



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

Declared as a Nidhi Company By Govt. of India

CIN No: U65991 TN 1993 PLC 025555

R.O. : "House of Mutuals", No. 20/38-A, Dr. Besant Road, Kumbakonam-612 001. ☎ 2431918

21st ANNUAL REPORT 2013-2014



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BRANCHES

- Kumbakonam Main ● Kumbakonam Town ● Pattukkottai ● Thanjavur ● Mannargudi ● Tiruvarur
- Panruti ● Madurai ● Srirangam ● Manapparai ● Coimbatore ● Virudhachalam ● Mayiladuthurai
- Jayankondam ● Karur ● Salem ● Tirupur ● Erode ● Sirkazhi ● Karanthai ● Ariyalur

CHENNAI BRANCHES

- Madipakkam ● Nanganallur ● West Mambalam ● Anna Nagar ● Virugambakkam
- Ambattur ● Triplicane ● Chitlapakkam ● Tambaram West ● Pammal



NON-METRO BRANCHES

'House of Mutuals' No. 20/38-A, Dr. Besant Road,
Kumbakonam - 612 001. Ph. : 0435 - 2431908, 73730 87011

'House of Mutuals' No. 22/120, Indira Gandhi Salai,
Kumbakonam - 612 001. Ph. : 0435 - 2424508, 73730 87012

'House of Mutuals' No. 79, Theradi Street,
Pattukkottai - 614 601. Ph. : 04373 - 256908, 73730 87013

No. 1/2906, South Street, **Thanjavur** - 613 009.
Ph. : 04362 - 276408, 73730 87014

No. 115, Gandhiji Road, **Mannargudi** - 614 001.
Ph. : 04367 - 252992, 73730 87015

'House of Mutuals' No. 12, Ellai Amman Kovil East Street,
Tiruvavur - 610 001. Ph. : 04366 - 227108, 73730 87016

No. 9-A, Rajaji Street, **Panruti** - 607 106.
Ph. : 04142 - 244908, 73730 87018

No. 91, Kamarajar Salai, **Madurai** - 625 009.
Ph. : 0452 - 2623908, 73730 87019

No. 100-E, Aishwarya Towers, Gandhi Road, **Srirangam**,
Tiruchirappalli - 620 006. Ph. : 0431 - 2436908, 73730 87022

No. 75, Dindigul Road, **Manapparai** - 621 306.
Ph. : 04332 - 261908, 73730 87028

No. 29, Ramar Kovil Sannathi Street, Ram Nagar,
Coimbatore - 641 009. Ph. : 0422 - 2233908, 73730 87029

Old No. 9, New No. 33/6, Kadai Veedhi,
Virudhachalam - 606 001. Ph. : 04143 - 231908, 73730 87036

No. 30/5E, Deen Plaza, Near State Bank, Avaiambalpuram,
Mayiladuthurai - 609 001. Ph. : 04364 - 220908, 73730 87037

No. 72/30, Sannathi Street, **Jayankondam** - 621 802.
Ph. : 04331 - 251908, 73730 87038

No. 14-A, North Pradhakshanam Road, **Karur** - 639 001.
Ph. : 04324 - 232908, 73730 87039

No. 674-1/384, 1st Floor, Trichy Main Road, Gugai,
Salem - 636 006. Ph. : 0427 - 2465908, 73730 87042

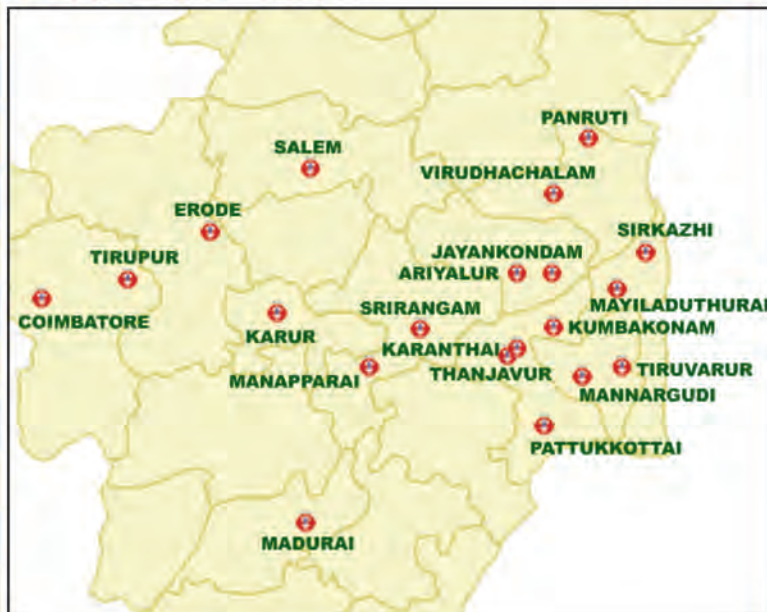
No. 62/1, 1st Floor, Binny Main Street, Kumaran Road, **Tirupur** - 641 601.
Ph.: 0421-2247908, Cell: 73730 87043

No. 224, Nethaji Road, Near Old Post Office, **Erode** - 638 001.
Ph.: 0424-2225908, Cell: 73730 87046

No. 10 & 11, Mahalakshmi Complex, Near Old Bus Stand, **Sirkazhi** - 609 110.
Ph.: 04364-271908, Cell: 73730 87051

No. 15, Tamizhsangam Road, Bazaar Street, **Karanthai, Thanjavur** - 613 002.
Ph.: 04362-252908, Cell: 73730 87056

No. 1, Aandiyappa servai street, Sri Kamatchi Nivas, **Ariyalur** - 612 704.
Ph: 04329-222908 Cell: 73730 87057



METRO BRANCHES

'House of Mutuals', No. 1/345, Sabari Salai, **Madipakkam, Chennai** - 600 091. Ph : 044 - 22582408, 73730 87017

'House of Mutuals', No. 32, 1st Main Road,
(Near Sub Reg. Office), **Nanganallur, Chennai** - 600 061.
Ph : 044 - 22246908, 73730 87020

No. 31, Lake View Road, 1st Floor, Near Station Road,
Ganesh Bhavan backside upstairs, **West Mambalam, Chennai** - 600 033. Ph : 044 - 24748908, 73730 87021

Plot No.3335, A-1, 130, 8th Main Road, **Anna Nagar, Chennai** - 600 040.
Ph : 044 - 26261908, 73730 87023

No. 249, 1st Floor, Kaliyamman Kovil Street, Natesa Nagar,
Virugambakkam, Chennai - 600 092. Ph : 044 - 24794908, 73730 87024

Old No : 36, New No : 50, Indian Bank Upstairs, First Floor,
North Park Street, Venkatapuram, **Ambattur, Chennai** - 600 053.
Ph : 044 - 26572908, 73730 87026

Old No : 289, New No : 8, First Floor, Dr. Natesan Road,
Opp. Ice House Police Station, **Triplicane, Chennai** - 600 005.
Ph : 044 - 28471908, 73730 87025

No : 40, Anna Street, **Chillapakkam, Chennai** - 600 064.
Ph : 044 - 22234908, 73730 87052

No : 149, 1st Floor, Ayyasamy street, **Tambaram West, Chennai** - 600 045.
Ph : 044 - 22264908, 73730 87053

No : 58/172, Krishna Nagar, Pammal Main Road, **Pammal, Chennai** - 600 075. Ph : 044 - 22483808, 73730 87054





TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

MANAGEMENT TEAM

The Board of Directors and Advisors to the Board comprises of eminent persons with Professional experience in the field of Business, Finance, Accounts and Banking Industry.

Name : **Shri. CA. M. RAMAN**
Age : 59 years
Qualification : B.Sc., FCA.,
Occupation : Practicing Chartered Accountant
Present Position : Consultant



Shri. M. Raman, Founder of TBF (K) Limited, is respected for deep insight with which he leads a strong team of Directors and Advisors with admission of delivery premium value to all members, with a vision and keen understanding of the dynamic market trend. Shri. M. Raman has grown TBF (K) Limited, from Kumbakonam based to multiple locations benefit Company and is credited with several key strategic innovations which have positioned as a well managed, well governed, value creating, top league Nidhi Company in Tamilnadu. He was Chairman of the Company for 2 terms from 29th August 1993 to 17th February 2003 & 22nd August 2003 to 21st April 2013.

As a Chartered Accountant, he is professionally well qualified and equipped with knowledge in Company matters, leads the Company in a growing path. Shri. M. Raman has been honoured with several recognition within Tanjore dist., including the Centenary President of an International Organization, Rotary Club of Kumbakonam Mahamaham. He is an executive member of the Chamber of Nidhis.



Name : **Shri. B. MUKUNTHA RAMANUJAM**
Age : 58 years
Present Position : President
DIN : 02710054

Shri. B. Mukuntha Ramanujam is one among the Founder Directors of the Company. He is associated as Whole Time Director and internally designated as President with effect from 8th December 2013.

Name : **Shri. S.R. SRIDHARAN**
Age : 58 years
Present Position : Vice President - HR & Administration
DIN : 02710057



Shri. S.R. Sridharan is one among the Founder Directors of the Company. He is associated as Whole Time Director and internally designated as Vice President (HR & Admin) with effect from 8th December 2013. He is the Joint Secretary in Sri Amudhan Kaingarya Sabha which is doing spiritual services at Sri Sarangapani Swami Temple, Kumbakonam.



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

MANAGEMENT TEAM

Name : **Shri. R. VIJAYAKUMAR**
Age : 47 years
Present Position : Vice President - Business Development
DIN : 02555991



Shri. R. Vijayakumar is one among the Founder Directors of the Company. He is associated as Whole Time Director and internally designated as Vice President (Business Development) with effect from 8th December 2013. He is a commerce graduate from a reputed institution. He has vast knowledge in finance business and special skill in customer maintenance. He was the Past President of Rotary Club of Kumbakonam Mahamaham. He is the Secretary of KUMBAKONAM MANAVALAKALAI MANDRAM Trust (YOGA Centre), Kumbakonam. He is also a Member in Portar Town Hall, Kumbakonam.



Name : **Shri. S. RAJAVEL**
Age : 47 years
Occupation : Bus Operator (Transport)
Present Position : Director
DIN : 02806374

Shri. S. Rajavel is associated as a Director, with effect from 23rd September 2009. He is professionally a Transport operator and one among the leading auto parts dealer. He has vast knowledge in finance business.

Name : **Shri. S. ABAIKUMAR**
Age : 36 Years
Qualification : B.Com., M.B.A.,
Occupation : Business
Present Position : Director
DIN : 05107517



Shri. S. Abaikumar is associated as a Director with effect from 30th October 2011. He is a leading distributor for AIRCEL mobile shop named Madura Cell Communication. Being an M.B.A., Graduate he gives valuable advices in the area of Business Administration and Financial Operation and he is well known person in and around Kumbakonam.



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

MANAGEMENT TEAM

Name : **Shri. K.E.B. Rangarajan** IRS.,(Retd.)
Age : 66 Years
Qualification : B.Sc., B.L.,
Occupation : Advocate and Income Tax Consultant
Present Position : Director
DIN : 05234845



Shri. K.E.B. Rangarajan is associated as a Director with effect from 21st April 2012 after his retirement from the "Indian Revenue Service". He is an editor of "Tax Track" a fortnightly digest of Direct Taxes published from Chennai. Hailing from the family of a perceptor of Vaishnavite philosophy, he is highly interested in protection and preservation of ancient temples.



Name : **Smt. Dr. R. RAJARAJESWARI**
Age : 59 years
Qualification : M.B.B.S.,
Occupation : Practicing Sonologist
Present Position : Director
DIN : 05107513

Smt. Dr. R. Rajarajeswari is associated as a Director with effect from 11th November 2012. She is a famous and leading Sonologist in Kumbakonam. She has been honored with several awards. She is wife of our founder Director Dr. P. Ravichandran.

FOUNDER MEMBERS

Name : **Shri. T. MANICKAVASAGAM**
Age : 62 years
Occupation : Business (Automobile Spare Parts)
Directorship
in other Companies : M/s. Akkshaya Motors India Ltd.,
Kumbakonam.



Shri. T. Manickavasagam is one among the Founder Directors of the Company. He was the Past President of our Company till 7th December 2013 and ceased to be a Director from 9th March 2014. He is a leading Automobile and Tractor Spare Parts Dealer. He was also the Past President of Rotary Club of Kumbakonam Mahamaham. He is presently an Advisor to the Motor Parts Dealers Association, Kumbakonam. He is the Secretary for Tamil Nadu Tractors Parts Dealer Association and Treasurer for Federation of All Merchants Association, Kumbakonam.



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

FOUNDER MEMBERS

Name : **Shri. N. RENGASAMY**
Age : 85 Years
Occupation : Bus Operator (Transport)

Shri. N. Rangasamy is one among the Founder Directors. He served as President of the Company from 23rd November 2009 to 16th September 2011 and has held the position of Director till 9th March 2014. He is professionally engaged in the business of Tours & Travels and has keen knowledge about finance business.



Name : **Shri. G. BASKARAN**
Age : 76 years
Occupation : Business (Automobile Spare Parts)

Shri. G. Baskaran is one among the Founder Directors and has held the position of Director till 9th March 2014. He is the leading Automobile Spare Parts Dealer in Kumbakonam and has vast knowledge of the Nidhi Business.

Name : **Smt. Y. KANNIGA**
Age : 63 years

Smt. Y. Kanniga is one among the Founder Directors and has held the position of Director till 9th March 2014. She is equipped with vast business knowledge.



Name : **Shri. Dr. P. RAVICHANDRAN**
Age : 60 years
Qualification : M.B.B.S., M.S.,
Occupation : Practicing Doctor and Civil Surgeon

Shri. Dr. P. Ravichandran is one among the Founder Directors and has held the position of Director till 11th November 2012. He is a famous and leading Doctor and also Specialist Surgeon in Kumbakonam. He has been honored with several recognition within Tanjore dist., including the President of Indian Medical Association (IMA), Kumbakonam.



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

ADVISORS TO THE MANAGEMENT TEAM

ADVISOR - CORPORATE LAW



Shri **K K Balu** is former Vice Chairman of Company Law Board. He has 45 years of Legal/Judicial/Banking/Teaching/Housing Finance Experience. His vast experience includes being Vice-Chairman and Member (Judicial) of Company Law Board, has held senior positions in National Housing Bank and Syndicate Bank, directorship in BOB Housing Finance Limited; Shriram Housing Finance Limited; Periwai Bricks Limited & Akshay Avas Nirman Vitta Ltd., and practiced as an Advocate, demonstrating great Leadership Skills and High Professional Standards.

Currently, apart from practicing Law, since December 2009, Balu has been empanelled as an Arbitrator by (a) Council for National and International Commercial Arbitration; (b) London Court of International Arbitration, India; (c) Multi Commodity Exchange of India Ltd; (d) MCX Stock Exchange Ltd., (e) Indian Institute of Arbitration and Mediation; (f) IMC Court of Arbitration; (g) Indian Council of Arbitration; (h) National Securities Depository Limited (i) National Spot Exchange Limited; (j) National Stock Exchange Limited; (k) Bombay Stock Exchange Limited; and (l) Madras Stock Exchange Limited.

Legal Advisor: Repco Bank, Chennai City Branches & Town Benefit Fund (Kumbakonam) Ltd.

Panel Member: (a) Investor Grievance Resolution Panel of National Stock Exchange of India Limited; (b) "Committee of Experts" of the Federation of Andhra Pradesh Chambers of Commerce & Industry; (c) Investor Grievances Redressal Committee; (d) Investor Services Committee; (e) Independent Oversight Committee of Governing Board for Member Regulation; & (f) Independent Oversight Committee of Governing Board for Listing Function; constituted by Madras Stock Exchange Limited.

Director: (a) The Karur Vysya Bank; and (b) Craftsman Automation Private Limited.

Member on (a) Audit Committee; (b) Compensation & Remuneration Committee; (c) NPA Management Committee (d) Fraud Monitoring Committee; (e) CS & SI Grievance Committee; and (f) Nomination Committee of the Board of Karur Vysya Bank.

Administrator: K.Raheja Hotels and Estates Private Limited, Bangalore.

Chairman: Renaissance RTW Asia (P) Limited (Appointed by Hon'ble High Court of Madras).

Advisory Trustee: Helikx, a special School and Learning Centre for children with learning disability. Vasavi Clubs International District V 501A conferred the title "GEM OF VYSYAS" in 2009.

Associate Advisor with effect from 10.09.2012.

ADVISOR - FINANCE

Shri. **P. Vaidyanathan**, B.Com., FCA, AICWA, ACS serves as the Chairman of Integrated Enterprises (India) Limited. Shri. Mr. Vaidyanathan has over 35 years of experience. He served as Chairman of City Union Bank Ltd. until April 26, 2011. He has been a Non-Executive Independent Director of Hatsun Agro Products Limited since 1999. He has been an Independent Director at Embassy Property Developments Limited since June 2, 2010. He has been Director of Vijaya Bank Ltd., since August 8, 2011 and Edelweiss Tokio life insurance. He has been Non-Executive and Non-Independent Director at Sabari Inn Pvt. Ltd. since September 3, 2010. He serves as Member of Advisory Board at Fulcrum Venture India. He serves as a Director of Economist Communications Limited, Franklin Templeton Asset Management Private Limited and CUB Share Broking Services Limited. He served as a Director of City Union Bank Ltd. from August 18, 2006 to April 26, 2011. He served as a Director of Equitas Micro Finance India (P) Ltd. from July 26, 2007 to December 29, 2008. Shri. P. Vaidyanathan is also member of "Investors Education and Protection Fund Committee" managed by Ministry of Corporate Affairs, Ministry of Finance.

Associate Advisor with effect from 10.09.2012.



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REGISTERED OFFICE

"HOUSE OF MUTUALS"

NO.20/38A, DR. BESANT ROAD, KUMBAKONAM – 612 001.
THANJAVUR DISTRICT. TAMIL NADU.

STATUTORY AUDITORS

M/S. MAHALINGAM & SRIVATSAN
CHARTERED ACCOUNTANTS
6-B, KENCES TOWERS,
NORTH USMAN ROAD,
T.NAGAR, CHENNAI - 600 017
Tel : 044-42124138, Mob : 9841094094

M/S. K. RAMAKRISHNAN & CO.
CHARTERED ACCOUNTANTS
NEW NO.29, OLD NO.16, F 8,
MAHADEVAN STREET, WEST MAMBALAM
CHENNAI – 600 033
Ph.: 044 - 24714793, Cell : 94447 57344

CORPORATE ADVISORS

Shri. **P. VAIDYANATHAN**
CHAIRMAN, INTEGRATED ENTERPRISES INDIA LTD.,
DIRECTOR, VIJAYA BANK LIMITED

Shri. **K.K. BALU**
EX-VICE CHAIRMAN, COMPANY LAW BOARD
DIRECTOR, KARUR VYSYA BANK

LEGAL ADVISOR

Shri. **M. NATARAJAN**, B.A.,B.L.,

BANKERS

M/S. CITY UNION BANK LIMITED

M/S. TAMILNAD MERCANTILE BANK

M/S. STATE BANK OF INDIA

M/S. ICICI BANK LIMITED

M/S. INDIAN BANK



FOUNDER'S MESSAGE



Dear Fund Owners,

It is hard to believe that more than 21 years have passed since we founded Town Benefit Fund (Kumbakonam) Limited which began with an idea to cultivate the habit of savings and thrift among its members and to emancipate low and middle income group from the clutches of Pawn Brokers and other Financial sharks charging exorbitant rate of interest. I am very much happy to witness the overall progress of your Fund year by year with all your blessings and patronage.

I, as a founder and one amongst you take the privilege to present you the Company's performance for the year 2013-14. It was yet another year in which we were proud to serve our members with honesty and integrity leading to a modest growth.

Your Company has well managed and applied your funds towards achieving new milestone in business of more than 340 crores, being 13% more than the previous year. Deposits have always played an important factor contributing towards the Company's development. I am happy to note that the deposits always have a lion's share in the Company's business which shows the confidence of people towards not only savings but investment. Your fund has maintained good level of profitability despite heavy external competitive factors.

The Company initially had a great start in the year under review but due to external economic factors the Company faced a setback in the loan book. During the mid-financial year, there were fluctuations in the gold prices, the reason by which our jewel loans were affected. The Company was swiftly able to critically examine the situation and stabilize the impact to the maximum possible extent by conducting auctions in a speedy manner.

Gold is the second largest expense in our country's import bill and I am proud to share with you all, that ours is the first Nidhi Company to have gold reserves. Also, in India, inflation has been quite high for a pretty long period and the Government in order to encourage investment came up with more financial products during the financial year like Inflation Indexed Bonds (IIBs), Gold Accumulation Plan (GAP) etc. which have an ability to challenge gold from its dominant position as a hedge against inflation. Again, I take the privilege in sharing with you that your Company over a decade ago have proactively incorporated such measures in its strategies for the benefit of its members.

Our challenge is to remain at the forefront towards development of weaker sections of the society in one way or the other – something that has always been at the heart of our mission.

This will be a challenging but inspiring journey. We are working towards setting concrete targets, achieving them and reporting on them transparently. As in every journey, the destination is not reached in a day. Yet I know that the journey is worthwhile and that we will manage to get there.

I am confident that going forward, TOWN BENEFIT FUND (KUMBAKONAM) LIMITED will continue to deliver good performances. My sincere thanks go to all our employees, members, corporate advisors, Ministry of Corporate Affairs and other stakeholders for their efforts and support during the financial year. I would also like to take this as a very great opportunity in expressing my humble gratitude to all co-founders who laid down the strong success pillars for the fund along with me.

CA. M. Raman



NOTICE

Notice is hereby given that the 21st Annual General Meeting of M/s. TOWN BENEFIT FUND (KUMBAKONAM) LIMITED will be held at RAYA'S GRAND, 23-25, MAHAMAHAM TANK WEST, KUMBAKONAM on 27th September, 2014 at 4.30 PM to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive, consider, adopt and approve, the Audited Statement of Profit & Loss for the year ended 31st March 2014, and the Balance Sheet as on that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To declare period based pro-rata Dividend for the year ended 31st March 2014.
3. To appoint a Director in place of Shri. S. Abai Kumar who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri. K.E.B. Rangarajan who retires by rotation and is eligible for re-appointment.
5. To consider & if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“**RESOLVED THAT** M/s. K.Ramakrishnan & Co. (FRN-005573S) & M/s. Mahalingam & Srivatsan, Chartered Accountants (FRN-001929S) Chennai, the retiring Auditors, be and are hereby re-appointed as Statutory Auditors of the Company to hold the office till the conclusion of 22nd Annual General Meeting of the Company on terms and remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS

6. **Appointment of Shri. B. Mukuntha Ramanujam, as the Whole Time Director of the Company**

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

“**RESOLVED THAT** the co-option of Shri. B. Mukuntha Ramanujam, as a Director and his appointment, as a Whole-time Director of the Company internally designated as President, by the Board of Directors for the period from 8th December, 2013 to 7th December 2015 be and is hereby ratified and approved.”

“**RESOLVED FURTHER THAT** pursuant to sections 196, 197, 198 and any other applicable provisions of the Companies Act 2013 (“Act”) and the rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby ratifies and approves the remuneration of Shri. B. Mukuntha Ramanujam, at ₹ 47,000/- p.m., in addition to other allowances as per the service agreement entered into with the Company, including the remuneration to be paid in the event of loss/inadequacy of profits in any financial year, with a liberty to the Directors



to alter and vary the terms and conditions of the said appointment in such manner so as, not to exceed the limit specified in Schedule V to the Act, as may be agreed to between the Board of Directors and Shri. B. Mukuntha Ramanujam.”

7. Appointment of Shri. S.R. Sridharan, as the Whole Time Director of the Company

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

“**RESOLVED THAT** the co-option of Shri. S.R. Sridharan as a Director and his appointment, as a Whole-time Director of the Company internally designated as Vice President – HR & Admin, by the Board of Directors for the period from 8th December 2013 to 7th December 2018 be and is hereby ratified and approved.”

“**RESOLVED FURTHER THAT** pursuant to sections 196, 197, 198 and any other applicable provisions of the Companies Act 2013 (“Act”) and the rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby ratifies and approves the remuneration of Shri S.R. Sridharan, at ₹ 42,000/- p.m., in addition to other allowances as per the service agreement entered into with the Company, including the remuneration to be paid in the event of loss/inadequacy of profits in any financial year, with a liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner so as, not to exceed the limit specified in Schedule V to the Act, as may be agreed to between the Board of Directors and Shri. S.R. Sridharan.”

8. Appointment of Shri. R. Vijayakumar, as the Whole Time Director of the Company

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

“**RESOLVED THAT** the co-option of Shri. R. Vijayakumar, as a Director and his appointment, as a Whole-time Director of the Company internally designated as Vice President – Business Development, by the Board of Directors for the period from 8th December 2013 to 7th December 2018 be and is hereby ratified and approved.”

“**RESOLVED FURTHER THAT** pursuant to sections 196, 197, 198 and any other applicable provisions of the Companies Act 2013 (“Act”) and the rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby ratifies and approves the remuneration of Shri. R. Vijayakumar, at ₹ 42,000/- p.m., in addition to other allowances as per the service agreement entered into with the Company, including the remuneration to be paid in the event of loss/inadequacy of profits in any financial year, with a liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner so as, not to exceed the limit specified in Schedule V to the Act, as may be agreed to between the Board of Directors and Shri. R. Vijayakumar.”



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

"RESOLVED THAT pursuant to the provisions of section 61 read with Companies (Share Capital and Debentures) Rules, 2014, the Authorised Share Capital of the Company, be and is hereby enhanced from the existing ₹ 10,00,00,000 (Rupees Ten Crores only) to ₹ 20,00,00,000 (Rupees Twenty Crores only) divided into 20,00,00,000 (Twenty Crores only) Equity Shares of ₹ 1/- (Rupee One only) each."

"RESOLVED FURTHER THAT the figures "10,00,00,000/-" as appearing in clauses V of the Memorandum of Association and Clause 3 of the Articles of Association be and is hereby altered as "20,00,00,000/-".

FOR AND ON BEHALF OF THE BOARD

PLACE : KUMBAKONAM

(B. MUKUNTHA RAMANUJAM)

DATE : 30.06.2014

PRESIDENT

DIN : 02710054

Notes:

1. The relative explanatory statement, pursuant to section 102 of the Companies Act, 2013 in respect of the business under item No. 6, 7, 8 & 9 are annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share transfer books of the Company will remain closed from 20th September 2014 to 27th September 2014 (both days inclusive) and the record date shall be 20th September 2014.
4. Members/ Proxies should bring the Attendance slip sent herewith duly filled in for attending the Meeting.
5. Members holding shares in single name are advised to make nomination in respect of their shareholding in the Company.
6. **Members holding shares in the same name(s) and in the same order under different Ledger Folios are requested to apply for consolidation of such folios enclosing the relevant share certificates.**
7. Members holding shares are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct address.
8. Members are kindly requested to bring their copies of Annual Report to the meeting.
9. The Ministry of Corporate Affairs has undertaken Green initiative in Corporate Governance by allowing paperless compliances by Companies through electronic mode; vide its circular Nos.17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively. Members are requested to support this green initiative by registering/ updating their e-mail addresses with the Company for receiving e-communications.

**EXPLANATORY STATEMENT****As required by section 102 of the Companies Act, 2013 (the Act)**

The following explanatory statement sets out the material facts relating to the business under item Nos. 6, 7, 8 & 9.

Item No.6:

The Board recommends to ratify the appointment of Shri. B. Mukuntha Ramanujam as the Whole-time Director of the Company for a period of two years from 8th December 2013 to 7th December 2015, as per the agreement entered into with the Company subject to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V.

Shri. B. Mukuntha Ramanujam is conversant with the management of Benefit Funds. He is physically fit to discharge the onerous responsibilities attached to the post and hence it is recommended to ratify and approve his appointment as Whole-time Director on the remuneration fixed by the Board in the best interest of the Company. Also, your Company is in receipt of notice in writing from two members seeking his candidature.

Terms of Agreement – Main Clauses:

- a) Period: 8th December, 2013 to 7th December 2015
- b) Salary – ₹ 47,000/- per month consolidated
- c) Allowances:
 - i) Travelling Allowance for Branch Visit/Other Official Trips from the Registered Office – ₹ 1,500/- (If distance within 200 kms.) OR ₹ 2,000/- (if distance above 200 kms.)
 - ii) Miscellaneous Allowance – ₹ 500/- per day for discharging official duties during branch visits/other official trips (as may be decided by the Company from time to time)
 - iii) Reimbursement of Boarding/Lodging expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.
- d) Minimum Remuneration:

In the event of inadequacy of profits or absence of profits, the remuneration as aforesaid shall be the minimum remuneration payable to Shri B. Mukuntha Ramanujam.

None of the Directors is personally interested in the resolutions except Shri. B. Mukuntha Ramanujam the appointee.

It is further declared with reference to the proviso to sub-section 2 of Section 102 of the Companies Act, 2013 that the proposed resolutions do not have any bearing with the business of any other Company.

Item No.7:

The Board recommends to ratify the appointment of Shri S.R. Sridharan, as the Whole-time Director of the Company for a period of five years from 8th December 2013 to 7th December 2018, as per the agreement entered into with the Company subject to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V.

Shri. S.R. Sridharan is conversant with the management of Benefit Funds. He is physically fit to discharge the onerous responsibilities attached to the post and hence it is recommended to ratify and approve his appointment as Whole-time Director on the remuneration fixed by the Board in the best interest of the Company. Also, your Company is in receipt of notice in writing from two members seeking his candidature.

Terms of Agreement – Main Clauses:

- a) Period: 8th December, 2013 to 7th December 2018
- b) Salary – ₹ 42,000/- per month consolidated
- c) Allowances:
 - i) Travelling Allowance for Branch Visit/Other Official Trips from the Registered Office – ₹ 1,500/- (If distance within 200 kms.) OR ₹ 2,000/- (if distance above 200 kms.)



- ii) Miscellaneous Allowance – ₹ 500/- per day for discharging official duties during branch visits/other official trips (as may be decided by the Company from time to time)
- iii) Reimbursement of Boarding/Lodging expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.

d) **Minimum Remuneration:**

In the event of inadequacy of profits or absence of profits, the remuneration as aforesaid shall be the minimum remuneration payable to Shri. S.R. Sridharan.

None of the Directors is personally interested in the resolutions except Shri. S.R. Sridharan the appointee.

It is further declared with reference to the proviso to sub-section 2 of Section 102 of the Companies Act, 2013 that the proposed resolutions do not have any bearing with the business of any other Company.

Item No.8:

The Board recommends to ratify the appointment of Shri. R. Vijayakumar, as the Whole-time Director of the Company for a period of five years from 8th December 2013 to 7th December 2018, as per the agreement entered into with the Company subject to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V.

Shri. R. Vijayakumar is conversant with the management of Benefit Funds. He is physically fit to discharge the onerous responsibilities attached to the post and hence it is recommended to ratify and approve his appointment as Whole-time Director on the remuneration fixed by the Board in the best interest of the Company. Also, your Company is in receipt of notice in writing from two members seeking his candidature.

Terms of Agreement – Main Clauses:

- a) Period: 8th December, 2013 to 7th December 2018
- b) Salary – ₹ 42,000/- per month consolidated
- c) Allowances:
 - i) Travelling Allowance for Branch Visit/Other Official Trips from the Registered Office – ₹ 1,500/- (If distance within 200 kms.) OR ₹ 2,000/- (if distance above 200 kms.)
 - ii) Miscellaneous Allowance – ₹ 500/- per day for discharging official duties during branch visits/other official trips (as may be decided by the Company from time to time)
 - iii) Reimbursement of Boarding/Lodging expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.

d) **Minimum Remuneration:**

In the event of inadequacy of profits or absence of profits, the remuneration as aforesaid shall be the minimum remuneration payable to Shri R. Vijayakumar.

None of the Directors is personally interested in the resolutions except Shri. R. Vijayakumar the appointee.

It is further declared with reference to the proviso to sub-section 2 of Section 102 of the Companies Act, 2013 that the proposed resolutions do not have any bearing with the business of any other Company.

Item No.9:

The Board recommends to increase the Authorised Capital from ₹ 10 crores to ₹ 20 crores and for which the purpose the Memorandum and Articles of Association are to be altered by passing special resolution by the shareholders. None of the Directors / any Key Management Personnel / their relatives are personally interested.

FOR AND ON BEHALF OF THE BOARD

PLACE : KUMBAKONAM

DATE : 30.06.2014

(B. MUKUNTHA RAMANUJAM)

PRESIDENT (DIN : 02710054)



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report and the Audited Accounts for the year ended 31st March 2014 together with the Auditor's Report thereon.

1. NEW BRANCHES

Our 21 year record of revenue and earnings growth is a testament to our long term strategy for opening of our new branches. Your Company received approval on 6th March 2014 from the office of Regional Director, Ministry of Corporate Affairs, Govt. of India to open 20 more Branches. To excel our services to new members, we have opened the following branches after the balance sheet date to date and extended its area of operations to multiple locations during the financial year as shown below:

S.NO	DATE OF OPENING	BRANCH LOCATION
1	05/05/2014	Sirkazhi
2	01/06/2014	Chitlapakkam
3	02/06/2014	Tambaram West
4	04/06/2014	Pammal

Your Board of Directors has planned to open Karanthai-Thanjavur Branch on 27.08.2014 and Ariyalur Branch on 04.09.2014.

Your Company proposed to open a branch at VADAVALLI and URAPAKKAM shortly.

Your Company planned to open branches at Medavakkam-Chennai, Siruseri-Chennai, Porur-Chennai, Chengalpattu-Chennai, Cuddalore, Attur-Salem, Neyveli, Kallakurichi, Perambalur, Peralam, Kattur-Trichy, Pazhanganatham-Madurai in this fiscal year.

2. LAND ACQUISITION FOR EXPANSION OF REGISTERED OFFICE

For future expansion 5537 sq. ft of Land was purchased at the Backyard of Registered Office on 20th May 2014 & 30th May 2014 for ₹ 1,45,75,553/-.

3. FINANCIAL PERFORMANCE AND RESULTS

PARTICULARS	Year ended March 31, 2014 ₹	Year ended March 31, 2013 ₹
INCOME		
Interest Income	28,16,41,913	23,61,23,406
Other Income	17,03,893	8,04,533
Exceptional Items (Profit on sale of Fixed Assets)	2,532	1,09,073
Total Income (A)	28,33,48,338	23,70,37,012
EXPENDITURE		
Finance costs	20,88,97,584	15,90,18,523
Employee benefit expense	3,07,50,830	2,29,62,334
Administrative and Other Expenses	2,98,73,816	2,45,45,809
Depreciation	29,40,381	17,26,873
Total Expenditure (B)	27,24,62,611	20,82,53,539
PROFIT BEFORE TAX (A-B)	1,08,85,727	2,87,83,473
Provision for Tax	35,57,047	95,82,103
PROFIT AFTER TAX	73,28,680	1,92,01,370



For the Audit Period, the Deposits has increased to ₹ 19927.04 lacs as on 31.03.2014 from ₹ 16179.76 lacs as on 31.03.2013 and the percentage of increase works out to **23.16%**. Whereas Advances has declined to ₹ 14440.66 lacs as on 31.03.2014 from ₹ 14657.42 lacs as on 31.03.2013 and the percentage of decrease works out to **1.48%**. The Paid up Capital has increased to ₹ 668.93 lacs as on 31.03.2014 from ₹ 570.30 lacs as on 31.03.2013. Net worth of the Company has increased to ₹ 1018.98 lacs as on 31.03.2014 from ₹ 948.18 lacs as on 31.03.2013 and the percentage of increase works out to **7.47%**.

4. DIVIDEND

The Board of Directors have recommended a period based pro-rata dividend of ₹ 0.14 per Equity share of ₹ 1/- each for the year ended 31st March 2014.

The dividend will be free of tax in the hands of the shareholders. Total cash outflow on account of these dividend payments together with distribution tax will be ₹ 1,01,11,913/-.

5. OPERATIONS OF THE COMPANY

During the year ended 31st March 2014, your Company has earned revenue of ₹ 2833.45 lacs as compared to ₹ 2369.28 lacs, as for the previous year ended 31st March 2013. The Profit after Tax was ₹ 73.29 lacs as compared to ₹ 192.01 lacs in the previous year ended 31st March 2013. (A detailed report which gives you the clear picture in "Financial Performance and Ratio for the past 10 years".)

6. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Enclosed as Annexure forming part of Annual Report.

7. CORPORATE GOVERNANCE

Your Company as a measure of good Corporate Governance has optimum composition of Board of Directors. Your Company has proactively engaged Women Directors into the Board since inception for effective representation of Women employees into the Board. A detailed report has been set out in Annexure.

8. DIRECTORATE

During the year Shri. G. Baskaran, Smt.Y. Kanniga, Shri.N. Rengasamy & Shri.T.Manickavasagam ceased to act as Directors from the Board with effect from 9th March 2014.

The Board wishes to place on record its sincere appreciation and gratitude for the valuable contribution made by them during their tenure with the Company.

The Board appointed Shri. B Mukuntha Ramanujam, Shri. S.R. Sridharan and Shri. R Vijayakumar as Whole Time Director(s) of the Company w.e.f. 8th December 2013, subject to shareholders' approval.

In accordance with the Companies Act, (including any modification(s)/re-enactment) 1956 and the articles of association of the Company, Shri. S. Abai Kumar and Shri. K.E.B. Rangarajan are liable to retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.

**9. AUDITORS**

M/s. Mahalingam & Srivatsan, Chartered Accountants and M/s. K. Ramakrishnan & Co., Chartered Accountants, Chennai, the present Auditors of the Company, are eligible for the re-appointment and they have expressed their willingness therefor.

10. CORPORATE SOCIAL RESPONSIBILITIES

Corporate Social Responsibility (CSR) is defined as the integration of social, cultural, environmental and human values with the business operations whereby the interests of all stakeholders are adhered to.

Your Company is constantly committed to framing & implementing CSR strategy(s). The Company believes the environment in which it operates is the key factor for its sustainable development and overall success. Your Company is successfully carrying out various social and economical activities by servicing the rural poor in the state of Tamil Nadu. Detailed Report has been annexed.

11. PARTICULARS OF EMPLOYEES

The total number of employees as on 31st March 2014 stood at 222 (Permanent Employees: 91, Contractual & Trainees: 131).

During the year no employee of the fund was in receipt of remuneration exceeding the ceiling limits specified in section 217(2A) of the Companies Act 1956.

12. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 ("the Act"), we hereby state that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- ii. Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and its profit for the year ended on that date;
- iii. Your Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. Your Directors have prepared the Annual Accounts for the year ended 31st March 2014 on a going concern basis.

13. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

In view of the nature of activities being carried out by the Company, particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, read with section 217 (1)(e) of the Companies Act, 1956, are not applicable.

14. FOREIGN EXCHANGE EARNING & OUTGO:

In view of the nature of activities being carried out by the Company, particulars required under this category is not applicable.

**15. COMPANIES ACT, 2013:**

The Companies Act, 2013 has become effective from 1st April, 2014 and the rules relating to the Act were made effective subsequently. The Ministry of Corporate Affairs, vide Circular No.1/19/2013-CL-V dated 4th April, 2014, notified that matters pertaining to maintenance of books of accounts and preparations/adoption/filing of financial statements, Auditor's Report, Board's Report and attachments to such statements and reports in respect of financial years that commenced earlier than 1st April 2014 shall be governed by the relevant provisions/schedules/rules of the Companies Act, 1956. Thus, the Board's Report and the financial statements of the Company were prepared as per the Companies Act, 1956.

16. ACKNOWLEDGEMENT:

Your Board takes this opportunity to thank the Companies' Employees, Members, Vendors, Business Partners, Shareholders and Bankers for the faith reposed in the Company and also to thank various regulatory authorities and agencies for their support and look forward to their continued patronage and encouragement.

For and on behalf of the Board

PLACE: KUMBAKONAM

DATE : 30.06.2014

(B. MUKUNTHA RAMANUJAM)

PRESIDENT

DIN : 02710054

Opening Shortly...

1. Vadavalli - Coimbatore
2. Urapakkam - Chennai
3. Medavakkam - Chennai.
4. Chengalpattu
5. Neyveli
6. Peralam
7. Siruseri - Chennai
8. Cuddalore
9. Kallakurichi
10. Kattur - Trichy
11. Porur - Chennai
12. Attur - Salem
13. Perambalur
14. Palanganatham - Madurai.



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Management Discussion & Analysis Report

Annexure to the Directors' Report

NPA Management

Our Company makes advance only to its members against Jewels and their Deposits held with us. For the Audit Period 01.04.2013 to 31.03.2014, Standard Gold (24 Ct.) rate fluctuated between ₹ 3,104/- to ₹ 2,702/- per gram. On 14.04.2013 & 25.06.2013, Standard Gold (24 Ct.) came down to ₹ 2,850/- & ₹ 2,702/- per gram respectively. Correspondingly Ornament Gold (22 Ct. or 916 KDM) rate came down to ₹ 2,650/- & ₹ 2,450/- per gram respectively.

Your Company prudentially conducted Jewel Auctions periodically and recovered most of the dues in time. During the Audit Period, your company issued 1,27,252 Jewel Loan Accounts amounting to ₹ 294.88 Crores and redeemed 1,19,517 Jewel Loan Accounts amounting to ₹ 290.41 crores, out of which 1,273 Jewel loan accounts amounting to ₹ 5.77 Crores were realized on Auctions and incurred a shortfall of ₹ 54,40,606/-. This said shortfall is booked as Bad Debts under the head "Administrative and Other Expenses" in the Books of Accounts and written off during the year.

(Explanation with reference to Independent Auditors' Report Note No. 4, "B-Other Information on Accounts")

Election Commission of India (General Elections-2014) announced Election for Lok Sabha and implemented Election Code in Tamil Nadu under the Press Note Issued on March 5, 2014 vide Notification dated March 29, 2014 and the Poll date was April 24, 2014. At that time, every transactions were scrutinised by Election Commission. Even though our transactions were genuine, as a precautionary step your company handed over the Auctioned Jewels on 05.05.2014, after election date but before declaration of results and realized the Auction amount of ₹ 81,69,113/-. Hence it was shown under the head "Receivables".

(Explanation with reference to Independent Auditors' Report Note No. 5, "B-Other Information on Accounts")

FINANCIAL CONDITION

The following table sets forth, at the dates indicated, the principal components of liabilities (including Capital and Reserves) (₹ in Lakhs)

Liabilities	As At March 31, 2014	As At March 31, 2013	Incremental / (Decremental) Growth in %
Equity Share Capital	668.93	570.30	17.29%
Reserves	350.05	377.88	(7.37%)
Deposits			
- Savings Deposits	867.69	624.98	38.84%
- Cumulative Cash Deposits	8,843.00	7,338.45	20.50%
- Fixed Deposits	9,168.85	7,370.57	24.40%
- Recurring Deposits	988.13	811.75	21.73%
- Special Savings Deposits	59.37	34.01	74.55%
Term Loan & Loan against Bank Deposits	-	170.53	-
Other liabilities	236.33	198.30	19.17%
Total Liabilities	21,182.35	17,496.78	21.06%



Trend in Interest-Earning Assets and Interest Bearing Liabilities

(₹ in Lakhs)

	Fiscal 2014	Fiscal 2013	Incremental / (Decremental) Growth in %
Advances	14,440.66	14,657.42	(1.48%)
Interest-earning investments	5,245.68	1,857.68	182.38%
Interest-earning assets	19,686.34	16,515.10	19.20%
Deposits	19,927.04	16,179.76	23.16%
Term Loan & Loan against Bank Deposits	-	170.53	-
Interest-bearing liabilities	19,927.04	16,350.29	21.88%
Net Interest Income and Margin	Fiscal 2014	Fiscal 2013	Incremental / (Decremental) Growth in %
Interest Income	2,816.42	2,361.23	19.28%
Interest expense	2,088.98	1,590.19	31.37%
Net Interest Income (A)	727.44	771.05	(5.66%)
Interest-earning assets (B)	19,686.34	16,515.10	19.20%
Interest-bearing liabilities	19,927.04	16,350.29	21.88%
Net Interest margin (A/B)	3.70 %	4.67 %	

Risk Management

Risk is an integral part of the finance business and we aim at delivering superior shareholder value by achieving an appropriate trade-off between risk and returns. The key risks are credit risk and operational risk. Our risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring.

The key principles underlying our risk management framework are as follows:

The Board of Directors has oversight on all the risks assumed by the Fund. Committees have been constituted to facilitate focused oversight of various risks. Our Committee's reviews our risk management policies in relation to various risks and regulatory compliance issues relating thereto. It reviews key risk indicators covering areas such as credit risk, interest rate risk, liquidity risk and the limits framework, including stress test limits for various risks. It also carries out an assessment of the capital adequacy based on the risk profile of our balance sheet and reviews the status with respect to implementation of basic norms. Our Accounts & Audit Committee provides direction to and also monitors the quality of the internal audit function. Our Accounts & Audit Committee is responsible for managing the balance sheet within the risk parameters laid down by the Board/Risk Committee and reviewing our asset-liability position.

Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within the policy framework.

Independent groups and sub-groups have been constituted across the Board to facilitate independent evaluation, monitoring and reporting of various risks. These groups function independently of the business groups/sub-groups.

We have dedicated groups namely the Risk Management Group, Compliance Group, Internal Audit Group and with a mandate to identify, assess and monitor all of the Fund's principal risks in accordance



with well-defined policies and procedures. These groups are completely independent of all business operations and coordinate with representatives of the business units to implement TBF's Fund risk management methodologies. The Internal Audit Group and Compliance Group are responsible to the Audit Committee of the Board.

Credit Risk

Credit Risk is the risk that, a borrower is unable to meet its financial obligations to the lender. All Credit risk related aspects are governed by a credit and recovery policy which outlines the type of services that can be offered, customer categories, targeted customer profile and the credit approval process and limits. The credit and recovery policy is approved by our Board of Directors.

In order to assess the credit risk associated with any proposal, we assess a borrower. We have a structured and standardized credit approval process which includes a well established procedure of comprehensive credit appraisal based on purity of Gold.

Our appraisers evaluate credit proposals on the basis of the purity of the Gold. These criteria vary across purity of Gold, but typically include factors like the borrower's income, the loan-to-value ratio and demographic parameters. Before disbursements are made, the credit officer checks a centralized delinquent database and reviews the borrower's profile.

In addition, the Operations Group monitor operational adherence to regulations, policies and internal approvals. We have centralized operations to manage operational risk in most back office processes of the Funds Gold loan business. The segregation of responsibilities and oversight by groups external to the business groups ensure adequate checks and balances. A detailed information has been given in NPA management set out at first.

Our Credit approval authorization framework is laid down by our Board of Directors. We have established several levels of credit approval authorities.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but excludes strategic and reputation risks. Operational risks in the Fund are managed through a comprehensive system of internal controls, systems and procedures to monitor transactions, key back-up procedures and undertaking regular contingency planning. TBF's operational risk management governance and framework is defined in the Operational Risk Management Policy, approved by the Board of Directors. While the policy provides a broad framework, detailed standard operating procedures for operational risk management processes are established. The policy is applicable across all the branches and aims to ensure clear accountability, responsibility and mitigation of operational management in the Fund.

Government Initiatives

The Ministry of Corporate Affairs, Government of India, has come out with the new Companies Act, 2013. This new initiative is the development by MCA for all the Benefit Funds. The Companies Nidhi's Rules 2014 have also been notified by the MCA.

HUMAN RESOURCE

TRAINING & DEVELOPMENT

The Management strongly believes the strength of the Company is directly proportional to the employees in terms of knowledge, experience, inter-personal and analytical skills. Retaining the competent employees and providing continuous training to the other categories have been the major steering factor in retaining the talents. In nutshell a balanced staffing system has been judiciously adopted wherein fresh



bloods have been infused into the system to cater the Company's requirements. A proper training system has been identified at regular intervals through performance appraisal system.

The Fund conducted training programmes like induction and pre-confirmation training for new recruits, pre-promotion training for trainees' eligible for promotion and pre-retirement counseling for staff retired during the year. Fund has engaged the services of retired executives on contract basis to derive the benefit of their experience, knowledge and expertise in various facets of business.

The internal training system comprises of a staff training Centre. The Fund has a full-fledged staff training college with experienced professionals and good training infrastructure to impart and train employees at various levels for maximization of the potentiality of the staff and to sharpen their skills.

ZERO TOLERANCE

Town Benefit Fund (Kumbakonam) Limited ("The Company") with a view to prevent sexual harassment in the workplace and upon perusing the guidelines laid down by the Hon'ble Supreme court commits itself in providing and promoting an atmosphere in which employees can realize their maximum potential in the workplace to maintain a safe, congenial, positive and productive environment by making the workplace free from sexual harassment.

The Company in order to ensure prompt redressal of sexual harassment cases, have constituted a sexual harassment committee consisting of a chairman being chaired by Women Director and 3 other executives of the Company.

Though, there has been a constant effort made by the Company in creating a conducive work environment where the relationship between male and female employees is extremely cordial, the main objective of this policy is to create awareness amongst all.

ECONOMIC EMPOWERMENT OF WOMEN

TBF is very devotedly engaged in the economic empowerment of women which creates supplementary incomes for rural women, and aims at providing social dignity and economic independence to rural women's through employment in the organization. During the past two years over 70 women's are gainfully engaged in the employment of the Company.

INFORMATION TECHNOLOGY

Your Company is in process of migrating towards new software driven technological environment, as technology today has become a crucial aspect for the success of an organization. Your Company will be soon implementing software solutions for having centralized and enhanced control over all its existing and future branches.

To enrich the knowledge of staff on new TBF Software, a workshop was conducted at Sastra University, Kumbakonam on December 28, 2013 and December 29, 2013.

The Company during the financial year under report has installed security based fire wall VPN (Virtual Private Network) connectivity in all its 31 branches. This VPN connection is key factor which will enable the successful implementation of the software solution under progress.

Your Company had also set up an IT department, which is engaged in learning the coding aspects involved in developing the new software and testing the software being developed. This will enable building a strong in house backend IT team for effective software management.



CORPORATE GOVERNANCE REPORT

Annexure to the Directors' Report

The directors present the Company's Report on Corporate Governance for the year ended 31st March 2014.

COMPANIES' PHILOSOPHY

Your Company though being a mid-sized Company believes in adopting state of the art practices in the areas of Corporate Governance. The Company is an Unlisted Public Limited Company operating in the state of Tamil Nadu. Even though, the Clause 49 of the Listing Agreement is not applicable to the Company, still, efforts has been made to inculcate the same in the management to a maximum possible extent, for ensuring better governance, fair and prudent business practices. The Company will continue to ensure its resources and strategies being directed towards maximization of shareholders value.

1. BOARD OF DIRECTORS

The Business of the fund is vested with the Board of Directors. The Board consists of eminent persons with rich expertise in the field of Nidhi Business. The total strength of the Board as on 31st March 2014 is 7 Directors consisting of Executive and Non Executive Directors.

The composition of your Board is as under:

S.No.	Name (Tvl.)	Category	No. of other Directorships held	No. of Board Meetings attended	Attendance at last AGM
1.	B. Mukuntha Ramanujam	WTD & President	Nil	2	Yes
2.	S.R. Sridharan	WTD & VP (HR & Admin.)	Nil	2	Yes
3.	R. Vijayakumar	WTD & VP (Business Development)	Nil	1	Yes
4.	K.E.B. Rangarajan	Director	Nil	5	Yes
5.	Dr. R. Rajarajeswari	Director	Nil	2	Yes
6.	S. Rajavel	Director	Nil	5	Yes
7.	S. Abai Kumar	Director	Nil	5	Yes

Note:

- All the three above mentioned Whole Time Directors were appointed in the Board Meeting held on 8th December 2013 and the last AGM have been attended by them in capacity as founder members.

Persons who ceased to be Directors

S.No.	Name (Tvl./Tmt)	Category	No. of other Directorships held	No. of Board Meetings attended	Attendance at last AGM
1.	T. Manickavasagam	Executive Director	1	5	Yes
2.	G. Baskaran	Director	Nil	5	Yes
3.	N. Rengasamy	Director	Nil	5	Yes
4.	Y. Kanniga	Director	Nil	3	Yes

Note: All the above Directors ceased to be the Directors with effect from 9th March 2014. Further, Shri. T. Manickavasagam is a Director in M/s. Akkshaya Motors India Ltd.

No. of Board Meetings held : 5

Dates on which held : 21.04.13, 23.06.13, 02.09.13, 08.12.13 & 09.03.14



The pecuniary relationship of Non Executive (excluding WTD's & Executive Directors) Directors with the Company

The Company pays the Non Executive Directors a sitting fees of ₹ 10,000/- for attending the Board Meetings and ₹ 5,000/- for attending the Board Sub-Committee Meetings respectively.

2. COMMITTEE(S)

In order to facilitate effective decision making process, the Board has constituted certain committees and has delegated specific powers to them. The Committee meets frequently to review the business strategies, approve expansion of locations of the funds network of branches, cost control issues and other matters as per the terms of reference of the committee as specified by the Board.

a. AUDIT COMMITTEE

The Company duly constituted its Audit Committee of Board of Directors in the year 2013. The brief terms of reference includes:

1. Reviewing & Recommending to the Board:
 - The quarterly, half yearly and annual financial statements before submission to the Board for approval.
 - The overall branch performances and operations.
 - The overall internal control systems of the Company.
 - The Inspection reports of the branches post branch audits.
 - The policies, procedures, norms, market strategy and any other matters related to all loans and advances granted by the Company.
2. Discussion with the Internal Auditor any significant findings and follow up thereon.
3. Discussions with the external auditors before the audit commences on the nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
4. Recommending the appointment, removal of external auditors, fixation of audit fees and also approval for payment for any other services.
5. Reviewing the Companies Financial & Risk Management policies.
6. Overseeing compliances with the statutory requirements relating to financial statements.

Composition:

S.No.	Name of Member (Tvl./Tmt)	Category	No. of Meetings attended
1.	T. Manickavasagam	President / Director	5
2.	K.E.B. Rangarajan	Director	5
3.	N. Rengasamy	Director	5
4.	G. Baskaran	Director	5
5.	Y. Kanniga	Director	3
6.	S. Rajavel	Director	5
7.	S. Abaikumar	Director	5
8.	Dr. R. Rajarajeswari	Director	2
9.	B. Mukuntha Ramanujam	Director	2
10.	S.R. Sridharan	Director	2
11.	R. Vijayakumar	Director	2



Note: Shri. T. Manickavasagam, N Rengasamy, G Baskaran and Smt. Y Kanniga ceased to be the Directors w.e.f. 9th March 2014

Shri. B. Mukuntha Ramanujam, S.R. Sridharan and R. Vijayakumar were appointed into the Board w.e.f. 8th December 2013.

No. of Meetings held : 5

Dates on which held : 21.04.13, 23.06.13, 02.09.13, 08.12.13 & 09.03.14

b. SHARES & BUSINESS DEVELOPMENT COMMITTEE

This committee specifically looks into the redressal of investors complaints like transfer of shares, non receipt of dividend declared, Annual Reports, etc. the committee also looks into matters which can facilitate prompt investor services and relations. In addition, this committee also oversees and discusses the business avenues and growth factors directly proportional to the success of the business.

Composition:

S.No.	Name (Tvl./Tmt.)	Category	No. of Meetings attended
1.	T. Manickavasagam	Director	18
2.	N. Rengasamy	Director	17
3.	G. Baskaran	Director	16
4.	Y. Kanniga	Director	14
5.	K.E.B. Rangarajan	Director	15
6.	S. Rajavel	Director	19
7.	S. Abaikumar	Director	19
8.	Dr. R. Rajarajeswari	Director	11
9.	B. Mukuntha Ramanujam	Director	5
10.	S.R. Sridharan	Director	5
11.	R. Vijayakumar	Director	6
12.	CA. M. Raman	Director	1

Note: Shri. T. Manickavasagam, N. Rengasamy, G. Baskaran and Smt. Y. Kanniga ceased to be the Directors w.e.f. 9th March 2014 and Shri. CA. M.Raman w.e.f. 21st April 2013.

Shri. B. Mukuntha Ramanujam, S.R. Sridharan and R. Vijayakumar were appointed into the Board w.e.f. 8th December 2013.

No. of Meetings held : 19

Dates on which held : 14.04.13, 12.05.13, 26.05.13, 16.06.13, 14.07.13, 28.07.13, 15.08.13, 25.08.13, 22.09.13, 12.10.13, 27.10.13, 10.11.13, 24.11.13, 29.12.13, 12.01.14, 26.01.14, 09.02.14, 23.02.14 & 31.03.14.

3. Details of Shareholder Complaints

The Company had no complaints outstanding as on 1st April 2013 and received 41 complaints during the year ended 31st March 2014 and all complaints were replied to the satisfaction of shareholders. There were no complaints outstanding as on 31st March 2014.

4. Remuneration of Directors

As approved by the Board of Directors remuneration is being paid to the Whole Time Directors in the following manner.



S.No.	Name of the Director	Remuneration Paid Per Annum (₹)	Remarks
1.	B. Mukuntha Ramanujam	1,67,033/-	Appointed as Director w.e.f. 8 th Dec' 2013 for a term of 2 yrs.
2.	S.R. Sridharan	1,63,200/-	Appointed as Director w.e.f. 8 th Dec' 2013 for a term of 5 yrs.
3.	R. Vijayakumar	1,63,200/-	Appointed as Director w.e.f. 8 th Dec' 2013 for a term of 5 yrs.
4.	T. Manickavasagam	2,88,167/-	Ceased on 9 th Mar' 2014
5.	CA. M. Raman	33,333/-	Ceased on 21 st Apr' 2013

The Non executive directors are not paid any remuneration except sitting fees for attending each meeting of the Board and committee thereof and other expenses viz., travelling, boarding and lodging etc., incurred in attending the Board and Committee Meetings of the Company.

5. Disclosures

Code of Conduct:

The Company has a well established Code of Conduct for all its Employees, Senior Management Personnel and the Directors of the Company. Annual affirmation to this effect is obtained by the Management and based on this, the President of the Company gives Certificate of Compliance to this effect.

Whistle Blower Policy:

The Company has voluntarily adopted Vigil Mechanism which gives an opportunity to the employees to report concerns about Unethical Behaviour, actual or suspected Fraud or Violation of the Companies Code of Conduct or Ethics Policy. The employees of the company can raised their concerns relating to fraud, malpractices or any other activities or event detrimental to the interest of the Company.

During the year, no reference was received from any source under Whistle Blower Policy.

CERTIFICATE ON COMPLIANCE TO THE CODE OF CONDUCT

To

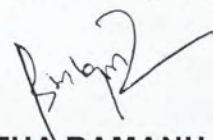
The Members,

Town Benefit Fund (Kumbakonam) Limited

I hereby confirm that all Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of the Company for the period from 1st April 2013 to 31st March 2014.

Place : Kumbakonam

Date : 30.06.2014


B. MUKUNTHA RAMANUJAM

PRESIDENT
DIN : 02710054

**SHAREHOLDERS INFORMATION****AGM Details**

Date	27 th September, 2014
Venue	"RAYA'S GRAND", 23-25, MAHAMAHAM TANK WEST, KUMBAKONAM - 612 001.
Time	04.30 PM
Book Closure dates	20 th September 2014 TO 27 th September 2014 (Both days inclusive)
Record Date	20 th September 2014

Distribution Schedule of Share Holding as on March 31, 2014

Sl.No.	Category of Shares	No. of Shareholders	% of Total No. of Shareholders	No. of Shares	% of Capital
1	1-500	47344	90.69	1744071	2.61
2	501-1000	1349	2.58	1337396	1.99
3	1001-5000	2316	4.44	9854200	14.73
4	5001-10000	491	0.94	4572699	6.84
5	10001 and above	704	1.35	49385119	73.83
		52204	100.00	66893485	100.00

Information on Last 3 AGM's

S.N	Date & Time of AGM	Financial Year	Venue	Press publication	Date of Publication	Special Resolutions passed
1.	2 nd Sep' 2013 at 4:30 p.m.	2012-13	Raya's Grand, Kumbakonam	Dinamani – Tamil The New Indian Express-English	6 th Aug' 2013	Increase in Authorised Capital
2.	10 th Sep' 2012 at 4:30 p.m.	2011-12	Raya's Grand, Kumbakonam	Dinamani – Tamil Times of India, The Hindu & Economic Times - English	16 th Aug' 2012	Nil
3.	16 th Sep' 2011 at 4:30 p.m.	2010-11	Janaranjani Hall, Town Hall Road, Kumbakonam	Dinamani – Tamil, Times of India & Economic Times – English	26 th Aug' 2011	Alteration of Object Clause of Memorandum

**Jewel Loan Auction Publication**

Jewel Loan Issued Upto	Date of Auction	Place of Auction	Newspaper Name	Date of Publication
31.03.2012	29.06.2013	Central Office	Dinamani	22.06.2013
30.06.2012	24.08.2013	Central Office	Dinamani	17.08.2013
31.08.2012	12.10.2013	Central Office	Dinamani	05.10.2013
30.11.2012	28.01.2014	Central Office	Dinamani	21.01.2014
30.11.2012	29.01.2014	Virudhachalam Branch	Dinamani	21.01.2014
30.11.2012	29.01.2014	Mayiladuthurai Branch	Dinamani	21.01.2014
30.11.2012	30.01.2014	Mannargudi Branch	Dinamani	21.01.2014
30.11.2012	30.01.2014	Madurai Branch	Dinamani	23.01.2014
30.11.2012	31.01.2014	Srirangam Branch	Dinamani	21.01.2014

Jewel Loan Movement Particulars

Year	Opening		Loan Issued		Loan Redeemed		Loan Auctioned		Closing	
	A/cs.	₹. (in crs.)	A/cs.	₹. (in crs.)	A/cs.	₹. (in crs.)	A/cs.	₹. (in crs.)	A/cs.	₹. (in crs.)
2012	28739	62.26	57626	197.66	58840	175.10	1	0.011	27524	84.81
2013	27524	84.81	103116	319.52	80647	263.07	---	----	49993	141.26
2014	49993	141.26	127252	294.88	119517	290.41	1273	5.77	56455	139.96

SHAREHOLDERS OVERVIEW

TBF Ltd., has consistently paid dividends and it has proven capabilities in creating members value.

TBF Ltd., has about 52,204 shareholders as on 31st March 2014, who have reposed faith in the uniquely devised business model of TBF. It maintains a transparency in operation through a regular channel of communication with its family of members.

The main channel of communication to the shareholders is through the Annual Report which inter alia includes the Directors' Report, the Report on Corporate Governance, Management Discussion and Analysis Report, Statutory Auditors' Report, and Shareholders' information.

The Company holds the Annual General Meeting (AGM) that acts as the principal forum for interaction with members, where the Board responds to the specific queries raised by the members. The Board acknowledges its responsibility towards its members and therefore encourages open and active interaction with all its shareholders.

Regular communication with its members are mutually beneficial as it allows the Company to understand the perspective of members to all the efforts that are aimed at creating value for the members. It ensures that the corporate strategy is being clearly understood and business model is being clearly defined.

Your Company is serving the society and creating awareness among the public, on matters concerning our society, culture, Bio diversity, medicure and other important issues through its new initiative undertaken during the financial year "TBF NEWS", a monthly periodical exclusively for Members implemented w.e.f 1st January 2014.



REQUEST TO THE SHAREHOLDERS

- **Shareholders of the fund are requested to advise the share department in case of change in their address/ mandate/ bank details to facilitate better servicing. Further, it is mandatory to furnish copy of PAN Card in the following cases:**

1. Transferees PAN card(s) for transfer of shares
2. Legal heirs PAN card(s) for transmission of shares
3. Surviving joint holders PAN card(s) for deletion of name of deceased shareholder, and
4. Joint holders PAN card(s) for transposition of shares

➤ **Nomination facility**

Shareholders of the Fund, who wish to make any nomination / change in nomination earlier made in respect of their shareholding in the fund, should submit to the shares department in the prescribed Form SH-13. The Form can be downloaded from the website of the Company www.tbfbmb.com under the section Investor Relations or can be obtained from your concerned branches on request.

➤ **Address for correspondence with the Share Department**

TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

“HOUSE OF MUTUALS”

NO.20/ 38A, DR. BESANT ROAD,

KUMBAKONAM – 612001.

THANJAVUR DISTRICT.

TAMIL NADU, INDIA.

Contact nos : 0435 – 2431918 / 73730 87034

E mail : tbfbshares@gmail.com

Website : www.tbfbmb.com

In correspondence with the share department, shareholders are kindly requested to clearly quote their name, Folio No., Contact No. and E-mail Address for prompt response. Shareholders may also like to forward their requests through their concerned branches for onward transmission to the department.

For and on behalf of the Board

(B. MUKUNTHA RAMANUJAM)

PRESIDENT

DIN : 02710054



CORPORATE SOCIAL RESPONSIBILITY

Annexure to the Directors' Report

Town Benefit Fund (Kumbakonam) Limited "The Company", is constantly committed towards framing & implementing CSR strategy(s). Your Company believes the environment in which it operates is the key factor for its sustainable development and overall success. Transparency in Business operations shall be adhered to the best possible extent.

Your Company frequently conducts motivational programme for the school students in rural and downtrodden areas thereby stressing the need for higher and professional education for the upliftment of our country and self. Also, Your Company has generously funded in carrying out eye camps in association with Dr. Agarwal Eye Hospital in the state of Tamilnadu for the benefit of rural poor. The details are as follows:

SCHOOL FUNCTIONS			
Date	Branch	Place	No. of Beneficiaries
07.10.2013	Coimbatore	Sindhu Sadhan Mahal	104
08.10.2013	Karur	The KRR Weaving & Knitting Factory Owners Association Hall	97
15.10.2013	Thanjavur	Bangaru Kamakshi Amman Thirumana Mandapam	107
17.10.2013	Tiruvarur	Hotel Selvies	93
19.10.2013	Mannargudi	A.S.A Thirumana Mandapam	180
23.10.2013	Mayiladuthurai	KS Thirumana Mandapam	65
26.10.2013	Pattukottai	Vasavi Mahal	121
16.11.2013	Kumbakonam	Janaranjani Mahal	168
18.11.2013	West Mambalam	West Mambalam branch office	43
20.11.2013	Annanagar	Thuvaragha Apartments	75
04.12.2013	Madurai	Subramaniya Pillai Mandram	55
06.12.2013	Srirangam	Boys Higher Secondary School	167
EYE CAMPS			
Date	Place		No. of Beneficiaries
25.04.2013	Kumbakonam Main Office		200
28.05.2013	Salem		30

**MAHALINGAM AND SRIVATSAN
CHARTERED ACCOUNTANTS**

6-B, Kences Towers,
North Usman Road,
T.Nagar,
Chennai - 600 017
Tel : 044-42124138
Mob : 9841094094

**K. RAMAKRISHNAN & Co.,
CHARTERED ACCOUNTANTS**

New No. 29 (Old No : 16)
F8, Mahadevan Street,
West Mambalam,
Chennai - 600 033.
Tel : 044 - 24714793
Mob : 94447 57344

***CERTIFICATE AS SPECIFIED IN THE CENTRAL GOVERNMENTS' NOTIFICATION
ISSUED IN EXERCISE OF THE POWERS CONFERRED ON IT UNDER
SECTION 637 A(1) OF THE COMPANIES ACT, 1956***

Ref: Notification GSR 347(E) dated 25.04.2000 as amended by GSR 555 (E) and 556 (E) dated 26.09.2001, GSR 308 (E) & GSR 309(E) dated 30.04.2002 GSR 202(E) & GSR 203(E) dated 31.03.2006 & directions of MCA.

During the course of Statutory Audit of Town Benefit Fund (Kumbakonam) Limited for the Financial Year 2013-14, we have verified the relevant records of the Company and also obtained the relevant information and explanations with reference to the various directions contained in the notifications referred to above.

We hereby certify:

- ❖ that the said Company had generally complied with the directions referred as per the notifications referred above.
- ❖ that the said Company had generally complied with the directions of Ministry of Corporate Affairs issued from time to time.
- ❖ that the accounts for the year ended 31.03.2014 the Company has complied the provisions in respect of non-performing asset in accordance with the prudential norms laid down.
- ❖ that the Company has maintained its books of accounts and prepared the financial statement in accordance with recognized principles of accounting.

For **MAHALINGAM AND SRIVATSAN**

Chartered Accountants

Sd/-

CA. M. MAHALINGAM

Partner - Mem No.02602 FRN - 001929S

For **K. RAMAKRISHNAN & Co.,**

Chartered Accountants

Sd/-

CA. K. RAMAKRISHNAN

Proprietor - Mem No.025467 FRN - 005573S

Place : Kumbakonam

Date : 30.06.2014

**MAHALINGAM AND SRIVATSAN
CHARTERED ACCOUNTANTS**

6-B, Kences Towers, North Usman Road,
T.Nagar, Chennai - 600 017
Tel : 044-42124138 Mob : 9841094094

**K.RAMAKRISHNAN & CO.,
CHARTERED ACCOUNTANTS**

No.29/16 (F8), Mahadevan Street,
West Mambalam, Chennai - 600 033
Tel : 044-24714793 Mob : 9444757344

Independent Auditor's Report

To the members of

TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

Report on Financial Statements

01. We have audited the accompanying financial statements of TOWN BENEFIT FUND (Kumbakonam) Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

02. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Emphasis of Matter:

We draw attention to Notes 4 & 5 in "Notes : B - Other Information on Accounts" pertaining to Bad Debts and Receivables. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MAHALINGAM AND SRIVATSAN**
Chartered Accountants

For **K. RAMAKRISHNAN & Co.,**
Chartered Accountants

Sd/-

CA. M. MAHALINGAM

Partner - Mem No. 002602 FRN - 001929S

Sd/-

CA. K. RAMAKRISHNAN

Proprietor - Mem No. 025467 FRN - 005573S

Place : Kumbakonam

Date : 30.06.2014



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of 'Report on other Legal and Regulatory Requirements' of even date to the members of TOWN BENEFIT FUND (Kumbakonam) Ltd. on the Accounts of the Company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1 In respect of its Fixed Assets
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- 2 The Company has neither granted nor taken any loans – secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Sec. 301 of the Companies Act
- 3 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business.
- 4 The Company has not accepted deposits from public but only from its members. The provisions of Section 58A are not applicable to this Company. The Company has complied with the directives issued by the Reserve Bank of India and Central Government as regards to acceptance of deposits. No order has been passed by the Company Law Board or Reserve Bank of India or any court or any other Tribunal U/s. 58AA
- 5 In our opinion, based on the information and explanations given, the Company's internal audit system needs to be strengthened to commensurate with the growing size and nature of its business.
- 6 (a) According to the information and explanations given to us, the Company was generally regular in depositing dues in respect of Employees Provident Fund, Income Tax, and other statutory dues with the appropriate authority during the year, except one instance of delay in ESI remittance of ₹ 63,199/-, which we are informed was due to a technical problem while making online remittance. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable, other than the above ESI due of ₹ 63,199/-, which was since remitted.
 - (b) According to the records examined by us and the information and explanations given to us, there are no disputed amounts due in respect of income tax, wealth tax, sales tax, excise duty, Service Tax, Cess.
- 7 The Company has no accumulated losses as at 31st March, 2014 and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 8 Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions. The Company has not issued any debentures.
- 9 Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records for granting Loans against Jewels and its own Fixed Deposits.



- 10 The Company is a Nidhi Company
- (a) The net owned funds to deposit liability ratio is within the required ratio of 1:20 as at 31.03.2014
- (b) Based on the information and explanations and on the basis of our audit procedures we are of the opinion that the Company has complied with the principles of prudential norms on income recognition and provisioning against sub-standard, doubtful/loss assets.
- (c) Based on the information and explanations given and on the basis of our audit, we are of the opinion that the Company has adequate procedures for appraisal of credit proposals/requests, assessment of credit needs and repayment capacity of the borrowers.
- 11 According to the information and explanations given to us and on examination of balance sheet, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
- 12 Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- 13 We further report that clauses (ii), (viii), (xiv), (xv), (xvi), (xviii), (xix), (xx) of Companies (Auditors Report) order, 2003 are not applicable to the Company.

For **MAHALINGAM AND SRIVATSAN**

Chartered Accountants

Sd/-

CA. M. MAHALINGAM

Partner - Mem No. 002602 FRN - 001929S

For **K. RAMAKRISHNAN & Co.,**

Chartered Accountants

Sd/-

CA. K. RAMAKRISHNAN

Proprietor - Mem No. 025467 FRN - 005573S

Place : Kumbakonam

Date : 30.06.2014

TBF (KUMBAKONAM) LIMITED

A TRUST WORTHY COMPANY

We imbibe Our Mission **“MUTUALITY AMONG HUMANITY”** among our members based on the Four Pillars of TBF (KUMBAKONAM) LIMITED

a. Reliability b. Trust c. Openness / Transparency d. Commitment

1. Our “Mutuality” Philosophy drives us to develop safe and high quality services. Our wide spread network helps us get closer to our members.
2. We focus on building and maintaining sound relationships with our members and employees and all other stake holders.
3. We believe that the success of business comes from each individuals creativity and team work. We at TBF Ltd., stimulate the mutual growth of our members through “Trust And Responsibility and in this process TBF Ltd., strives to contribute to the development of overall society”.

Thus

**Our Vision “MANY MAY COME AND
MANY MAY GO BUT WE [TBF (KUMBAKONAM) LIMITED]
SERVE YOU FOR EVER”.**



BALANCE SHEET AS AT 31st MARCH 2014
31-03-2014 தேதி வரையிலான இருப்பு நிலைக்குறிப்பு (₹)

I. EQUITY AND LIABILITIES (சம உரிமை மற்றும் பொறுப்புகள்)	NOTE	As At March 31, 2014	As At March 31, 2013
SHAREHOLDER'S FUNDS (பங்குதாரர்களின் நிதி)			
(a) Share Capital (பங்கு மூலதனம்)	1	6,68,93,485	5,70,30,330
(b) Reserves and Surplus (காப்பு பணமும், உபரிகளும்)	2	3,50,04,888	3,77,88,121
NON-CURRENT LIABILITIES (நடைமுறையில்லா பொறுப்புகள்)			
(a) Long-term borrowings (நீண்டகால கடன்கள்)	3	55,47,63,784	27,48,82,162
(b) Deferred tax liabilities (Net) (ஒத்திவைக்கப்பட்ட வரி)		21,09,378	14,29,909
CURRENT LIABILITIES (நடப்பு பொறுப்புகள்)			
(a) Short-term borrowings (குறுகியகால கடன்கள்)	4	143,79,40,417	136,01,47,251
(b) Other current liabilities (இதர நடப்பு பொறுப்புகள்)	5	1,90,55,453	1,64,01,834
(c) Short-term provisions (குறுகிய கால ஒதுக்கீடுகள்)	6	24,67,302	19,98,660
TOTAL - EQUITY AND LIABILITIES		211,82,34,707	174,96,78,267
II. ASSETS (சொத்துகள்)	NOTE	As At March 31, 2014	As At March 31, 2013
NON-CURRENT ASSETS (நடைமுறையில்லா சொத்துகள்)			
Fixed Assets (நிரந்தர சொத்து)			
(a) Tangible assets (தொட்டுணரத்தக்க சொத்துகள்)	7	8,61,92,921	7,04,45,727
Non-current investments (நடப்பில் இல்லாத முதலீடுகள்)	8	1,79,90,158	1,78,66,000
CURRENT ASSETS (நடைமுறை சொத்துகள்)			
(a) Inventories (பொருள் பட்டியல்)	9	60,37,940	17,94,714
(b) Cash and cash equivalents (பணம் மற்றும் பணம் ஒத்தமதிப்புடைய சொத்துகள்)	10	53,75,53,637	18,52,30,012
(c) Short-term loans and advances (குறுகிய கால கடன்கள் மற்றும் முன்பணம்)	11	144,40,66,062	146,57,42,258
(d) Other current assets (இதர நடைமுறை சொத்துகள்)	11A	2,63,93,989	85,99,556
TOTAL - ASSETS		211,82,34,707	174,96,78,267

Signature to Balance Sheet and notes on accounts thereto Vide our report of even date.

For MAHALINGAM & SRIVATSAN
Chartered Accountants.

Sd/-

Shri. CA. M. MAHALINGAM
Partner M.No.02602
FRN - 001929S

For K. RAMAKRISHNAN & CO.,
Chartered Accountants.

Sd/-

Shri. CA. K. RAMAKRISHNAN
Proprietor M. No. 025467
FRN - 005573S

Sd/-

Shri. B. MUKUNTHA RAMANUJAM
President
DIN : 02710054

Directors:

Sd/- Shri. S.R. SRIDHARAN
DIN : 02710057

Sd/- Shri. R. VIJAYAKUMAR
DIN : 02555991

Sd/- Smt. Dr. R. RAJARAJESWARI
DIN : 05107513

Sd/- Shri. S. ABAI KUMAR
DIN : 05107517

Sd/- Shri. K.E.B. RANGARAJAN
DIN : 05234845

Sd/- Shri. S. RAJAVEL
DIN : 02806374

Sd/-

Shri. S. VENKATARAMANAN
Company Secretary.
M. No. A28842

Place : Kumbakonam

Date : 30.06.2014

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March 2014**
31-03-2014 தேதி வரையிலான இலாப நஷ்ட கணக்கு (₹)

REVENUE (வருவாய்)	NOTE	Year Ended March 31, 2014	Year Ended March 31, 2013
I. Revenue from Operations (செயல்முறை வருவாய்)	12	28,16,41,913	23,61,23,406
II. Other Income (இதர வருமானம்)	13	17,03,893	8,04,533
TOTAL REVENUE (மொத்த வருவாய்)		28,33,45,806	23,69,27,939
EXPENSES (செலவுகள்)			
III. (a) Employee benefit expense (ஊழியர் நல செலவுகள்)	14	3,07,50,830	2,29,62,334
(b) Finance costs (நிதி செலவுகள்)	15	20,88,97,584	15,90,18,523
(c) Depreciation and amortization expense (தேய்மானம் மற்றும் கடன் கழிப்பு நிதி)		29,40,381	17,26,873
(d) Administrative and Other expenses (நிர்வாக மற்றும் இதர செலவுகள்)	16	2,98,73,816	2,45,45,809
TOTAL EXPENSES (மொத்த செலவுகள்)		27,24,62,611	20,82,53,539
Profit before exceptional items and tax (I+II-III) (அசாதாரணமான வருவாய்க்கு முந்திய லாபம்)		1,08,83,195	2,86,74,400
Exceptional Items (அசாதாரணமான வருவாய்)			
Profit on Sale of Fixed Assets (நிரந்தர சொத்து விற்பனையில் லாபம்)		2,532	1,09,073
IV. PROFIT BEFORE TAX (வரிக்கு முந்தைய லாபம்)		1,08,85,727	2,87,83,473
V. TAX EXPENSE (வரிச் செலவுகள்)			
(a) Current tax (நடப்பாண்டு வரி)		28,77,578	85,99,301
(b) Deferred tax (ஒத்திவைக்கப்பட்ட வரி)		6,79,469	9,82,802
VI. PROFIT AFTER TAX (வரிக்கு பிந்தைய லாபம்)		73,28,680	1,92,01,370
VII. Earnings per Share - Basic (ஒரு பங்குக்கான ஆதாயம்)		0.12	0.55
Diluted		0.12	0.55

Signature to Statement of Profit & Loss and notes on accounts thereto Vide our report of even date.

For MAHALINGAM & SRIVATSAN
Chartered Accountants.

Sd/-

Shri. CA. M. MAHALINGAM
Partner M.No.02602
FRN - 001929SFor K. RAMAKRISHNAN & CO.,
Chartered Accountants.

Sd/-

Shri. CA. K. RAMAKRISHNAN
Proprietor M. No. 025467
FRN - 005573S

Sd/-

Shri. B. MUKUNTHA RAMANUJAM
President
DIN : 02710054

Directors:

Sd/- Shri. S.R. SRIDHARAN
DIN : 02710057Sd/- Shri. R. VIJAYAKUMAR
DIN : 02555991Sd/- Smt. Dr. R. RAJARAJESWARI
DIN : 05107513Sd/- Shri. S. ABAI KUMAR
DIN : 05107517Sd/- Shri. K.E.B. RANGARAJAN
DIN : 05234845Sd/- Shri. S. RAJAVEL
DIN : 02806374

Sd/-

Shri. S. VENKATARAMANAN
Company Secretary.
M. No. A28842

Place : Kumbakonam

Date : 30.06.2014



NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31st MARCH 2014
31-03-2014 தேதி வரையிலான கணக்குகளின் குறிப்பு

1. Share Capital (பங்கு மூலதனம்)	As At March 31, 2014	As At March 31, 2013
Authorised : 10,00,00,000 Equity Shares of ₹ 1 each அங்கீகரிக்கப்பட்ட மூலதனம் : பங்கு ஒன்றுக்கு ரூ. 1 மதிப்புள்ள 10 கோடி சம உரிமை பங்குகள்	10,00,00,000	10,00,00,000
Issued, Subscribed & Fully Paid Share Capital - 6,68,93,485 Equity Shares of ₹ 1/- each (Previous Year - 5,70,30,330 shares) வழங்கப்பட்டதும் மற்றும் செலுத்தப்பட்டதும் பங்கு ஒன்றுக்கு ரூ. 1 மதிப்புள்ள 6,68,93,485 சம உரிமைபங்குகள்	6,68,93,485	5,70,30,330
Total (மொத்தம்)	6,68,93,485	5,70,30,330

Right attached to Equity Shares: The Company has issued only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share, subject to the limit that no member shall exercise voting rights in excess of 5% of total voting rights of equity shareholders vide Notification No. G.S.R. 527(E) dated 31st August 2006 of Ministry of Corporate Affairs.

1.1 Reconciliation of Number of Shares

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	5,70,30,330	5,70,30,330	3,05,90,735	3,05,90,735
Additions during the year	98,63,155	98,63,155	2,64,39,595	2,64,39,595
Closing Balance	6,68,93,485	6,68,93,485	5,70,30,330	5,70,30,330

1.2 Share holding pattern of number of shares

No shareholder is having more than 5% of the shares in the Company.

2. Reserves and Surplus (காப்பு பணமும், உபரிகளும்)	As At March 31, 2014	As At March 31, 2013
A. General Reserve - Opening Balance (பொது காப்புத்தொகை - ஆரம்ப இருப்பு)	1,85,87,085	1,26,42,131
Add: Appropriation of the year (இந்த வருட ஒதுக்கீடு)	86,43,030	59,44,954
Closing Balance - (A) (முடிவு இருப்பு)	2,72,30,115	1,85,87,085
B. Other Revenue Reserves & Bad Debts Reserve - Opening Balance (இதர காப்புத்தொகை - ஆரம்ப இருப்பு)	-	19,32,509
Less: Transfer to Surplus (வேறு இடத்தில் இருந்து மீதத்திற்கு கொண்டு செல்லப்பட்டது)	-	19,32,509
Closing Balance - (B) (முடிவு இருப்பு)	-	-
C. Contingency Reserve (குற்செயலாக ஏற்படும் காப்பு)		
Opening Balance (ஆரம்ப இருப்பு)	70,23,284	-
Add: Transfer from Surplus (மீதத்திலிருந்து வேறு இடத்திற்கு கொண்டு செல்லப்பட்டது)	4,74,733	70,23,284
Closing Balance - (C) (முடிவு இருப்பு)	74,98,017	70,23,284
D. P & L A/c. Surplus - Opening Balance (ஆரம்ப இருப்பு)	1,21,77,752	1,09,67,410
Add: Transfer from Other Revenue Reserves & Bad Debts Reserve- (இதர காப்புத்தொகை)	-	19,32,509
Add: Profit for the year (இந்த வருட லாபம்)	73,28,680	1,92,01,370
Amount available for Appropriation (ஒதுக்கீடுகளுக்கான இருப்பு)	1,95,06,432	3,21,01,289
Proposed Dividend + Dividend Tax (உத்தேசித்துள்ள பங்காதாயம் மற்றும் பங்காதாயத்தின் வரி)	1,01,11,913	69,55,299
General Reserve (பொது ஒதுக்கீடுகள்)	86,43,030	59,44,954
Contingency Reserve (குற்செயலாக ஏற்படும் காப்பு)	4,74,733	70,23,284
Total Appropriation (மொத்த ஒதுக்கீடுகள்)	1,92,29,676	1,99,23,537
Surplus in P & L A/c. transferred to Balance Sheet (மீதம் இருப்பு நிலைக் குறிப்பிற்கு கொண்டு செல்லப்பட்டது) (D)	2,76,756	1,21,77,752
Total (மொத்தம்) (A+B+C+D)	3,50,04,888	3,77,88,121



NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31st MARCH 2014
31-03-2014 தேதி வரையிலான கணக்குகளின் குறிப்பு

3. LONG-TERM BORROWINGS (நீண்டகால கடன்கள்)	As At March 31, 2014	As At March 31, 2013
Unsecured - Deposits (சுட்டில்லா வைப்பு நிதி)		
Fixed Deposits (நிரந்தர வைப்பு)	33,89,65,099	16,87,27,259
Cumulative Deposits (திரண்ட வைப்பு)	21,57,98,685	9,23,93,951
Recurring Deposits (தொடர் வைப்பு)	-	1,37,60,952
Total (மொத்தம்)	55,47,63,784	27,48,82,162

4. SHORT-TERM BORROWINGS (குறுகியகால கடன்கள்)	As At March 31, 2014	As At March 31, 2013
Secured (சுட்டுக்கடன்)		
Loans repayable on demand (திரும்ப செலுத்தவேண்டிய கடன்கள்)	-	1,70,53,034
Unsecured (சுட்டில்லா கடன்)		
Deposits (வைப்பு)		
Fixed Deposits (நிரந்தர வைப்பு)	57,79,19,866	56,83,30,011
Cumulative Deposits (திரண்ட வைப்பு)	66,85,01,754	64,14,51,461
Recurring Deposits (தொடர் வைப்பு)	9,88,12,660	6,74,13,631
Savings Deposits (சேமிப்பு வைப்பு)	8,67,69,079	6,24,97,667
Special Savings Deposit (சிறப்பு சேமிப்பு வைப்பு)	59,37,058	34,01,447
Total (மொத்தம்)	143,79,40,417	136,01,47,251

5. OTHER CURRENT LIABILITIES (இதர நடப்பு பொறுப்புகள்)	As At March 31, 2014	As At March 31, 2013
Interest accrued but not due on borrowings (வைப்பீட்டிற்கு பாக்கியில்லாத திரண்ட வட்டி)	55,69,812	43,38,551
Proposed Dividend + Dividend Tax (ஒதுக்கப்பட்ட பங்கு ஈவுத்தொகை + பங்கு ஆதாய வரி)	1,01,11,913	69,55,299
Other payables (கொடுக்கப்படவேண்டியவை)		
Sundry Creditors and Provision for Expenses (செலவினங்களுக்கான கடனீந்தோர்)	26,37,631	24,48,194
Locker Deposit (பாதுகாப்பு பெட்டக வைப்பு நிதி)	5,62,000	1,87,500
Income Tax Provision (ஒதுக்கி வைக்கப்பட்ட வருமானவரி)	-	22,88,566
TDS deducted by Bank Payable (வங்கி மூலம் பிடித்தம் செய்யப்பட்ட வருமான வரி)	-	2,736
TDS Payable (2013-14) (வருமான வரி செலுத்தவேண்டியது)	1,74,097	1,80,988
Total (மொத்தம்)	1,90,55,453	1,64,01,834

6. SHORT TERM PROVISIONS (குறுகியகால ஒதுக்கீடுகள்)	As At March 31, 2014	As At March 31, 2013
Provision for employee benefits (ஊழியர் நல ஒதுக்கீடு)	24,67,302	19,98,660
Total (மொத்தம்)	24,67,302	19,98,660

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31st MARCH 2014**
31-03-2014 தேதி வரையிலான கணக்குகளின் குறிப்பு

7. TANGIBLE ASSETS (தொட்டுணரத்தக்க சொத்துக்கள்)	As At March 31, 2014	As At March 31, 2013
Land/ Building/ Plant & Equipment/ Furniture & fixtures Vehicles/Office Equipment/Others) - Gross Block (அசல் அடக்கவிலை)		
Opening Balance (ஆரம்ப இருப்பு)	7,52,13,649	5,30,41,114
Other Adjustments (Addition - Deletion) (கூடுதல் - கழித்தல்)	1,86,91,143	2,33,78,430
	9,39,04,792	7,64,19,544
Less: Disposals (விற்பனை)	7,000	12,05,895
Gross Block at year end (a) (ஆண்டு முடிவில் அசல் அடக்கவிலை)	9,38,97,792	7,52,13,649
Less: Depreciation (தேய்மானம்)		
Opening Depreciation (முந்தைய தேய்மானம்)	47,67,922	36,07,516
Depreciation for the year(Less for disposals) இந்த ஆண்டிற்கான தேய்மானம் (விற்பனை நீங்கலாக)	29,36,949	11,60,406
Total accumulated depreciation (b) (மொத்த தேய்மானம்)	77,04,871	47,67,922
Net carrying value (a) - (b) (கொண்டு வரப்பட்ட நிகர மதிப்பு)	8,61,92,921	7,04,45,727
Total (மொத்தம்)	8,61,92,921	7,04,45,727

8. NON-CURRENT INVESTMENTS (நடைமுறையில் இல்லாத முதலீடுகள்)	As At March 31, 2014	As At March 31, 2013
SBI Gold Deposit (5.972537 Kgs.) (பாரத வங்கியில் தங்கம் இருப்பு வைப்பு)	1,79,90,158	1,78,66,000
Total (மொத்தம்)	1,79,90,158	1,78,66,000

9. INVENTORIES (பொருள் பட்டியல்)	As At March 31, 2014	As At March 31, 2013
Stock of Stationery and Compliments (எழுதுப்பொருள், படிவங்கள் இருப்பு மற்றும் அன்பளிப்பு இருப்பு)	60,37,940	17,94,714
Total (மொத்தம்)	60,37,940	17,94,714

10. CASH AND CASH EQUIVALENTS (ரொக்க இருப்பு மற்றும் வங்கி இருப்பு)	As At March 31, 2014	As At March 31, 2013
Balances with banks (வங்கியிருப்பு)	1,11,00,043	91,68,644
Balances with banks - Dep (வங்கியிருப்பு வைப்பு நிதி)	50,65,77,741	16,79,01,594
Cash on hand (ரொக்க கையிருப்பு)	1,98,75,853	81,59,774
Total (மொத்தம்)	53,75,53,637	18,52,30,012



NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31st MARCH 2014
31-03-2014 தேதி வரையிலான கணக்குகளின் குறிப்பு

11. SHORT TERM LOANS AND ADVANCES (குறுகியகால கடன்களும், முன்பணமும்)	As At March 31, 2014	As At March 31, 2013
Others (முற்றவை)		
Jewel Loans (நகைக்கடன்)	139,96,03,979	141,25,11,470
Loan against Deposits (வைப்பேடுகள் மீதான கடன்)	4,44,62,083	5,32,30,788
Total (மொத்தம்)	144,40,66,062	146,57,42,258

11A. OTHER CURRENT ASSETS (இதர நடப்பு சொத்துக்கள்)	As At March 31, 2014	As At March 31, 2013
Deposits (வைப்பு நிதி)	2,01,904	1,13,040
Premises Advance (இடமுன்பணம்)	48,79,461	38,04,261
Staff Advance (ஊழியர் முன்பணம்)	3,26,140	2,49,247
Advance Others-Unsecured (இதர முன்பணம்)	1,24,70,357	28,31,937
Income Tax (வருமான வரி)	72,57,081	75,988
Pre-paid Expenses (முன்கூட்டி செலுத்திய செலவு)	12,59,046	15,25,083
Total (மொத்தம்)	2,63,93,989	85,99,556

FIXED ASSETS (நிலையான சொத்து)
DEPRECIATION SCHEDULE FOR THE YEAR ENDED 31-3-2014

ASSET சொத்து	GROSS BLOCK (அசல் அடக்கவிலை)				DEPRECIATION (தேய்மானம்)				NET BLOCK (நிகர மதிப்பு)	
	OPENING ஆரம்பம்	ADDITIONS கூடுதல்	DELETION கழித்தல்	CLOSING முடிவு	01-04-2013	CURRENT YEAR இந்த ஆண்டுகானது	WITHDRAWN (கிரும்ப பெற்றது)	31-3-2014 முடிவு	31-3-2014 முடிவு	31-3-2013 முடிவு
Land (நிலம்)	3,14,52,759	56,21,350	-	3,70,74,109	-	-	-	-	3,70,74,109	3,14,52,759
Building (கட்டிடம்)	1,91,10,882	49,84,188	-	2,40,95,070	6,75,955	3,39,989	-	10,15,944	2,30,79,126	1,84,34,927
Furniture & Fixtures (தளவாபங்கள்)	1,28,89,142	27,65,615	-	1,56,54,757	16,56,509	8,84,491	-	25,41,000	1,31,13,757	1,12,32,633
Plant & Machinery (இயந்திர தளவாபங்கள்)	33,31,037	39,83,585	-	73,14,622	1,79,311	2,72,469	-	4,51,780	68,62,842	31,51,726
Vehicles (வாகனம்)	6,99,715	1,14,325	-	8,14,040	1,09,910	75,180	-	1,85,090	6,28,950	5,89,805
Computers & Accessories (கணினி பொறிகள்)	77,30,114	12,22,080	7,000	89,45,194	21,46,237	13,68,252	3,432	35,11,057	54,34,137	55,83,877
Total (மொத்தம்)	7,52,13,649	1,86,91,143	7,000	9,38,97,792	47,67,922	29,40,381	3,432	77,04,871	8,61,92,921	7,04,45,727



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014
31-03-2014 தேதி வரையிலான கணக்குகளின் குறிப்பு

12. REVENUE FROM OPERATIONS (செயல்முறை வருவாய்)	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest on Advances (கடன்கள் மீதான வட்டி வரவு)	24,74,62,101	22,27,27,351
Interest income (வட்டி வருமானம்)	3,41,79,812	1,33,96,055
Total (மொத்தம்)	28,16,41,913	23,61,23,406

13. OTHER INCOME (இதர வருமானங்கள்)	Year Ended March 31, 2014	Year Ended March 31, 2013
Other non-operating income (இதர செயல்முறையில்லாத வருமானம்)		
Interest income (வட்டி வருமானம்)	1,588	5,180
Other Misc Income (இதர வருமானங்கள்)	14,96,905	7,57,153
Locker Rent Receipts (பாதுகாப்பு பெட்டக வாடகை வரவு)	2,05,400	42,200
Total (மொத்தம்)	17,03,893	8,04,533

14. EMPLOYEE BENEFIT EXPENSE (ஊழியர் நல செலவுகள்)	Year Ended March 31, 2014	Year Ended March 31, 2013
Salary (சம்பளம்)	1,29,45,248	1,00,84,657
Stipend & Wages	1,08,27,303	80,53,144
Director's Remuneration	8,14,933	9,30,000
Provision for Bonus	19,49,652	13,89,404
Contribution to provident and other funds (சேமநலம் மற்றும் இதர செலுத்தப்பட்ட நிதி)	28,42,083	16,68,322
Staff welfare expenses (ஊழியர் நல செலவுகள்)	13,71,611	8,36,807
Total (மொத்தம்)	3,07,50,830	2,29,62,334

15. FINANCE COSTS (நிதி செலவுகள்)	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest expenses (வட்டி செலவுகள்)		
Term, Savings & Recurring Deposits (வைப்பு, சேமிப்பு மற்றும் தொடர் வைப்பு)	20,85,52,858	15,52,73,990
Bank Interest Payments (வங்கி வட்டி செலவு)	3,44,726	37,44,533
Total (மொத்தம்)	20,88,97,584	15,90,18,523



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014
31-03-2014 தேதி வரையிலான கணக்குகளின் குறிப்பு

16. ADMINISTRATIVE AND OTHER EXPENSES (நிர்வாகம் மற்றும் இதர செலவுகள்)	Year Ended March 31, 2014	Year Ended March 31, 2013
Power and fuel (மின்சாரம் மற்றும் எரிபொருள்)	14,33,405	9,52,857
Rent (வாடகை)	41,74,815	29,22,950
Repairs and Maintenance (இயந்திர சாதனங்கள் பழுதுபார்ப்பு)	17,11,731	33,54,352
Insurance (காப்பீடு)	15,44,306	4,50,767
Rates and Taxes, excluding taxes on income (இதர வரிகள்)	6,45,997	1,77,639
Bad Debts (வாராக்கடன்)	54,40,606	-
Advertisement (விளம்பரம்)	18,85,197	20,18,410
Travelling and Conveyance (பயணச் செலவு)	11,17,747	11,35,638
Telephone and Communication (தகவல் தொடர்பு)	7,61,113	4,61,107
Printing & Stationery (அச்சு மற்றும் எழுது பொருள்)	16,78,240	15,05,786
Directors Sitting Fees (இயக்குநர்கள் அமர்வு கட்டணம்)	10,00,000	10,90,000
Audit Fees (தணிக்கை ஊதியம்)	2,31,000	2,30,000
Legal & Professional Charges (சட்ட ஆலோசகர் கட்டணம்)	8,14,967	26,950
Misc Expenses (இதர செலவுகள்)	39,03,621	29,34,621
Consultancy Charges (ஆலோசனை செலவுகள்)	4,45,000	1,14,000
Business Development (தொழில் வளர்ச்சி)	26,65,543	60,88,789
Branch Inaugural & Shifting Expenses (கிளை துவக்கம் மற்றும் இடமாற்றம் செலவுகள்)	1,26,933	8,59,728
Re-Appraising Charges (மறுமதிப்பீட்டாளர் கட்டணம்)	1,14,412	99,316
SSD Collection Charges (வசூல் கட்டணம்)	1,79,183	1,22,900
Total (மொத்தம்)	2,98,73,816	2,45,45,809

17. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for) (அவசரகால கொடுக்கல் மற்றும் பொறுப்புகள்)	As at March 31, 2014	As at March 31, 2013
Contingent liabilities (அவசரகால கொடுக்கல்)	10,32,608	-
Sub Total (உப கூடுதல்)	10,32,608	-
Commitments (பொறுப்புகள்)	2,68,950	4,19,510
Sub Total (உப கூடுதல்)	2,68,950	4,19,510
Total (மொத்தம்)	13,01,558	4,19,510

**CASH FLOW STATEMENT (பண நடமாட்டம் பற்றிய அட்டவணை)**
(₹)

	2013-14	2012-13
Cash from Operating Activity (செயல் முறை நடவடிக்கை மூலம் பணநடமாட்டம்)		
Retained Earnings (தக்க வைத்து கொண்ட வருவாய்)	(27,83,232)	1,22,46,071
Depreciation (தேய்மானம்)	29,40,381	17,26,873
Profit On Sale of Fixed Asset (Net) (சொத்து விற்பனையின் மூலம் பெறப்பட்ட லாபம்)	(2,532)	(1,09,073)
Cash from Operations before working capital changes (செயல் மூலதனத்தின் மாறுதலுக்கு முன் இயக்க லாபம்)	1,54,617	1,38,63,871
Working Capital Changes (செயல் மூலதன மாற்றம்)		
Bank Account (வங்கி கணக்கு)	(19,31,399)	(62,36,388)
Current Assets (நடைமுறை சொத்துக்கள்)	54,53,852	(60,01,62,720)
Current Liabilities (நடைமுறை பொறுப்புகள்)	37,25,90,078	62,26,56,211
Cash from operations (செயல்முறை நடவடிக்கையில் நிகர ரொக்க பயன்பாடு)	37,62,67,148	3,01,20,975
Cash from Investment Activity (முதலீடு செய்த நடவடிக்கையிலிருந்து பண நடமாட்டம்)		
Purchase of Fixed Assets (நிலையான சொத்துக்களின் கொள்முதல்)	(1,86,91,143)	(2,21,46,970)
Sale of Fixed Assets (நிலையான சொத்துக்கள் விற்பனை)	6,100	7,48,500
Bank Fixed Deposits (வங்கி வைப்பு நிதி)	(33,86,76,147)	(3,87,62,188)
Net cash used in Investment Activities (முதலீடு நடவடிக்கையில் நிகர ரொக்க பயன்பாடு)	(35,73,61,190)	(6,01,60,658)
Cash from Financing Activity (நிதி நடவடிக்கையிலிருந்து பண நடமாட்டம்)		
Proceeds from Issue of Share capital (மூலதனம் மீதான பண வரவு)	98,63,155	2,64,39,595
Bank Loan (வங்கி கடன்)	(1,70,53,034)	90,31,819
Net cash flow from Financing activities (நிதி நடவடிக்கையில் நிகர ரொக்க பயன்பாடு)	(71,89,879)	3,54,71,414
Net increase in cash and cash equivalents (பணம் மற்றும் பணத்திற்கு சமமானவற்றின் நிகர அதிகரிப்பு)	1,17,16,079	54,31,731
Cash Balance at the beginning of the year (பணம் மற்றும் பணத்திற்கு சமமானவற்றின் வருட ஆரம்ப இருப்பு)	81,59,774	27,28,043
Cash Balance at the end of the year (பணம் மற்றும் பணத்திற்கு சமமானவற்றின் வருட முடிவு இருப்பு)	1,98,75,853	81,59,774

**TOWN BENEFIT FUND (KUMBAKONAM) LIMITED****NOTES****A: Disclosure as per Accounting Standards:**

The Company has complied with the Accounting Standards (AS) issued by The Institute of Chartered Accountants of India and the following disclosures are made.

General: -

Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

i) Cash Flow Statement – AS 3 (Revised)

The cash flow statement has been prepared in accordance with AS 3

ii) Prior period Items – AS 5

There are no material prior period items of income/expenditure during the year requiring disclosure.

iii) Revenue Recognition – AS 9

The Company follows historical cost convention and adopts mercantile system of accounting, Income is recognized on accrual basis on performing assets and on realization basis in respect of non-performing assets as per the prudential norms prescribed.

iv) Fixed Assets – AS 10

Fixed Assets are stated at their original cost of acquisition less depreciation till date.

Depreciation on Fixed Assets has been provided on Straight-line method, on the cost of Fixed Assets as per the rates, provided in Schedule XIV of the Companies Act, 1956.

v) Foreign Exchange – AS 11 (Revised)

The Company does not deal with any types of foreign exchange transactions and hence the relevant Accounting Standard (AS 11) is not applicable.

vi) Government Grant – AS 12

The Company receives no Grant from Government in respect of any Revenue or Capital nature and hence there is no necessity for relevant disclosure.

vii) Investments – AS 13

Investments are redeemed by the Company at the contracted price. The Company has invested 5.972537 Kgs. of Gold in “SBI GOLD DEPOSIT” Scheme for five years which is valued at cost in the Financial Statement.

viii) Retirement Benefits – AS 15

The liabilities towards retirement benefits are accounted for in accordance with AS-15.

a) Short Term:

Short term employee benefits represent compensated absences which are expected to be availed or encashed within 12 months from the end of the year and are recognized as expense as per the Company's scheme based on expected obligation.

b) Compensated absence:

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accrued compensated absence or receive cash compensation at end of the year.

**c) Post Retirement:**

Post-Retirement Benefits comprise of Provident Fund, Gratuity which are accounted as follows:

i) Provident Fund:

This is a defined contribution plan. Contributions made towards Provident Fund, in accordance with applicable rules/statutes. Employees receive benefits from a provident fund. The employees and employer each make monthly contributions to the plan equal to 12% of the covered employee's salary.

ii) Gratuity:

This is a defined benefit plan. In accordance with applicable Indian Laws, the Company provides for gratuity (Gratuity plan) covering eligible Employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The provision for gratuity is made on accrual basis.

ix) Borrowing Cost – AS 16

The Company does not have any Borrowings attributable directly or indirectly for development of any asset. Hence there is no borrowing cost to be added to the fixed asset as per AS 16.

x) Related Party Disclosure – AS 18**KEY MANAGEMENT PERSONNEL****a) CA. M. RAMAN, CHAIRMAN (Upto 21st April, 2013)**

Remuneration and allowances to Shri M. Raman (Consolidated)

₹ 33,333/- P.A. apart from Sitting Fees.

b) T. MANICKAVASAGAM, PRESIDENT (Upto 7th December, 2013)

Remuneration and allowances to Shri T. Manickavasagam (Consolidated)

₹ 2,88,167/- P.A apart from Sitting Fees

c) B. MUKUNTHA RAMANUJAM, PRESIDENT (From 08th December, 2013)

Remuneration and allowances to Shri B. Mukuntha Ramanujam (Consolidated)

₹ 1,67,033/- P.A.

**d) S.R. SRIDHARAN, VICE PRESIDENT (HR & ADMINISTRATION)
(From 08th December, 2013)**

Remuneration and allowances to Shri S.R. Sridharan (Consolidated)

₹ 1,63,200/- P.A.

**e) R. VIJAYAKUMAR, VICE PRESIDENT (BUSINESS DEVELOPMENT)
(From 08th December, 2013)**

Remuneration and allowances to Shri R. Vijayakumar (Consolidated)

₹ 1,63,200/- P.A.

xi) Lease – AS 19

The Company does not possess any leased asset.

xii) Earnings per share – AS 20

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares during the period. The Company has only one class of equity shares and hence the diluted EPS is same as Basic Earnings per Share.

**xiii) Consolidated Financial statements – AS 21**

We have only Branches and don't have any subsidiaries. Hence there is no requirement for consolidation of Financial Statements as per AS 21.

xiv) Deferment of Taxes – AS 22

Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as on the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws.

xv) Intangible Assets – AS 26

The Company has no Assets under the head 'Intangible Asset' for the current financial year.

xvi) Impairment of Assets – AS 28

In the opinion of the management, there is no impairment of assets to which AS 28 is applicable.

(B) Other Information on Accounts

1. The Company has received a demand of ₹ 10,32,608/- from the Assistant Provident Fund Commissioner, Trichy on account of alleged default under EPF Scheme 1952. The Company has preferred an Appeal before the Appellate Authorities against the above Order and are advised that the Company has a strong case in its favour. Hence no provision is considered necessary towards the above demand and the amount of ₹ 7,74,456/- paid under protest before filing the Appeal is reflected under "Loans & Advances" in the Current Assets. To the extent of this demand, there is a Contingent Liability not provided for.
2. Sundry Creditors, Sundry Debtors, Loans & Advances have been taken at their book value subject to confirmation and reconciliation.
3. During the year, considering the recent fluctuations in the gold prices, the Company has transferred ₹ 4,74,733/- to the "Contingency Reserve", by way of abundant caution to take care of the impact, if any, due to the fall in the value of Security. The balance in the "Contingency Reserve" after the above transfer as on 31st March 2014 is ₹ 74,98,017/-.
4. During the year, the Company has auctioned part of the pledged securities (Gold). The realization proceeds from the auction was less than the loan outstanding and the resultant shortfall is ₹ 54,40,606/-. The said shortfall is on account of the sudden steep drop in gold prices compounded by a fall in demand anticipating further drop in prices. The shortfall, though is a debt recoverable from the Accountholders as per the loan agreement, cannot be recovered from them in the absence of any other Security. The cost of recovery will be more than the value of loan outstanding and hence the Management has decided to absorb the above shortfall and write off the same. The said loss has been booked as "Bad Debts" in the accounts.



5. The auction proceeds of ₹ 81,69,113/- was outstanding as on 31st March 2014 and was since realized; the same has been reflected in the Balance Sheet as on 31st March 2014 as Receivables.

6. Payment to Auditors

Auditors Remuneration	2013-14 (₹)	2012-13 (₹)
Audit Fees including tax audit fees	2,15,000	2,15,000

7. Payment to Directors

Particulars	2013-14 (₹)	2012-13 (₹)
Director Remuneration	8,14,933	9,30,000
Director Sitting fees	10,00,000	10,90,000
Total	18,14,933	20,20,000

8. Major components of Deferred tax

Particulars	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Timing Difference	21,09,378	14,29,909

9. The SSI status of the creditors is not known to the Company, hence the information is not given.

10. Previous year figures have been regrouped or rearranged wherever necessary.

As per our report of even date attached

For MAHALINGAM & SRIVATSAN
Chartered Accountants.

Sd/-

Shri. CA. M. MAHALINGAM
Partner M.No.02602
FRN - 001929S

For K. RAMAKRISHNAN & CO.,
Chartered Accountants.

Sd/-

Shri. CA. K. RAMAKRISHNAN
Proprietor M. No. 025467
FRN - 005573S

Sd/-

Shri. B. MUKUNTHA RAMANUJAM
President
DIN : 02710054

Directors:

Sd/- Shri. S.R. SRIDHARAN
DIN : 02710057

Sd/- Shri. R. VIJAYAKUMAR
DIN : 02555991

Sd/- Smt. Dr. R. RAJARAJESWARI
DIN : 05107513

Sd/- Shri. S. ABAL KUMAR
DIN : 05107517

Sd/- Shri. K.E.B. RANGARAJAN
DIN : 05234845

Sd/- Shri. S. RAJAVEL
DIN : 02806374

Sd/-

Shri. S. VENKATARAMANAN
Company Secretary.
M. No. A28842

Place : Kumbakonam

Date : 30.06.2014



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 18/25555 (1993) CIN No: U65991 TN 1993 PLC 025555

Balance Sheet Date : 31.03.2014

II. CAPITAL RAISED DURING THE YEAR

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	98,63,155

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(₹ in Lakhs)

Total Liabilities 21,182.35 Total Assets 21,182.35

SOURCES OF FUNDS

Paid up Share Capital 668.93

Reserves & Surplus 350.05

Deferred Tax Liability 21.09

Secured Loans -

Unsecured Loans 19,927.04

APPLICATION OF FUNDS

Net Fixed Assets 861.93

Investments 179.90

Net Current Assets 19,925.28

IV. PERFORMANCE OF THE COMPANY (₹ In Lakhs)

Turnover 2,833.48 Total Expenditure 2,724.63

Profit before Tax 108.86 Profit after Tax 73.29

Earning per share 0.12 Dividend 0.14

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary items)

Items Code No. (ITC Code) Not Applicable. The Company is engaged in accepting deposits only from members and lending monies to them against Jewels and the member's own deposits.

Product Description

For MAHALINGAM & SRIVATSAN
Chartered Accountants.

Sd/-

Shri. CA. M. MAHALINGAM

Partner M.No.02602

FRN - 001929S

For K. RAMAKRISHNAN & CO.,
Chartered Accountants.

Sd/-

Shri. CA. K. RAMAKRISHNAN

Proprietor M. No. 025467

FRN - 005573S

Sd/-

Shri. B. MUKUNTHA RAMANUJAM

President

DIN : 02710054

Directors:

Sd/- Shri. S.R. SRIDHARAN

DIN : 02710057

Sd/- Shri. R. VIJAYAKUMAR

DIN : 02555991

Sd/- Smt. Dr. R. RAJARAJESWARI

DIN : 05107513

Sd/- Shri. S. ABAI KUMAR

DIN : 05107517

Sd/- Shri. K.E.B. RANGARAJAN

DIN : 05234845

Sd/- Shri. S. RAJAVEL

DIN : 02806374

Sd/-

Shri. S. VENKATARAMANAN

Company Secretary.

M. No. A28842

Place : Kumbakonam

Date : 30.06.2014

**OPERATIONAL HIGHLIGHTS**

- Your Company is the organization committed to serve senior citizens (aged 58 to 74 years) and super senior citizens (aged 75 and above) by offering attractive interest rates depending upon the deposit period.
- The first Nidhi Company to hold "Gold Reserves".
- Your Company is serving and educating its members through a new initiative launched in this financial year called as "TBF NEWS". Various socio-cultural, economical, environmental, organizational and other valuable messages are being continuously disseminated through this monthly edition for the benefit of its members & member's family.
- Your Company has obtained prior approval from the Regional Director "MCA" for opening 20 new branches around Tamil Nadu out of which four branches has been opened at Sirkali, Chitlapakam, Tambaram West and Pammal on 5th May, 1st June, 2nd June and 4th June 2014 respectively.
- Consistent dividend payout over a decade.
- Your Company have proactively engaged Women Directors on the Board since inception, which has been brought into force by MCA w.e.f. 1st Apr' 2014 for specified companies.
- One among your Company's suggestions to raise the ceiling limit **on rate of Interest on Savings Deposit to ₹ 1,00,000/-** was accepted by "MINISTRY OF CORPORATE AFFAIRS" and incorporated in the new Companies Act 2013.
- Since inception, the Company has duly complied with the directives issued by the Reserve Bank of India and Central Government as regards acceptance to deposits.
- We are proud to share that your Company till date has **SIX "HOUSE OF MUTUALS"** (self owned place of work).

Rate of Interest

DEPOSIT : FIXED / CUMULATIVE / RECURRING			
From 01/04/2014			
Deposit Period (Years)	Regular	Senior Citizen Age 58 to 74 years	Super Senior Citizen Age 75 +
2	10%	10.5%	11%
1	9.5%	10%	10.5%
6 Months	9%	9%	9.5%

சேமிப்பு கணக்குகளில்

தினசரி இருப்பிற்கு (ரூ. 1,00,000 வரை) **6%** வட்டி வழங்கப்படுகிறது.

பாதுகாப்பான முதலீடு!**பரஸ்பர பயனோடு!!**

**TOWN BENEFIT FUND (KUMBAKONAM) LIMITED, KUMBAKONAM.**

Registered Office : 20/38-A, Dr. Besant Road, KUMBAKONAM - 612 001.

CIN No: U65991 TN 1993 PLC 025555

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I hereby record my presence at the 21st Annual General Meeting of the Company to be held at Raya's Grand, 23-25, Mahamaham Tank West, Kumbakonam - 612 001 on Saturday the 27th September 2014 at 4.30 pm.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)

NAME OF THE PROXY

(To be filled by the proxy)

SIGNATURE OF THE MEMBER / PROXY

Member's Folio Number.....No. of share Held.....

(a) Shareholders / Proxy are requested to bring this attendance slip (completed) with them when they come to in the meeting and hand it over at the gate after affixing the signatures thereon.

உறுப்பினர்கள் கருத்து கணிப்பு

Folio No. :	_____	Voter I.D.No. :	_____
Name :	_____	UID No. :	_____
Address :	_____	Pan No. :	_____
	_____	Mobile No. :	_____
Nominee :	_____	E-mail Address :	_____
Ration Card No.:	_____	Date of Birth :	_____
		Date of Marriage:	_____

தங்களின் பேராதரவினால் நமது நிறுவனம் கடந்த 21 வருடங்களாக மிக வேகமாக வளர்ச்சி அடைந்து வருவதற்கு எங்களது நன்றியை தெரிவித்துக்கொள்கிறோம். உறுப்பினர்களின் சேவையை மேலும் விரிவு படுத்த தங்களின் ஆலோசனைகளையும், கருத்துக்களையும் வரவேற்கின்றோம்.

தாங்கள் கீழ்க்கண்ட சேவைகளில் நமது நிறுவனத்தின் செயல்பாடு எப்படி உள்ளது என்ற தங்களின் மேலான மதிப்பீடுகளை எங்களுக்குத் தெரியப்படுத்த வேண்டுகிறோம். தங்களின் மேலான கருத்துக்களே நிறுவனத்தின் வளர்ச்சிக்கு உறுதுணையாக இருக்கும்.

சுமார்	சராசரி	திருப்தி	நன்று	மிக நன்று	சிறந்த	தலை சிறந்த
↓	↓	↓	↓	↓	↓	↓
1	2	3	4	5	6	7
வ. எண்.	சேவை விபரம்	தரம் (1-7)	3.2. செயல்படும் தன்மை Promptness		1.3. வைப்பு நிதி Fixed Deposit, Cumulative Deposit	
1.	வட்டி விகிதம் Rate of Interest		3.3. பொறுப்புணர்வு Responsiveness		2. சேவைக்காக எடுத்துக்கொள்ளும் நேரம் Response Time	
1.1.	சேமிப்புத் திட்டம் Savings Deposit		3.4. பணியினை கையாளும் திறன் Efficiency		3. கவனிப்பு Courtesy	
1.2.	மாதாந்திர சேமிப்புத் திட்டம் Monthly Savings Deposit		4. நிறுவனத்தின் நம்பகத்தன்மை மற்றும் பாதுகாப்பு Trust Worthiness & Security		3.1. வரவேற்பு Kind Reception	

தங்கள் ஆலோசனை :-

இடம் :

நாள் :

ஒப்பம்

**Form No. MGT-11 PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN	U65991TN1993PLC025555
Name of the Company	TOWN BENEFIT FUND (KUMBAKONAM) LIMITED
Registered Office	"HOUSE OF MUTUALS", NO.20/38A, DR.BESANT ROAD, KUMBAKONAM - 612001
Name of the Member(s)	
Registered Address	
E-Mail ID	
Folio No.	

I / we, being the shareholder(s) of shares of Town Benefit Fund (Kumbakonam) Limited, hereby appoint :

S.N	Name	Address	E-mail ID	Signature	Failing him/her
1.					
2.					
3.					

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Annual General Meeting of the Fund, to be held on the 27th September, 2014 at 04.30 p.m. at "Raya's Grand", 23-25, Mahamaham Tank West, Kumbakonam - 612 001, and at any adjournment thereof in respect of such resolution(s) as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
1.	To receive, consider and adopt and approve the Audited Statement of Profit & Loss for the year ended 31 st March 2014, and the Balance Sheet as on that date together with the Reports of the Board of Directors and the Auditors thereon.		
2.	TO DECLARE period based pro-rata Dividend for the year ended 31 st March 2014.		
3.	To appoint a Director in place of Shri. S Abai Kumar who retires by rotation and is eligible for reappointment.		
4.	To appoint a Director in place of Shri. K.E.B. Rangarajan who retires by rotation and is eligible for reappointment.		
5.	Reappointment of Auditors.		
6.	Appointment of Shri. B. Mukuntha Ramanujam as Whole Time Director of the Company.		
7.	Appointment of Shri. S.R. Sridharan as Whole Time Director of the Company.		
8.	Appointment of Shri. R. Vijayakumar as Whole Time Director of the Company.		
9.	Alteration of Share Capital.		

Signed this day of 2014.

Affix
₹ 1/-
Revenue
Stamp

Signature of shareholder:

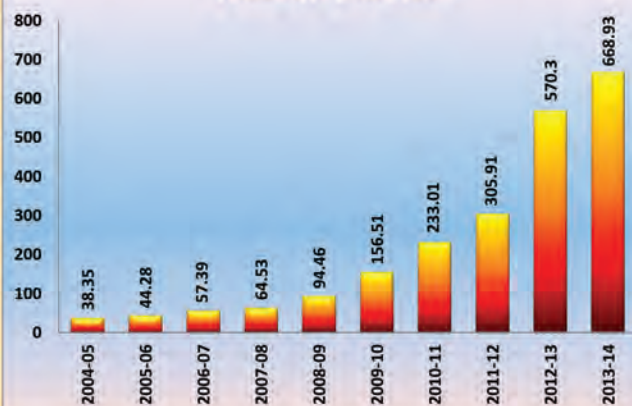
Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, not less than 48 hours before the commencement of the Meeting (i.e. on or before 04.30 P.M. on Thursday, 25th September 2014)

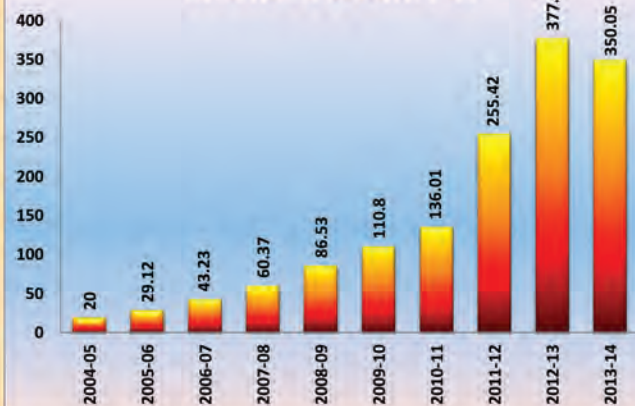


TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

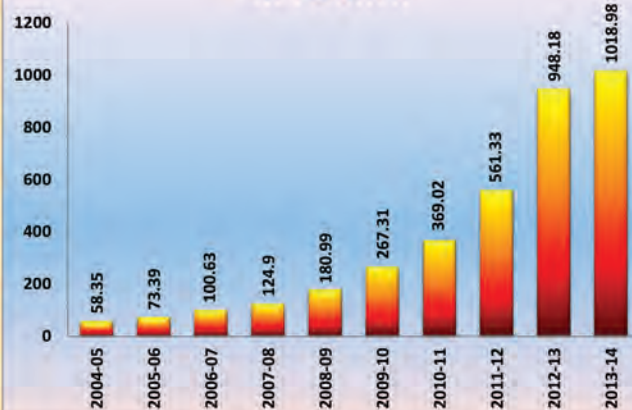
PAID UP CAPITAL



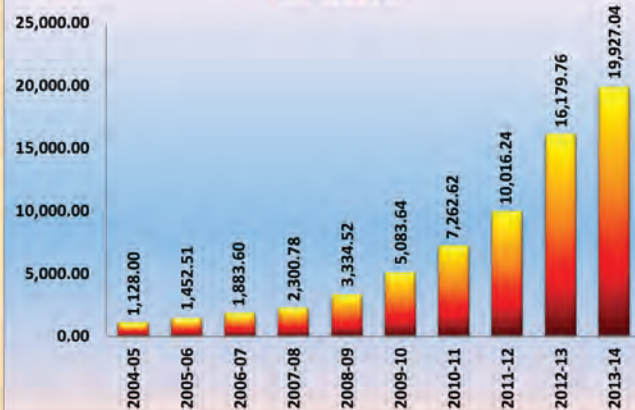
RESERVES & SURPLUS



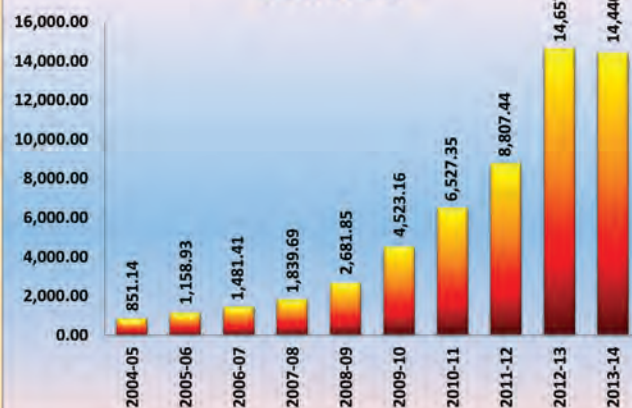
NETWORTH



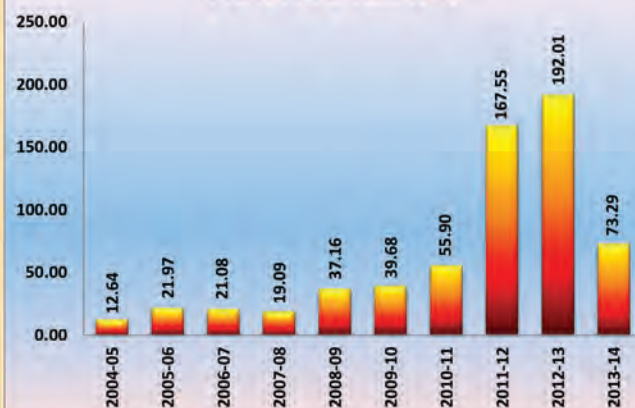
DEPOSITS



ADVANCES



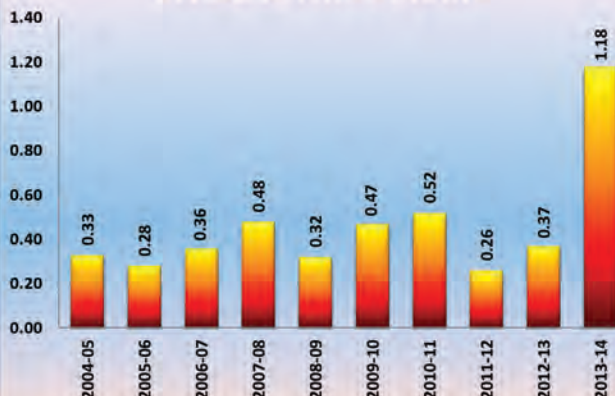
PROFIT AFTER TAX



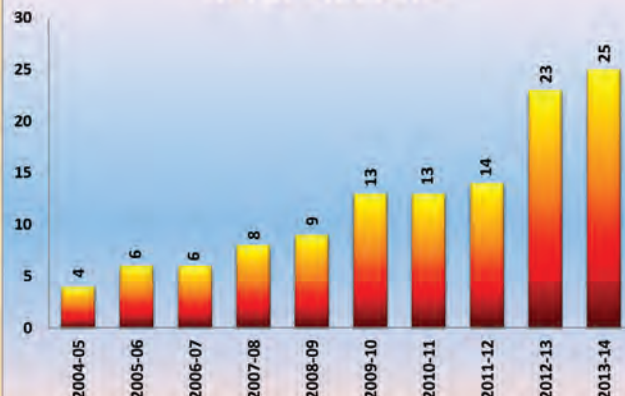


TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

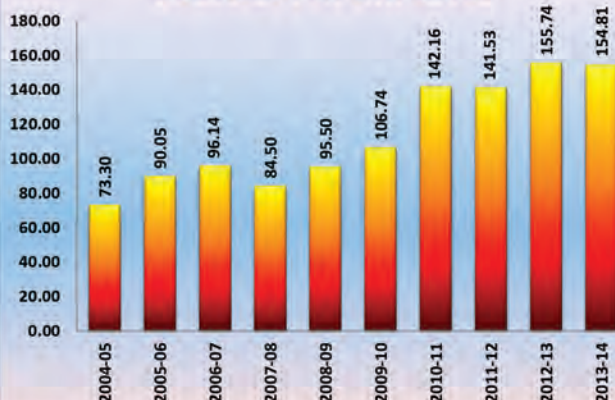
DIVIDEND PAYOUT RATIO



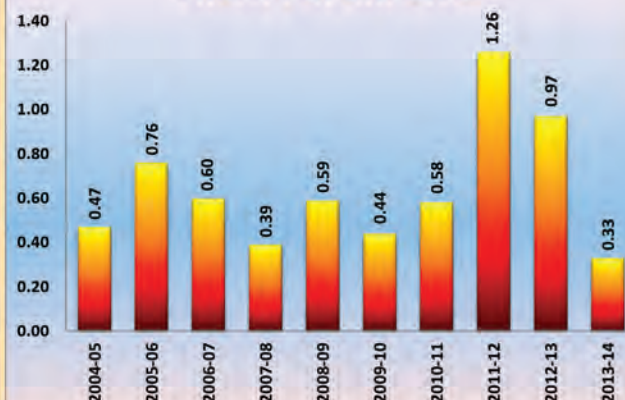
NO. OF BRANCHES



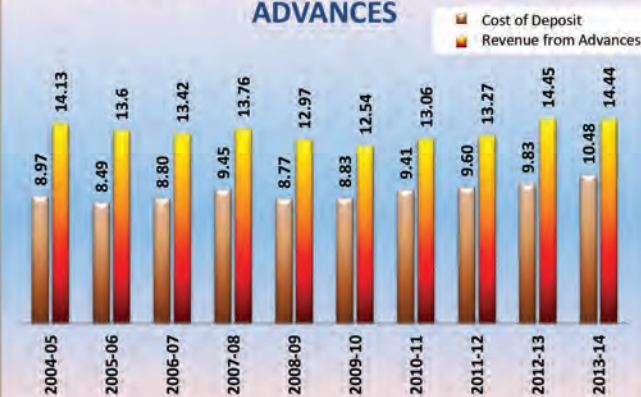
BUSINESS PER EMPLOYEE



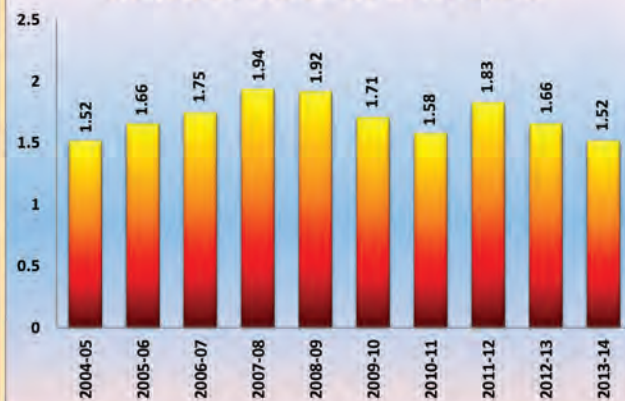
PROFIT PER EMPLOYEE



COST OF DEPOSIT / REVENUE FROM ADVANCES



INTRINSIC VALUE OF RE.1/SHARE





TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

FINANCIAL PERFORMANCE & RATIO FOR THE PAST 10 YEARS

₹ in Lakhs

PARTICULARS / YEARS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Interest Income	163.43	202.51	256.84	314.97	432.02	639.64	960.88	1,339.73	2,361.23	2816.42
Interest Expended	101.23	123.26	165.84	217.37	292.47	448.94	683.13	961.35	1,590.19	2088.98
Net Interest Income	62.20	79.26	90.99	97.60	139.55	190.70	277.75	378.39	771.05	727.44
Other Income	3.58	7.12	2.56	4.69	8.02	2.98	3.95	7.10	8.05	17.04
Net Revenues	65.78	86.37	93.56	102.29	147.57	193.68	281.70	385.49	779.09	744.48
Establishment Expenses	15.71	19.87	23.64	30.35	41.80	60.01	100.47	148.22	229.62	307.51
Operating Expenses	14.26	5.42	6.20	4.13	4.83	16.05	14.61	8.43	71.71	30.86
Administration Expenses	15.23	22.07	24.79	29.26	43.04	53.72	76.45	118.60	173.75	267.88
Depreciation	1.68	3.49	5.69	4.98	4.14	5.07	7.98	13.16	17.27	29.40
Operating costs	46.88	50.85	60.32	70.88	93.81	134.85	199.50	288.41	492.35	635.65
Profit Before Exceptional Items & Tax	18.90	35.52	33.24	31.41	53.76	58.83	82.20	97.09	286.74	108.83
Exceptional items (Net)							0.61	116.80	1.09	0.03
Profit before Tax	18.90	35.52	33.24	31.41	53.76	58.83	81.59	213.89	287.83	108.86
Provision for Taxation	6.26	13.55	12.15	12.33	16.60	19.15	25.70	46.34	95.82	35.57
Profit After Tax	12.64	21.97	21.08	19.09	37.16	39.68	55.90	167.55	192.01	73.29
Funds :										
Paid up Capital	38.35	44.28	57.39	64.53	94.46	156.51	233.01	305.91	570.30	668.93
Reserves & Surplus	20.00	29.12	43.23	60.37	86.53	110.81	136.01	255.42	377.88	350.05
Net Worth	58.35	73.39	100.63	124.90	180.99	267.31	369.02	561.33	948.18	1018.98
Deposits	1128.00	1452.51	1883.60	2300.78	3334.52	5083.64	7262.62	10016.24	16179.76	19927.04
Loans	851.14	1158.93	1481.41	1839.69	2681.85	4523.16	6527.35	8807.44	14657.42	14440.66
Investments (SLR Deposits)	305.29	330.56	433.14	450.11	648.38	577.63	830.97	1291.39	1679.02	5065.78
Investments (SBI Gold Deposit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53.70	178.66	179.90
Key Ratios :										
Debt Equity Ratio	19.33	19.79	18.72	18.42	18.42	19.02	19.68	17.84	17.06	19.56
Average Earning per share (EPS)	0.36	0.53	0.41	0.31	0.47	0.32	0.29	0.62	0.44	0.12
Return on Average Network	24.85%	33.36%	24.23%	16.93%	24.30%	17.70%	17.57%	36.02%	25.44%	7.45%
Dividend per share (₹)	0.12	0.15	0.15	0.15	0.15	0.15	0.15	0.16	0.16	0.14
Dividend payout ratio	0.33	0.28	0.36	0.48	0.32	0.47	0.52	0.26	0.37	1.18
Book value per share	1.52	1.66	1.75	1.94	1.92	1.71	1.58	1.83	1.66	1.52
Price/Earning Ratio	2.77	1.88	2.41	3.19	2.14	3.16	3.48	1.61	2.28	8.45

@ Weighted Average Earnings Per Share.

★ As recommended by the Board of Directors.



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

FINANCIAL PERFORMANCE & RATIO FOR THE PAST 10 YEARS

₹ in Lakhs

PARTICULARS / YEARS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Incremental Ratios :										
Growth in Deposits in %	29.93%	28.77%	29.68%	22.15%	44.93%	52.45%	42.86%	37.92%	61.54%	23.16%
Growth / (Decline) in Advances in %	34.30%	36.16%	27.83%	24.18%	45.78%	68.66%	44.31%	34.93%	66.42%	(1.48%)
Cost of fund procurement	8.97%	8.49%	8.80%	9.45%	8.77%	8.83%	9.41%	9.60%	9.83%	10.48%
Revenue from Deployment of Funds	14.13%	13.60%	13.42%	13.76%	12.97%	12.54%	13.06%	13.27%	14.45%	14.44%
Net Yield	5.16%	5.11%	4.61%	4.31%	4.20%	3.71%	3.65%	3.67%	4.63%	3.96%
No. of Branches	4	6	6	8	9	13	13	14	23	25
Profit per Branch	3.16	3.66	3.51	2.39	4.13	3.05	4.30	11.97	8.35	2.93
Total Business	1979.14	2611.44	3365.02	4140.48	6016.37	9606.80	13789.97	18823.68	30837.19	34367.70
Permanent Employees - Men	16	13	19	27	32	35	35	44	48	59
Permanent Employees - Women	7	11	11	14	18	15	24	24	27	32
Permanent Employees - Total	23	24	30	41	50	50	59	68	75	91
Temporary/Trainee Employees - Men	4	2	2	3	6	27	32	48	94	93
Temporary/Trainee Employees - Women	-	3	3	5	7	13	6	17	29	38
Temporary/Trainee Employees - Total	4	5	5	8	13	40	38	65	123	131
Business per employee	73.30	90.05	96.14	84.50	95.50	106.74	142.16	141.53	155.74	154.81
Establishment Expenses per employee	0.58	0.69	0.68	0.62	0.66	0.67	1.04	1.11	1.16	1.39
Profit per Employee	0.47	0.76	0.60	0.39	0.59	0.44	0.58	1.26	0.97	0.33
Networth required for Employment Generation	2.16	2.53	2.88	2.55	2.87	2.97	3.80	4.22	4.79	4.59
SLR Deposits	275.29	317.84	420.42	437.39	648.38	577.63	830.97	1291.39	1679.02	5065.78
% in SLR Deposits	24.41%	21.88%	22.32%	19.01%	19.44%	11.36%	11.44%	12.89%	10.38%	25.42%
Fixed Assets - Land (% with Paid up Capital)	13.27%	39.52%	44.80%	83.82%	57.26%	34.56%	75.70%	75.79%	55.15%	55.42%
Fixed Assets - Building (% with Reserves)	67.30%	89.87%	60.67%	43.98%	51.25%	39.37%	90.15%	60.13%	48.78%	65.93%
Interest Expended/Interest Earned (%)	61.94%	60.86%	64.57%	69.01%	67.70%	70.19%	71.09%	71.76%	67.35%	74.17%
Advances/Deposits (%)	75.46%	79.79%	78.65%	79.96%	80.43%	88.97%	89.88%	87.93%	90.59%	72.47%



சேமிப்பு என்பது இன்றைய வருமானத்திலிருந்து ஒரு பகுதியை வருங்கால தேவைகளுக்கான மேற்படிப்பு, சொந்த வீடு, திருமணம் மற்றும் எதிர்பாராத தேவைகளுக்காக எடுத்து வைக்கப்படும் முதலீடு ஆகும். அவை மிகவும் பாதுகாப்புடன் எளிதில் மாற்றக்கூடிய வகையில் இருக்க வேண்டும்.

ஆண்டுதோறும் பணவீக்கத்தின் காரணமாக நமது ரூபாயின் கொள்முதல் திறன் (Purchasing Power) குறைந்து கொண்டே வருகிறது என்பதை நாம் அனைவரும் அறிவோம். சேமிக்கும்போது நமது முதலீடு ஆனது பாதுகாப்புடன் இருப்பதோடு மட்டும்லாது பணவீக்கத்தையும், ஈடு கட்டும் வகையில் சேமிக்கப்படவேண்டும். நமது நிறுவனத்தில் முதலீடு செய்வதால் பாதுகாப்புடன் பணவீக்கத்தையும் ஈடுகட்டும் வகையில் வளர்ச்சி அடைகிறது என்பதையும் கீழ்க்கண்ட அட்டவணை யின் மூலம் அறிந்து கொள்ளலாம்.

Average Interest Rates Comparative Statement for the past 10 years

YEARS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Town Benefit Fund	9.00%	9.50%	10.50%	11%	11%	10.50%	10.50%	12.50%	12.50%	12.50%
Post Office	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	8.30%	8.50%	8.40%	8.40%
Nationalised Banks	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.25%	9.25%	8.50%	8.25%

Key Index for the past 10 years

YEARS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Inflation	4.25%	5.79%	6.39%	8.32%	10.83%	12.11%	8.87%	8.38%	7.20%	8.10%

Yield above Inflation for 10 years

YEARS	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Town Benefit Fund	4.75%	3.71%	4.11%	2.68%	0.17%	-1.61%	1.63%	4.12%	5.30%	4.40%
Post Office	3.25%	1.71%	1.11%	-0.82%	-3.33%	-4.61%	-0.57%	0.12%	1.20%	0.30%
Nationalised Banks	4.75%	3.21%	2.61%	0.68%	-1.83%	-3.11%	0.38%	0.87%	1.30%	0.40%

Gold Rates for 10 years

AS ON	31-03-2005	31-03-2006	31-03-2007	31-03-2008	31-03-2009	31-03-2010	31-03-2011	31-03-2012	31-03-2013	31-03-2014
Standard Gold (24 Carat Rate for 10 Grams)	6,180	8,490	9,395	12,125	15,105	16,365	20,775	28,040	29,610	28,469
Incremental / (Decremental) Price in %	1.90 %	37.38 %	10.66 %	29.06 %	24.58 %	8.34 %	26.95%	34.97 %	5.60%	(3.85%)



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED



23.08.2013 அன்று திருப்பூர் 24 - வது கிளை திறப்பு விழாவில் திருப்பூர் மேயர் திருமதி. **அ.விசாலாட்சி**, திருப்பூர் துணை மேயர் திரு. **சு.குணசேகரன்** அவர்கள் முன்னிலையில் திரு. **T.S. ராகவன்** பேங்க் ஆப் மகாராஷ்டிரா முன்னாள் தலைவர் மற்றும் நிர்வாக இயக்குநர், இந்தியன் வங்கி முன்னாள் தலைவர் மற்றும் நிர்வாக இயக்குநர், சென்னை, அவர்கள் கிளையை துவக்கிவைத்து சிறப்பித்தார்.



07.11.2013 அன்று ஈரோடு 25 - வது கிளை திறப்பு விழாவில் திருமதி. **V.சாவித்திரி வெங்கடராமன்**, Retd., Head Mistress, Mothersa Islamic School, Erode, அவர்கள், உயர்திரு. **Dr. A.S.A.சுமது**, M.D.,D.M., (NEURO), Bharath Hospital, Erode, அவர்கள் மற்றும் திரு. **L.வள்ளியப்பன்**, அழகு ஆட்டோ மொபைல்ஸ் குழுமம், ஈரோடு, PATRON - THE TAMILNADU AUTOMOBILE & ALLIED INDUSTRIES FEDERATION, Chennai, அவர்கள் முன்னிலையில் திரு. **R. முரளிதரன்** B.Com.,FCA., Chartered Accountant, Founder - "Nidhi Amirdham" Magazine, Erode, அவர்கள் கிளையை துவக்கிவைத்து சிறப்பித்தார்.



05.05.2014 அன்று சீர்காழி 26 - வது கிளை திறப்பு விழாவில் திருமதி. **Dr. S.அர்ச்சனா**, BDS., MHS., PGDHM., Dental Surgeon & IDA Member. Vishwa Dental Clinic, Chidambaram, மற்றும் திரு. **M. ராமர்** Founder, Balusamy Nadar Educational Trust, Sirkazhi, அவர்கள் முன்னிலையில் திரு. **Dr. P.முத்துக்குமார்**, M.D. Kumar Hospital, Sirkazhi, அவர்கள் கிளையை துவக்கிவைத்து சிறப்பித்தார்.



01.06.2014 அன்று சிட்லபாக்கம் - சென்னையில் 27 - வது கிளை திறப்பு விழாவில் திரு. **V.பாபு**, செயலாளர், தமிழ்நாடு வணிகர் சங்க பேரமைப்பு, காஞ்சிபுரம் மாவட்டம், அவர்கள் முன்னிலையில் திரு. **R.சீனிவாசன்**, Secretary General, Institute of Directors, Tamilnadu State Chapter, Chennai, அவர்கள் முன்னிலையில், திரு. **M.S. சுந்தர ராஜன்** M.A.,CAIIB., ACS., Former Chairman, Indian Bank, அவர்கள் குத்துவிளக்கு ஏற்றி, கிளையை துவக்கிவைத்து சிறப்பித்தார்.



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02.06.2014 அன்று தாம்பரம் மேற்கு - சென்னையில் 28 - வது கிளை திறப்பு விழாவில் திரு. **S. கோபாலகிருஷ்ணன்** M.A., CAIIB., Technical Advisor, Chamber of Nidhi's, DGM (Retd) Central Bank of India, அவர்கள் குத்துவிளக்கு ஏற்றி கிளையை துவக்கிவைத்து சிறப்பித்தார்.



04.06.2014 அன்று பம்மல் - சென்னையில் 29 - வது கிளை திறப்பு விழாவில் திரு. **ஸ்ரீ.உ.வே. Dr. M.V.அனந்த பத்மநாபச்சாரியார் ஸ்வாமி**, அவர்கள், திரு. **M.S.சுந்தரராஜன்** M.A., CAIIB., ACS., Former Chairman, Indian Bank, அவர்கள், மற்றும் திரு. **R.சீனிவாசன்**, Secretary General, Institute of Directors, Tamilnadu State Chapter, Chennai, அவர்கள் முன்னிலையில் திரு. **T.S. கிருஷ்ணமூர்த்தி** Former Chief Election Commissioner of India, அவர்கள் கிளையை துவக்கிவைத்து சிறப்பித்தார்.



27.08.2014 அன்று தஞ்சை - கரந்தையில், 30வது கிளை திறப்பு விழாவில் திரு. **S.ராமநாதன்**, செயலாளர், கரந்தை தமிழ்ச்சங்கம், கரந்தை, அவர்கள் முன்னிலையில் திரு. **ஸ்ரீ பாபாஜி ராஜா போன்ஸ்லே சத்ரபதி** B.E, அவர்கள் கிளையை துவக்கிவைத்தும், திருமதி. **சாவித்திரி கோபால்** B.A., DIP.IN Music, தஞ்சாவூர் மாநகராட்சி மேயர் அவர்கள் குத்துவிளக்கு ஏற்றியும் சிறப்பித்தனர்.



TOWN BENEFIT FUND (KUMBAKONAM) LTD.,

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