March 2016 ₹.
16	OTHER CURRENT ASSETS		
	Interest Accrued on Bank Deposits	29,41,315	38,43,088
	Rent receivable	83,626	82,660
	Prepaid Expenses	29,92,211	21,26,753
	Stationery at cost	6,79,004	5,73,618
	Input Tax Receivables	4,66,510	3,37,947
		<u>71,62,666</u>	<u>69,64,066</u>
17	REVENUE FROM OPERATIONS		
	Interest on Jewel Loans	19,74,66,325	18,97,95,853
	Interest on Mortgage Loans	6,76,96,403	5,30,46,490
	Interest on Loans on deposits	25,73,706	27,06,786
	Interest on Loan to Employees	15,12,567	17,33,050
	Interest on Deposit With Schedule Banks	2,12,63,489	1,98,59,683
	Processing and penal charges	13,18,144	9,05,661
		<u>29,18,30,634</u>	<u>26,80,47,523</u>
18	OTHER INCOME		
	Rent Received	27,33,637	26,39,115
	Miscellaneous income	1,65,236	3,17,773
	Interest on IT Refund	1,28,772	-
		<u>30,27,645</u>	<u>29,56,888</u>
19	EMPLOYEE BENEFITS EXPENSE		
	Salaries and Allowances	4,92,80,499	4,33,13,145
	Contribution to EPF & Deposit linked Insurance	42,15,023	39,61,256
	Medical Reimbursement	8,90,000	8,18,500
	Contribution to Gratuity Fund	7,225	9,39,615
	Contribution to Superannuation Fund	13,38,397	13,53,438
	Group Insurance	-	50,000
	Group Medclaim Policy	4,89,890	4,49,659
	Group Leave encashment Policy	2,92,167	6,91,551
	Staff Welfare Expenses	21,16,632	13,80,313
		<u>5,86,29,833</u>	<u>5,29,57,477</u>

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2017

Note	Particulars	31st March 2017 ₹.	31st March 2016 ₹.
20	FINANCE COSTS INTEREST EXPENSES		
	On Fixed Deposits	14,68,09,931	14,81,63,038
	On Cumulative Deposits	27,104	25,23,081
	On Recurring Deposits	79,66,833	77,27,947
	On Savings Deposits	83,96,586	54,25,862
	On Bank Borrowings	3,12,285	5,19,767
		<u>16,35,12,739</u>	<u>16,43,59,695</u>
21	OTHER EXPENSES		
	Electricity Charges	15,16,021	12,65,018
	Insurance	5,54,794	5,20,300
	Rent	1,06,49,992	78,45,668
	Payment to Auditors		
	- Audit Fees	1,09,000	1,07,750
	- Company Law Matters	3,270	3,233
	- Taxation Matters	35,670	62,028
	- Expenses	1,090	1,078
	Repairs to		
	- Building	71,120	66,370
	- Others	17,72,232	8,18,062
	Rates & Taxes	3,05,783	2,56,137
	Bad Debts	2,25,978	3,84,241
	Provision for NPA	8,93,216	13,46,244
	Payment to Directors		
	- Remuneration	1,05,000	1,05,000
	- Sitting Fees	13,73,000	15,67,000
	Loss on Disposal of asset	2,52,037	-
	Miscellaneous expenses	1,22,32,232	1,17,63,032
		<u>3,01,00,435</u>	<u>2,61,11,161</u>

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Notes to the financial statements for the year ended 31st March 2017

NOTE 22

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 Nidhi Rules 2014 including compliance with Prudential Norms for Income Recognition issued by Ministry of Corporate Affairs vide G.S.R No.258(E) dated 31/03/2014 w.e.f 01/04/2014.
- 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 "In respect of Tangible assets (other than leasehold improvements), Depreciation on assets is provided on the written down value method. The Company has adopted depreciation rates as per the useful life specified in the Schedule II of the Companies Act, 2013 except on certain category of assets for which the Company has re-assessed the useful life of the assets based on internal assessment and technical advice, as specified below:

Asset Nature	Estimated Useful Life
Lockers & Strong Room Doors classified under Furniture & Fixtures	50 years
Computers	6 years

Residual value has been considered @5% of the cost.

Leasehold improvements are amortized over the period of lease.

Intangible assets represent Computer software whose cost is amortised fully over their expected useful life of 10 years, on a straight-line basis. Residual value is taken to be NIL.

Based on the concept of materiality, assets costing ₹.5000 or less acquired during the year are written down @ 100% based on the number of days of usage.

F Employee Retirement Benefits:

- (i) Short term employee benefit : Provision for leave 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.

(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.

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- G Payments made for assets taken on operating lease are recognised as expenses over the lease period.
- H Deferred Tax Asset 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. Deferred 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 Deferred Tax Assets can be realised.
- 2 Claim of ₹. 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 ₹. 3,78,000 being 30% of the disputed liability deposited with The Principal Labour Court, Chennai.
- 3 The Company is in the practice of taking office buildings on operating lease.

	As at 31.03.2017	As at 31.03.2016
4 A Deferred Tax Details:-	₹.	₹.
Deferred Tax Liability on account of Depreciation	-	-
Deferred Tax Assets on account of expenses allowable in income tax under payment basis	-	-
Deferred Tax Asset on account of Depreciation	5,28,079	4,40,840
B Profit for the year after taxation	2,13,64,320	1,29,84,361
Weighted Average number of equity shares of ₹.10 each	63,17,618	54,52,711
Earnings Per Share of ₹.10 each (Basic & Diluted)	3.38	2.38
5 Particulars	31.03.2017	31.03.2016
(i) Balance amount outstanding as at 31/03/2010 in respect of loans disbursed before 31/03/2002	2,03,455	2,03,455
Amount provided upto 31/03/2017 @ 100% [Previous Year 100%] (A)	2,03,455	2,03,455
Balance to be provided	-	-
(ii) Total Amount of provision to be made on account of Non-performing assets other than those stated above, remaining unrealised	26,54,858	17,61,642
Amount of provision in respect of above till the previous year (B)	17,61,642	4,15,398
Amount provided / (Excess provision reversed) in the current year	8,93,216	13,46,244
Balance to be provided	-	-

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

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been made taking into consideration the events occurred after the Balance sheet date but before the date of approval of financial statements by Board of Directors.”

The company has waived off interest of ₹.2,25,978/- (included in “Bad debts” under Note 21 to financial statements) 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.

	As at 31.03.2017	As at 31.03.2016
	₹.	₹.

B) In respect of Gratuity

Reconciliation of liability recognised in the Balance Sheet

Present value of commitments	1,67,83,646	1,56,81,924
Fair value of Plan Assets	1,90,86,823	1,77,18,374
Funded Stated assets	23,03,177	20,36,450

Movement in the assets recognised in the Balance Sheet

Net Asset as at beginning of the year	20,36,450	24,76,065
Contribution during the year	1,96,782	4,26,497
Net expenses recognised/(written back) in the Profit and Loss Account	(69,945)	8,66,112
Net Assets as at the end of the year	23,03,177	20,36,450

(Included in Prepaid expenses in Note 15)

Expenses recognised in the Profit and Loss Account

Current Service Cost	7,91,964	7,76,615
Interest cost	12,54,554	12,10,232
Expected return on plan assets	(14,55,721)	(14,41,268)
Net Actuarial (Gain)/Loss recognised in the year	(6,60,742)	3,20,533
Expenses recognised/(written back) in the Profit and Loss Account	(69,945)	8,66,112

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

	As at 31.03.2017 ₹.	As at 31.03.2016 ₹.
Return on Plan Assets		
Expected return on plan assets	14,55,721	14,41,268
Net Actuarial Loss/(Gain) recognised in the year	-	-
Actual Return on Plan Assets	14,55,721	14,41,268
Changes in present value of obligations		
Present value of obligations as at beginning of the year	1,56,81,924	1,51,27,905
Interest cost	12,54,554	12,10,232
Current Service Cost	7,91,964	7,76,615
Paid benefits	(2,84,054)	(17,53,361)
Actuarial (gains)/Losses	(6,60,742)	3,20,533
Present Value/Commitment as at end of the year	1,67,83,646	1,56,81,924
Changes in fair value of plan assets		
Fair value of plan assets as at beginning of the year	1,77,18,374	1,76,03,970
Expected return on plan assets	14,55,721	14,41,268
Contributions	1,96,782	4,26,497
Benefits paid	(2,84,054)	(17,53,361)
Actuarial Loss/(Gain) on plan Assets	-	-
Fair value of plan assets as at end of the year	1,90,86,823	1,77,18,374
Principle Assumption		
Discount Rate	8%	8%
Expected return on plan assets		
Expected rate of Salary increase	5%	5%
Attrition Rate		
	31.03.2017	31.03.2016
C) In respect of Leave Encashment		
Reconciliation of liability recognised in the Balance Sheet		
Present value of commitments	49,07,943	42,97,921
Fair value of Plan Assets	54,81,325	36,11,077
Funded Stated assets	5,73,382	(6,86,844)
Movement in the assets recognised in the Balance Sheet		
Net Asset as at beginning of the year	(6,86,844)	(2,95,293)
Contribution during the year	15,45,731	2,93,519

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Net expenses recognised/(written back) in the Profit and Loss Account	2,85,505	6,85,070
Net Assets/(Liability) as at the end of the year (Included in Prepaid expenses in Note 15)	5,73,382	(6,86,844)
Expenses recognised in the Profit and Loss Account		
Current Service Cost	5,69,116	5,64,335
Interest cost	3,43,834	2,87,119
Expected return on plan assets	(4,09,996)	(2,89,770)
Net Actuarial (Gain)/Loss recognised in the year	(2,17,449)	1,23,386
Expenses recognised/(written back) in the Profit and Loss Account	2,85,505	6,85,070
Return on Plan Assets		
Expected return on plan assets	4,09,996	2,89,770
Net Actuarial Loss/(Gain) recognised in the year	-	-
Actual Return on Plan Assets	4,09,996	2,89,770
Changes in present value of obligations		
Present value of obligations as at beginning of the year	42,97,921	35,88,986
Interest cost	3,43,834	2,87,119
Current Service Cost	5,69,116	5,64,335
Paid benefits	(85,479)	(2,65,905)
Actuarial (gains)/Losses	(2,17,449)	1,23,386
Present Value/Commitment as at end of the year	49,07,943	42,97,921
Changes in fair value of plan assets		
Fair value of plan assets as at beginning of the year	36,11,077	32,93,693
Expected return on plan assets	4,09,996	2,89,770
Contributions	15,45,731	2,93,519
Benefits paid	(85,479)	(2,65,905)
Actuarial Loss/(Gain) on plan Assets	-	-
Fair value of plan assets as at end of the year	54,81,325	36,11,077
Principle Assumption		
Discount Rate	8%	8%
Expected return on plan assets		
Expected rate of Salary increase	5%	5%
Attrition Rate		

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

8 Disclosure as per Accounting Standard 18 - Related Party Disclosure

Related parties disclosure

A. Relationships

Key-Management Personnel (KMP)	As at 31.03.2017	As at 31.03.2016
President from 18th Oct 2015 [Previous year: upto 17th Oct 2015]	Sri M.Bhaghavantha Rao	Sri B.Nagaraja Rao
[Previous year: from 18th Oct 2015]		Sri M.Bhaghavantha Rao
Chief Executive Officer	Sri.R.Srinivasan	Sri.R.Srinivasan

B. Nature and volume of Transactions

Particulars	for the year ended 31.03.2017 ₹	for the year ended 31.03.2016 ₹
Income		
(i) Interest income from KMP	1,10,382	75,480
Expenditure		
(i) Remuneration of KMP	6,15,852	6,30,775
(ii) Interest paid to KMP	22,703	12,520
Dividend Paid	16,500	12,000
Assets		
(i) Loans and Advances Paid to KMP	-	7,00,000
(ii) Loans and Advances repaid by KMP	1,70,196	1,70,196
Liabilities		
(i) Deposits received from KMP	-	25,000
(ii) Deposits repaid to KMP	-	-

* Does not include transactions in the Savings Deposit account entered during the normal course of business.

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C.	Balances outstanding	As at 31.03.2017	As at 31.03.2016
	Loans and Advances outstanding from KMP	12,10,388	13,80,584
	Interest Accrued on Loans outstanding from KMP	1,02,096	1,11,237
	Deposits outstanding to KMP	2,64,020	3,07,943

D The Related party relationship is as identified by the company and relied upon by the auditor

9 The presentation in the Balance Sheet, Profit and Loss Statement and Notes to the Accounts is in terms of Schedule III to the Companies Act, 2013 which has become mandatory with effect from 1st April 2014. The assets and liabilities have been classified as current and non-current based on twelve month operating cycle.

10	Dividend	For the year ended 31st March 2017 ₹.	For the year ended 31st March 2016 ₹.
	Amount of Proposed Dividend	79,25,874	69,26,050
	Proposed dividend per share of ₹.10 each	1.25	1.10

11 There are no amounts due to Small Scale Industries as defined in "The Micro, Small and Medium Enterprises Development Act, 2006"

12 Dividend at the rate of 12.5% amounting to ₹.79,25,874 (₹.1.25 per share on fully paid up equity share of ₹.10/- each) has been recommended by the Board for the year ended 31st March 2017. The Central Government vide notification dated 30.03.2016 has amended the Companies (Accounting Standards) Rules, 2006. According to the amended Rule, the dividend declared after the Balance Sheet date shall not be recorded as a liability in the previous year. Therefore, the Company has not recorded ₹.95,39,582/- as liability for proposed dividend including dividend distribution tax of ₹.16,13,708/- as at 31st March 2017. However, the same will be recognised as liability on approval of the shareholders in the Annual General Meeting. The company has sufficient profits to transfer to general reserve equivalent to proposed dividend, as required by Nidhi Rules 2014, computation of which is furnished below:

Particulars	Amount
Surplus in Statement of Profit and Loss as at 31st March 2017	1,74,65,456
Less : Appropriations	
Proposed Dividend on Equity Shares	(79,25,874)
Dividend Tax on above	(16,13,708)
Transfer to General Reserve	(79,25,874)
Balance Surplus in Statement of Profit and Loss after declaration of dividend	0

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

- 13 Details of Specified Bank Notes (SBN) held and transacted during the period 09/11/2016 to 30/12/2016 is provided as below :

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016 In Rupees	2,18,72,000	23,72,754	2,42,44,754
(+) Permitted Receipts In Rupees	-	13,67,39,979	13,67,39,979
(+) Non-Permitted Receipts In Rupees	6,16,500	-	6,16,500
(-) Permitted Payments In Rupees	-	1,312,44,407	13,12,44,407
(-) Non-Permitted Payments In Rupees	2,39,000	-	2,39,000
(-) Amount deposited in Banks In Rupees	2,22,49,500	2,06,340	2,24,55,840
Closing Cash in Hand as on 30.12.2016 In Rupees	-	76,61,986	76,61,986

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

M. Bhagavantha Rao
President

S. Narayanan
Vice-President

N. Vittal C.R. Muralidharan
Independent Directors

B. Nagaraja Rao
D.S. Srinivasa Rao
K.S. Madhukar
Directors

C.S. Ramamurthy
V. Muralidharan
V.S. Sridhar
Directors

Dr. R. Narasimhan
L. Madhavan
C.V. Raveendran
Directors

R. Srinivasan
Chief Executive Officer

L. Venkatesan
Manager

R. Ananthan
Ex-Officio Director

For Raghavan & Muralidharan
Chartered Accountants
Firm registration No. 007110S

Partner : K.B.Muralidharan
Membership No : 205490
Date : 26/Aug/2017

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

S.No	Resolution
ORDINARY BUSINESS	
1.	To receive, consider and adopt the audited financial statement for the financial year ended 31.03.2017
2.	To declare dividend
3.	To re- appoint Sri. B.Nagaraja Rao (DIN: 02801734), director eligible for re-appointment
4.	To re- appoint Sri. K.S.Madhukar (DIN: 05158265), director eligible for re-appointment
5.	To re- appoint Sri. L.Madhavan (DIN: 00729891), director eligible for re-appointment
6.	To appoint statutory auditors of the Company
SPECIAL BUSINESS	
7.	To appoint Sri. C.R.Muralidharan (DIN: 02443277) as Independent Director
8.	To make grants to Sriman Madhwa Sidhantaonnahini Sabha
9.	To make donation to Shri Uttarathi Mutt, Kanchipuram
10.	To make donation to S M S O Employees Welfare Trust, Chennai.
11.	Participation in the Equity of New Housing Finance Company proposed to be floated under the banner of S M S O Permanent Nidhi Limited.

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

STATUTORY AUDITOR

M/s Raghavan & Muralidharan, Chartered Accountants, New No.397 Old No.280 SRM Towers,
M K M Road, Alander, Chennai 600 016.

INTERNAL AUDITORS

M/s M.Srinivasan & Associates, Chartered Accountants, No.5 B Wing, Parsn Manere, 9th Floor,
442 Anna Salai, Chennai 600 006.

Mindscape Solutions Private Ltd., No.1 9th Main Road, Vijaya Nagar, Velachery,
Chennai 600 042.

S.No.	Our Counsel / Advocates
1	Sri. K Raghavendiran, B.Com., LL.B, DLL (Hons) Roll No.5 / 3 9th Street, Guru Kalki Apartment, Nanganallur, Chennai –600 061.
2	Sri. L Prabahar New No.51 Old No.22 Ground Floor, Royal Builders, Soorappan Street, Triplicane, Chennai 600005
3	Sri .T R V Vittal, B.Com., B. L., Advocate “Vittal Vihar” No.45, Bharathipark Cross Road- 3, Coimbatore- 641 011
4	Sri. T R Raghavendran B.Sc., M.L., Advocate DAF-1,” Anugraha “ Bharath Plaza, Moolathopu, Melur Road, Srirangam – 620 006
5	Sri R Seshagiri Rao B.A., B.L., (DP & PA) (P G Diploma in Law) Senior Advocate, “Sri Raghavendra Apartments” No 36/9 G K Venkataraman Street, Kumbakonam – 612 001
6	Sri .V Rajagopal, B.Sc., LL.B., Advocate & Commissioner of Oaths No 369/5, Sooramangalam Main Road, Sooramangalam, Salem – 636 005
7	Sri. S Ganesh Babu M.A ., B.L., Advocate & Commissioner of Oaths No 237, Naicker New Street, Madurai – 625 001.

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

Proxy Form (Form No. MGT-11)

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

Name of the Company : **Sriman Madhwa Sidhantaonnahini Permanent Nidhi Limited**

CIN : U65110TN1881PLC002799

Registered office : No.37 Car Street, Triplicane, Chennai - 600 005

Name of the Member(s):
Registered address:
E-mail Id:

I/ We being the member of, holding.....shares, hereby appoint

1. Name :

Address :

E-mail Id :

Signature:, or failing him

2. Name :

Address :

E-mail Id :

Signature :

Affix
₹. 1 /-
Revenue
Stamp

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 135th Annual General Meeting of members of the Company, to be held on Wednesday the 27th September 2017 at "Poornapragnya Hall, No.7/12, Arumugham Lane, Triplicane, Chennai - 600 005 (Behind Registered Office of the Nidhi) at 03.00 p.m, and at any adjournment thereof in respect of such resolutions as indicated below:

Signed this day of..... 2017

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before 48 hours of the commencement of the Meeting.

SRIMAN MADHWA SIDHANTAONNAHINI PERMANENT NIDHI LTD

