



31<sup>st</sup>

Annual Report  
2019-2020



**KPB Nidhi Ltd.**

HO:KPB Mandir,Sangeetha Sabha Road, Aluva-683101.Email:headoffice@kpbnidhi.com

CIN:U65991KL1989PLC005448,www.kpbnidhi.com

Tel:0484-2922000

# ANNUAL GENERAL MEETING 2018-19 & CUSTOMER MEET AT KESHAVASMRITHI, PALACE ROAD, ALUVA



उद्धरेदात्मनात्मानं  
नात्मानमवसादयेत् ।  
आत्मैव ह्यात्मनो  
बन्धुरात्मैव रिपुरात्मनः ॥6.5॥

Elevate yourself through  
the power of our mind,  
and not degrade yourself,  
for the mind can be the friend  
and also the enemy  
of the self.

(Bhagavad Gita)

काममया एवायं पुरुष इति सा  
यथाकामो भवति तत्क्रतुर भवति  
यात्क्रतुर भवति तत कर्म कुरुते यत  
कर्म कुरुते तद अभिसम पद्यते

Your are what your deep driving  
desire is, as your desire  
is so is your will, as your will is  
so is your deed,  
as your deed is so  
is your destiny.

(Brihadaranyaka Upanishad)

## Corporate prayer

ജയ ജയ ജഗന്നിധന്മാരേ  
ജയ ജയ ജഗദീശ്വര  
കലിയുഗത്തിലും ദ്വുതി പരത്തുന്ന  
ദാരതാബധയെ കൈ തൊഴാം  
സേവനം തുടർന്നിടുവാൻ കരുത്തേകണേ  
പ്രതിബദ്ധരായ് എന്നും എന്നുമെൻ ദൈവമെ  
ദുഃഖി സ്വർണ്ണം ഇതര സമ്പത്തു  
മൊക്കെ സേവന മാർഗ്ഗമായ്  
ക്കണ്ടു മാനവ നന്മ ലക്ഷ്യമായ്  
നിങ്ങുവാൻ കരുത്തേകണേ  
വേദഗ്രന്ഥങ്ങൾ ഗീതയും ഖുറാൻ  
ബൈബിളുമൊക്കെ ചൊന്നപോൽ  
ഇന്നുനിങ്ങുന്ന കെ.പി.ബി. നിധി  
എന്നുമെന്നും ജയിക്കട്ടെ (ജയ ജയ)

# BRANCH SHIFTING



**CHENGANNOR**



**KODUNGALLUR**



**CHENGANNOR**



**MATTANCHERY**

## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

**Sri. A R Mohanan - Chairman**  
(Social Activist and Ex Bank Official)

**Sri. Kuttappannair Muraleedharan – Managing Director**  
(Retd AGM, Indian Bank)

**Sri.Jayaprakash Valiathan**  
(Retd Marine Engineer, Mavelikkara)

**Sri.G Rajan Nair**  
(Industrialist,Poyilakada group,Kollam)

**Sri. P Rajesh**  
(Chartered Accountant, Kottayam)

**Sri. Vinu Krishnan**  
(Managing Director, KPB Holding)

**Sri. M Muraleedharan-Joint Managing Director**  
(Retd DGM, Dhanlaxmi Bank)

**Sri.M.A.Vasudevan Namboodiri**  
(Retd.DGM, Hindustan Newsprint Ltd)

**Sri.P.Viswaroopan**  
(Managing Director, Janam T V)

**Sri. Vishnu Prasad B Menon**  
(Chartered Accountant, Aluva)

#### **REGISTERED OFFICE**

No.VIII/441(1) KPBF Mandir  
Sangeetha Sabha Road,  
Aluva, Ernakulam - 683 101  
Phone: 0484 – 2922000/2922060  
E-Mail: headoffice@kpbnidhi.com  
Website: www.kpbnidhi.com

#### **GENERAL MANAGER**

Smt.Jayalakshmi P (CFO)  
(Retd.AGM, Federal Bank)

#### **STATUTORY AUDITORS**

- (1) Sri.Damodaran P, Paravattathu Mana  
Urakam P.O, Trichur District  
Thrissur - 680562
- (2) Sri.Vinay N Pisharady,PothiyilPisharam  
Marampilly P.O, Aluva - 683107

#### **COMPANY SECRETARY**

Smt. Sandhya Gopi, ACS

#### **PRACTISING COMPANY SECRETARIES**

**Sri. M Vasudevan, FCS**  
Thrissur

**Prabhin & Midhunkumar Associates**  
Door No.LXIV/1769, Veekshanam Road,  
Ernakulam

## **BANKERS**

**Dhanlaxmi Bank  
State Bank of India**

**Axis Bank**

## **COMMITTEES**

### **Audit Committee**

Sri. Vishnu Prasad B Menon - Chairman  
Sri.M.A.Vasudevan Namboodiri - Member  
Sri.Jayaprakash Valiathan - Member

### **Nomination, Remuneration & HR Committee**

Sri Jayaprakash Valiathan - Chairman  
Sri. Vinu Krishnan - Member  
Sri.M.A.Vasudevan Namboodiri - Member

### **Stakeholders Relationship Committee**

Sri.Rajan Nair G - Chairman  
Sri.P.Viswaroopan - Member  
Sri. A R Mohanan - Member

### **Credit Committee**

Sri. P. Rajesh - Chairman  
Sri.Jayaprakash Valiathan - Member  
Sri.M.A.Vasudevan Namboodiri - Member

### **Asset Liability Management Committee**

Top Executives at Head office

### **Internal Complaints Committee(under The sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013-**

Smt. P Jayalakshmi (GM) - President  
Smt. T Kalyani (AGM) - Member  
Sri. K Gopalakrishnan (AGM) - Member  
Adv.Maheswari Member (from  
NGO/ Associations). - Member

List of Branches

Name & Address	Phone No.
1. Adimaly:1st Floor, Kannatt Shopping Complex, Kallarkutty Road...	0486-4217497
2. Adoor:Chittundayil Tower, Near Federal Bank,Adoor-691523 .....	04734-220202
3. Alathur:Ground Floor,A R Mall, Swathi Nagar.....	0492-2222857
4. Aluva: N.S.S. Union Building,Palace Road .....	0484-2622308
5. Aluva Market : First Floor, Vadakkens Building, Metro Service Road .....	0484 2961005
6. Ambalapuzha:1st Floor, Plakkudy Complex, Temple Road.....	0477-2273717
7. Angamaly:1ST Floor,Edacheril Complex,Manjapra Road.....	0484-2454521
8. Athani :First Floor, J&J Tower, Near Union Bank .....	0484-2477320
9. Attingal : Shams Complex, VV Clinic Road, Near KSRTC Bus Stand.....	0470-2623900
10. Chalakudy:Suprabha Complex, Opp. Municipal Bus Stand.....	0480-2709940
11. Chandranagar:1st Floor, Ram Arcade, Opp. Bharath Matha School .....	0491-2570857
12. Changanacherry: I Floor,Nediakalaparambil Building.....	0481-2422344
13. Chavakkad:First Floor,N.K.Complex, Opp.Municipal Bus Stand,.....	0487-2502001
14. Chengannur:R K BUILDING, M K Road,,Puthenkavu P O .....	0479-2450252
15. Cherai:Ground Floor,M.M.Building, Devaswam Nada .....	0484-2416367
16. Cherpu:1st Floor, Malithu Tower, Thayamkulangara.....	0487-2344990
17. Cherpulassery:Reshmi Medical Building,Opp.Govt Hospital .....	0466-2284857
18. Edappilly:National Nandanam, Palace Road.....	0484-2340859
19. Ernakulam:First Floor,Nirvrithi, Ammankoil Road,Ernakulam. ....	0484-2371421
20. Erattupetta:1st Floor, Kunnakkattu Building,Near Police Station.. ....	0482-2275657
21. Ettumanoor: Manakkaparambil Building, Ettumanoor.....	0481-2534748
22. Haripad:First Floor, Panachamoottil Building, Opp. Electricity Office .....	0479-2412207
23. Irinjalakuda: 1st Floor, Kattoor Bypass Road, Irinjalakuda.....	0480-2831345
24. Kalady: Surya Super Bazar Shopping Complex, Kalady .....	0484 2698282
25. Kanhangad:1 <sup>st</sup> Floor,Krishna Complex, Ramnagar Road,Kunnummal .....	0467-2209844
26. Kannur: Dilshe Tower,LIC Road,Thalap .....	0497-2702921
27. Karunagappally : Dharmalayam Building, Vavvakavu .....	0476-2641112
28. Kasaragod : Aramana Arcade, First Floor, Bank Road .....	6235000239
29. Kodakara:1st Floor, Near Govt.L.P.School,.....	0480-2722335
30. Kodungallur: First Floor, E.K.S.Building,Palace Road, South Nada,.....	0480-2808199
31. Kolencherry :1st Floor, Room No.171, VPC & Sons Building.....	0484-2762971
32. Kollam: Thalamadom Building, Town Limit, Kilikolloor .....	0474-2731034
33. Kollam 2nd:1st Floor,Rajamandiram,Ammachiveedu, Kollam.....	0474-2792555
34. Kothamangalam:Ilpha Complex, Opp.Govt.Hospital,AM Road. ....	0485-2823312
35. Koothattukulam:Trinity Arcade, Nadappuram Bye Pass, Jewel Junction .....	0485-2250508
36. Kottarakkara:1st Floor, Ajmal Building, Chandamukku .....	0474-2454170
37. Kottayam:Jayasree Building, Temple Road,West Nada .....	0481-2582310
38. Koyilandy:Deria Tower, Panthalayani Village, Near Union Bank Of India .....	0496-2624322

39. Kozhikkode:First Floor, Rahmath Mahal Buliding, Kallai Road .....	0495-2304727
40. Kunnamangalam:1st Floor, Achoos Building,Near Bus Stand .....	0495-2800716
41. Kunnamkulam:1st Floor, Chorus shopping Complex,Guruvayur Rd .....	0488-5210830
42. Kuruppumpady:1st Floor, Palakkapilly Building,A.M.Road.....	0484-2591699
43. Manjeri:Court Gate, Priya Buildings, Manjeri .....	0483-2762409
44. Mannar: 1st Floor, Lavanya, Near Private Bus Stand, Mannar .....	0479-2313223
45. Mattancherry:Ground Floor, N.S.S.Karayoga Mandiram, Anavathil, Near BSNL.....	0484-2210087
46. Mavelikkara:Thomas Korah Building, A.R.Junction, Temple Road .....	0479-2341034
47. Mulamthuruthy: Pulimoottil Building, Opp.North Malabar Bank.....	0484-2741530
48. Muvattupuzha:Rajeswari Building, Kacherithazham .....	0485-2811033
49. Nayarambalam: Nayar Karayogam Building,Opp. Bhagavathi Temple .....	0484-2494111
50. Nenmara:U B Arcade, Main Road, Nenmara-678508.....	04923-242243
51. North Parur:Vyapara Bhavan, Chendamangalam Junction... ..	0484-2447896
52. Olarikkara: Sathya Shopping Complex,Near Mother Hospital.....	0487-2363979
53. Ollur:1st Floor, Valiyakath Tower, Police Station Road.....	0487-2354670
54. Ottapalam:1st Floor, White mount building, Main Road.....	0466-2245857
55. Pala: 1st Floor, Anna Arcade, Chethimattom.....	0482-2212699
56. Palakkad: 1st Floor, Maruthi Arcade, Opp. Hadhee Pharma,... ..	0491-2500857
57. Palluruthy: CC 13/1107B & CC 13/1107 C, Marunnukada .....	0484-2238840
58. Paravur Kavala:1st Floor, Menacheri Tower, Paravur Kavala.....	0484-2603355
59. Parli:Ground Floor, Preetha Complex,Chandapura,Parli. ....	0491-2857857
60. Pattambi:Ground Floor, Trade Centre,Near Union Bank.....	0466-2211577
61. Payyannur : Opp. St.Mary's Girls High School, BKM Jn. ....	0498-5297360
62. Perinthalmanna: 1st Floor, New K P S Tower Building,Calicut Road .....	04933-224666
63. Perumbavoor:Darshan Chambers, Velappas Jewellery Complex .....	0484-2520009
64. Piravom: Ground Floor, Karaikkattu Building,Near P O Junction .....	0485-2242575
65. Pukkattupady:Kalathil Building, Bye Pass Road, Edathala.....	0484-2681250
66. Punalur:1st Floor, Shanmughavilasam Building, Main Road.....	0475-2220650
67. Pudunagaram: 1st Floor, ACM Complex,Peruvembra Road .....	04923-251911
68. Sasthamangalam:Kamala Building, Sankar Road .....	0471-2721715
69. Thalassery: 1st Floor, Super Steel Building,Goodshed Road.....	0490-2343580
70. Thiruvallam: 1st Floor, TC 48/1059(5), Lekshmi, Ambalathara....	0471-2384859
71. Thodupuzha:E.A.P.Gardens, Kanjiramattom Bye-pass Road.....	0486-2223817
72. Thriprayar:1st Floor, Asna Shopping Complex, Nattika.....	0487-2394180
73. Thrissur Main:Lakshmi Kalyanamandapam Building,Pazhayanadakkavu, .....	0487-2443330
74. Trivandrum: Dr. Chandrasekharan Nair road, Sreekanteswaram, .....	0471-2478075
75. Tirur:1st Floor,Thettammal Building,G.H.Road.....	0494-2423250
76. Tripunithura:1st Floor, Stephen's Arcade Building, Temple Road.....	0484-2114875
77. Uppala: Kodibail Chambers,Building No. MP5 446, near Prakryath Garage .....	0499-8241245
78. Vadanappilly:1st Floor, Hayath Shopping Complex.....	0487-2606774
79. Valanchery: 1 <sup>st</sup> Floor,Room No.UI376/1, Volgo Complex, Pattambi Road .....	0494-2642266
80. Vazhakulam: Nellikkunnel Complex, opp. St.George Hospital....	0485-2261006
81. Wadakkanchery:1st Floor, Karuvettingal Opp.Dist.Govt.Hospital.....	0488-4232123



## PERFORMANCE AT A GLANCE

### Volume Growth

Paid up Capital & Reserve grew from Rs. 2005.14 lcs to Rs. 2881.51 lcs (43.71% growth)

Deposit grew from Rs. 33923.02 lcs to Rs. 44268.57 lcs (30.50% growth)

Gold Loan grew from Rs. 17338.74 lcs to Rs. 26381.89 lcs (52.16% Growth)

### Income Growth

Total income grew from Rs. 4590.01 lcs to Rs. 5904.33 lcs (28.63% growth)

Net interest income grew from Rs. 1524.39 lcs to Rs. 1913.56 lcs (25.53% growth)

Employee per business grew from 181.73 to 220.21 (21.17% growth)

Earning per share grew from 1.017 to 1.320 (29.79% growth)

### Key Ratios

## PERFORMANCE AT A GLANCE

(Rs. in lakhs)

		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	<b>Paid up capital and Reserves</b>	559.32	741.99	854.07	1,245.29	1,600.87	2,005.14	2,881.51
2	<b>Deposit</b>	10998.18	13,504.50	16,175.53	20,613.23	26,523.03	33,923.02	44,268.57
3	<b>Advance</b>	7939.81	8,406.92	12,276.66	17,293.67	22,961.81	30,044.95	40,292.77
4	<b>Profit Before Tax</b>	92.46	(433.05)	(63.59)	63.73	151.32	256.77	383.78
5	<b>Profit After Tax</b>	58.43	(422.82)	(56.19)	136.17	100.08	187.84	278.66
6	<b>Net owned Fund</b>	559.32	741.99	854.07	1,245.29	1,600.87	2,005.14	2,881.51
7	<b>No. of branches</b>	54	61	65	69	72	77	81
8	<b>No. of Staff</b>	223	239	288	309	335	352	384
9	<b>Business per Employee</b>	84.92	91.68	98.79	122.68	147.72	181.73	220.21

## **CONTENTS**

1.	Notice .....	7
2.	Directors' Report to the members .....	17
3.	Independent Auditors' Report.....	38
4.	Audited Balance sheet and Statement of Profit & Loss .....	45
5.	Cash Flow Statement .....	47
6.	Notes annexed to forming parts of accounts .....	48
7.	Ballot Paper .....	63

## **NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING (e-AGM)**

Notice is hereby given that 31<sup>st</sup> Annual General Meeting of the Members of **M/s KPB Nidhi Limited** will be held **through Video Conferencing on Monday, the 28<sup>th</sup> day of September 2020 at 11:30 a.m.** in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No.20/2020, 14/2020 and 17/2020 dated 5<sup>th</sup> May 2020, 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 respectively to transact the following businesses:

### **Ordinary Business (es):**

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended 31<sup>st</sup> March 2020 together with the report of the Board of Directors and the Auditors thereon;
2. To appoint a Director in the place of Shri. Viswaroopan Peedikaparambil (DIN: 00256061), who retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri. Rajan Nair Gangadharan (DIN: 00057215), who retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

### **Special Business (es):**

4. **Re-appointment of Shri. Jaya Prakash Valiathan (DIN: 06470662) as an Independent Director.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Shri. Jaya Prakash Valiathan (DIN:06470662), who holds office of Independent Director up to 28<sup>th</sup> September, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, signifying the intention to propose Shri. Jaya Prakash Valiathan’s candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of two consecutive years commencing from the conclusion of 31<sup>st</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

5. **Appointment of Shri. Vinu Krishnan (DIN: 01743028) as an Independent Director.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Shri. Vinu Krishnan (DIN: 01743028), who was appointed as Director in the capacity of Independent Director in the Board meeting held on 23.10.2019 and who has submitted a declaration that he meets the criteria for independence as provided under Section

149(6) of the Act and who is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act signifying the intention to propose Shri. Vinu Krishnan's candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 23.10.2019."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**6. Appointment of Shri. M. Muraleedharan (DIN: 08607833) as Whole Time Director.**

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

**"RESOLVED THAT** pursuant to the provisions of section 152, 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification and re-enactment thereof) and the Articles of Association of the Company Shri. M. Muraleedharan (DIN: 08607833) who was appointed as an Additional Director in the capacity of Whole time Director of the Company w.e.f. 23<sup>rd</sup> October, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors and subject to such other approvals as may be necessary and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing Shri. M. Muraleedharan's candidature for the office of the Whole Time Director, be and is hereby appointed as the Whole Time Director of the Company for a period of five years, with effect from 23.10.2019 on the terms and conditions of appointment including payment of remuneration as follows:

Basic Salary: 6,00,000/- per annum.

Reimbursement of travelling expenses: Upto 5000/- per month.

Variable pay to be paid as decided by the Board and all other terms and conditions of his employment are decided by the Board.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**7. Re-appointment of Shri. Kuttappannair Muraleedharan (DIN: 08041126) as Managing Director.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 152, 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the 'Act') read with schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and the Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors and subject to such other approvals as may be necessary consent of the members be and is hereby accorded for re-appointment of Shri. Kuttappannair Muraleedharan (DIN: 08041126) as Managing Director ('MD') of the Company for a term commencing from 1 February 2020 till 31<sup>st</sup> March 2021, upon the terms and conditions of appointment including payment of remuneration as follows:

- (i) Basic Salary: 7,80,000.00 per annum
- (ii) House Rent Allowance: Reimbursement of Rent not exceeding Rs.180000 per annum, if a furnished house at Aluva is taken on lease for residential purpose of MD. If furnished house is not available House Rent Allowance shall be limited to
  - a. Rs.1,20,000/- per annum, in which case Furniture upto Rs.3,50,000 may be acquired by the Company or
  - b. Rs.1,50,000 per annum in which case Furniture upto Rs.2,00,000 may be purchased by the Company
- (iii) Reimbursement of residential telephone bill and mobile phone bill and one Business Newspaper charges
- (iv) Variable Pay to be paid as decided by the Board.
- (v) All other terms and conditions of his employment be decided by the Board.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

#### **8. To authorize Board of Directors to appoint Branch Auditors and to fix their remuneration**

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

**“RESOLVED THAT** pursuant to section 143(8) of the Companies Act, 2013, the accounts for the year ending 31<sup>st</sup> March, 2021 of the Company’s branch offices be audited by such persons, other than the Company’s Auditor, as are qualified for appointment as Auditors of the Company under section 139 of the Companies Act, 2013, and the Board of Directors be and is hereby authorized to appoint such Branch Auditors in consultation with the Company’s Auditor and on such terms and conditions and on such remuneration as may be fixed by the Board.”

By the order of the Board  
For **M/s KPB Nidhi Limited**

Place: Aluva  
Date: 04<sup>th</sup>September, 2020

Kuttappannair Muraleedharan  
Managing Director  
(DIN: 08041126)

#### **NOTES:**

1. Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice. All other relevant documents referred to in the accompanying notice/explanatory statement shall be made open for inspection by the members only in electronic form. The members seeking to inspect such documents can send an e-mail to [companysecretary@kpbnidhi.com](mailto:companysecretary@kpbnidhi.com).
2. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5<sup>th</sup> May, 2020 read with Circulars dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 (collectively referred to as ‘Circulars’), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31<sup>st</sup> March,

2020 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith (Collectively referred to as Notice) have been sent only to those members whose e-mail ids are registered with the Company and no physical copy of the Notice has been sent by the Company to any member. The Notice has also been hosted on the website of the Company at [www.kpbnidhi.com](http://www.kpbnidhi.com) under the head "Investor Relations- Notice to Shareholders."

3. In compliance with the said Circulars, the Company has also published a public notice by way of advertisement made on 30<sup>th</sup> August 2020 in the principal vernacular language in two newspapers namely- "Mathrubhumi" and "Janmabhumi" and in English language in "The New Indian Express" in four editions namely Ernakulam, Kottayam, Thrissur and Allapuzha both having a wide circulation along with their electronic editions, inter alia, advising the members whose e-mail ids are not registered with the Company to register their e-mail ids with them.
4. The members who have not yet registered their e-mail ids with the Company may contact by emailing to [shares@kpbnidhi.com](mailto:shares@kpbnidhi.com) or by calling Mr. C.K. Shaju, Head Shares at Mobile No. 8078167339 or at 6235000218 for registering their e-mail ids on or before 21.09.2020. The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes.
5. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company at the email id or mobile number given in point no.4.
6. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only by poll which shall take place by way of email. The members shall cast their votes in the meeting on the resolutions only by sending e-mails through their e-mail addresses registered with the company while participating through VC facility. The e-mails shall be sent to the designated e-mail address of the company only during the meeting. No advance voting is permitted. However, if less than 50 members are present at the meeting; the Chairman may decide to conduct the vote by show of hands unless a demand for poll is made in accordance with section 109 of the Act as per General Circular No. 14/2020 dated 08.04.2020.
7. Voting rights of the members for voting through e-voting shall be in proportion to shares held by them as on the cut-off date i.e 31.08.2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the company as on the cut-off date shall only be entitled to avail the facility of e-mail voting system provided in the Meeting.
8. As per the MCA circular, the attendance of the members attending the Annual General Meeting through VC shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
9. In accordance with the aforementioned MCA Circulars, the Company has tied up with Zoom for providing the VC facility to the members for participating in the Meeting. The members are requested to follow the following instructions in order to participate in the Meeting through VC mechanism:
  - Members may attend the AGM using VC facility on a live streaming link as provided in the e-mail of notice by using the login credentials. The login-id and password to join the zoom meeting is also given in email as follows:  
Meeting ID : Given in e-mail  
Passcode : Given in e-mail
  - The entry to the meeting will be subject to first cum first serve basis.
  - The facility for joining the Meeting shall be kept open 15 minutes before the time scheduled to start the meeting i.e. 11:15 am and 15 minutes after the expiry of the said scheduled time i.e. till 11:45 am;
  - Participation of single member shall only be allowed at a time;
  - Queries on the accounts and operations of the Company or the businesses covered under the Notice may be sent to [md@kpbnidhi.com](mailto:md@kpbnidhi.com) at least seven days in advance of the meeting so that the answers may be made readily available at the meeting;

- Members are requested to **e-mail at it@kpbnidhi.com or call at 6235000227** in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC;
- Members can participate in the AGM through desktop / laptop/smart phone / tablet. However, for better experience and smooth participation, it is advisable to join the Meeting through desktop / laptop connected through broadband.
- Members are requested to mute themselves and those members who wish to talk can leave a message in the chat option provided there in expressing their wish to talk. Only those members who express their concern to talk will be un-muted and allowed to speak at the meeting.
- Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.

#### **Steps To Join Meeting Through Phone**

- Open the Zoom mobile app. If you have not downloaded the Zoom mobile app yet, you can download it from the Google Play Store.
- Join a meeting using one of these methods:
  - Tap Join a Meeting if you want to join without signing in.
  - Sign in to Zoom then tap Join.
- Enter the meeting ID number and your display name.
  - If you're signed in, change your name if your name is not as registered with the Company.
  - If you're not signed in, enter a display name.

However, the display name should be as given to the Company at the time of joining as member.

- Select if you would like to connect audio and/or video and tap Join Meeting.

#### **Steps To Join Meeting Through Computer**

- Open Chrome.
- Go to [join.zoom.us](https://join.zoom.us).
- Enter your meeting ID provided by the organizer.
- Click Join.(Display name should be given as explained in the above point)

#### **10. Instructions for email-voting:**

- The facility of e-mail voting is provided to the members in order to avail their right to cast vote on the businesses to be transacted at the meeting as provided in the notice.
- The members are advised to cast their votes by entering the number of shares in the ballot paper attached to this notice against each item of business to be transacted at the meeting.
- No advance voting is permitted as per MCA Circular.
- The ballot paper duly filled with the number of shares written against each item of business in favor of the motion or against is required to be sent **to the email id [evoting@kpbnidhi.com](mailto:evoting@kpbnidhi.com) at the time of the meeting in order to register the votes.**
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote.
- Only the members who have joined the meeting are allowed to vote.

#### **11. In view of the MCA Circulars, no proxy shall be appointed by the members as the meeting is held through VC. Accordingly, proxy forms and attendance slip is not attached.**

12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available only in electronic form for inspection during the Meeting through VC. The members seeking to inspect such documents can send an e-mail to companysecretary@kpbnidhi.com
13. As 31<sup>st</sup> Annual General Meeting is being held through VC, the route map is not annexed to this Notice.

## **EXPLANATORY STATEMENT**

### **(Pursuant to Section 102 of the Companies Act, 2013)**

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under item no., 4,5,6,7 and 8 of the accompanying notice dated 04<sup>th</sup> September 2020.

#### **In respect of item No. 4**

Shri. Jayaprakash Valiathan (DIN: 06470662), aged 72 years, a non executive director was appointed as an Independent director for a term of five consecutive years from the conclusion of 26<sup>th</sup> Annual General Meeting held on 26.09.2015 till the conclusion of 31<sup>st</sup> Annual General Meeting pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly, Shri. Jayaprakash Valiathan (DIN: 06470662) will complete his present term of 5 years on 28.09.2020. Shri. Jayaprakash Valiathan (DIN: 06470662) was initially appointed on 09.01.2013 as Additional Director and his appointment was regularized in the AGM held on 27.09.2013 as Director. The maximum tenure of a Director is 10 years as per Rule 17 of Nidhi Rules 2014. Accordingly, his tenure of Directorship exists for two more years only, his re-appointment as Independent Director for the second term is recommended for two years only.

#### **A Brief Profile of Shri Jayaprakash Valiathan (DIN: 06470662) is as follows:**

##### **a. Education:**

Marine Engineering / B.Tech. / Marine Engineering Research Institute / Marine Engg. / Kolkata / West Bengal / 1969.

Training – Several professional and mandatory courses associated with the profession.

##### **b. Professional Experience :**

- Served in the merchant navy for 32 years and retired in 2001 as Chief Engineer.
- Present Occupation – Managing Partner in a registered partnership firm based at Mavelikara.
- Serving as Vice President in a registered Charitable Trust based at Mavelikara.
- Many Years of experience in the shipping industry.
- Several years of experience in managing a large school at Mavelikara. [Staff/parents/vehicles/ statutory affairs/ correspondence/accounts/construction/property acquisition/Etc.]

As per the provisions of section 149 of the Companies Act, 2013 and the Rules made there under, an Independent Director can be re-appointed for a second term of maximum 5 years by obtaining approval of the shareholders by way of special resolution and on disclosure of such re-appointment in the Board's Report.

Schedule IV of the Companies Act,2013 provides for the performance evaluation hence the Nomination & Remuneration Committee at its Meeting held on 28<sup>th</sup> August, 2020 after taking into account the performance evaluation of the Independent Director, during his first term of five years and considering the knowledge, acumen, expertise and experience in the respective fields and the substantial contribution made by him during his tenure as an Independent Director, has recommended to the Board that continued association of him as an Independent Director would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the



Board has recommended the re-appointment of Shri. Jaya Prakash Valiathan (DIN: 06470662) as Independent Director on the Board of the Company, to hold office for the second term of two consecutive years commencing from the conclusion of 31<sup>st</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting and not liable to retire by rotation.

Shri. Jaya Prakash Valiathan (DIN: 06470662) has attended the meetings of the Board and committees as follows:

Board Meetings: 31.05.2019, 25.06.2019, 05.08.2019, 26.08.2019, 18.09.2019, 23.10.2019, 29.01.2020 and 24.03.2020

Audit committee: 25.06.2019, 05.08.2019, 23.10.2019 and 29.01.2020

Nomination and Remuneration Committee: 08.06.2019, 05.08.2019, 23.10.2019 and 29.01.2020

Shri. Jaya Prakash Valiathan (DIN: 06470662) is the Chairman of Nomination and Remuneration Committee.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Shri. Jaya Prakash Valiathan (DIN: 06470662) for his re-appointment to the office of Independent Directors.

Shri. Jayaprakash Valiathan(DIN: 06470662) has given his declaration to the Board that he meets the criteria of Independence as provided under section 149(6) of the Companies Act, 2013. The Company has also received (i) the consent in writing in form DIR-2 to act as Director and (ii) intimation that he is not disqualified under section 164 of the Companies Act, 2013.

In the opinion of the Board, Shri. Jaya Prakash Valiathan (DIN: 06470662) fulfils the conditions specified in the Companies Act, 2013 and the Rules made there under for his appointment as an Independent Director and he is independent of the management.

A copy of the draft letter for the re-appointment of the above Director as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members on the website of the Company at [www.kpbnidhi.com](http://www.kpbnidhi.com).

Consent of the Members by way of Special Resolution is required for re-appointment of Shri. Jaya Prakash Valiathan (DIN: 06470662), in terms of Section 149 of the Act.

Shri. Jaya Prakash Valiathan (DIN: 06470662) is interested in the Special Resolution relating to his re-appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, are concerned or interested financially or otherwise in the Special Resolution. Shri. Jaya Prakash Valiathan holds 1000 equity shares of Rs. 10/- each amounting to Rs. 10000/-.

The Board considers the business in item no. 4 of the notice as unavoidable to be considered at the e-AGM hence, the Board recommends the Special Resolution for your approval as set out in item no. 4.

#### **In respect of item No. 5**

Shri. Vinu Krishnan (DIN: 01743028) was appointed as Director of the Company at the Annual General Meeting held on 18.09.2019. Pursuant to section 149 of the Companies Act, 2013 and on the recommendation of Nomination and Remuneration Committee, Shri. Vinu Krishnan's appointment as Independent Director was recommended for approval of the shareholders at the Board Meeting held on 23.10.2019. Shri. Vinu Krishnan (DIN: 01743028) holds 100 equity shares of Rs 10 each/-amounting to Rs. 1000/-.

Shri. Vinu Krishnan (DIN: 01743028) is not related to any Director of the Company. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Shri. Vinu Krishnan (DIN: 01743028) fulfils the conditions specified in the Act for his appointment as an Independent Director.

**A Brief Profile of Shri. Vinu Krishnan (DIN: 01743028) is as follows:**

Shri. Vinu Krishnan (DIN: 01743028) aged 52 is the Managing Director of M/s KPB Holdings Limited. He has several years of experience in Banking & Finance Sector as a leading consultant for international firms such as KPMG and Aon Hewitt. He was involved in the setting up of several new private sector banks from 1996 onwards, and later in the merger and consolidation of many private sector banks in India.

In the early part of India's internet wave, he set up HolidayIQ.com, which is India's largest travel research site. HolidayIQ was funded by the world's best and largest Venture Capital Firms.

He is an Engineering Graduate and completed his Post Graduation in Management from XLRI.

**Other Directorships**

- KPB Fincare Private Limited
- Viswasanthi Development Foundation
- KPB Digital Private Limited
- Mathruka Pracharanalayam Ltd

Shri. Vinu Krishnan (DIN: 01743028) has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received:- (i) the consent in form DIR-2 to act as Director and (ii) intimation that he is not disqualified under section 164 of the Companies Act, 2013.

Shri. Vinu Krishnan (DIN: 01743028) has attended the meetings of the Board and committees as follows:

Board Meetings: 05.08.2019, 26.08.2019, 18.09.2019, 23.10.2019 and 29.01.2020

Nomination and Remuneration Committee: 23.10.2019 and 29.01.2020

In the opinion of the Board, Shri Vinu Krishnan (DIN: 01743028) fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under for his appointment as Independent Director of the Company and he is independent of the management.

After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Shri. Vinu Krishnan's vast knowledge and varied experience will be of great value to the Company.

A copy of the draft letter for the appointment of Shri. Vinu Krishnan (DIN: 01743028) as Independent Director setting out the terms & conditions would be available for inspection without any fee by the members on the Company's website at [www.kpbnidhi.com](http://www.kpbnidhi.com).

Except Shri. Vinu Krishnan (DIN: 01743028), being the appointee, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in the resolution set out at item no. 5 of the Notice.

The Board considers the business in item no. 5 of the notice as unavoidable to be considered at the e-AGM hence, the Board of Directors recommends the resolution in relation to appointment of Shri. Vinu Krishnan (DIN: 01743028) as an Independent Director of the Company, not liable to retire by rotation, for a period of five consecutive years w.e.f. 23.10.2019 as set out in item No. 5 for approval of the members by way of an ordinary resolution.

**In respect of item No.6**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Shri. M. Muraleedharan (DIN: 08607833) aged 61 as an Additional Director of the Company under Section 161(1) of

the Act and Article 64 of the Articles of Association, with effect from 23<sup>rd</sup> October, 2019. He has also been nominated as “Whole Time Director” from that date. In terms of Section 161(1) of the Act, Shri. M. Muraleedharan (DIN: 08607833) holds office only upto the date of the forthcoming AGM and is eligible for appointment as Whole Time Director. The Company has received a Notice under Section 160(1) of the Act proposing Shri. M. Muraleedharan’s appointment as a Director.

**A Brief Profile of Shri. M. Muraleedharan (DIN: 08607833) is as follows:**

Shri. M. Muraleedharan (DIN: 08607833) has got 38 years of service in Dhanlaxmi Bank in various positions both inside and outside the state of Kerala and was retired as Deputy General Manager.

Educational Qualification: B.com, CAIIB

Experience: Held various positions like Branch Head, Regional Head, Zonal Head in charge of Kerala, Head- Asset Recovery, Head- Inspection and Audit and Head- Regional credit Committee.

The Company has received from Shri. M. Muraleedharan (DIN: 08607833) (i) consent in writing to act as Director in form no. DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rule, 2014 and (ii) an intimation in form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rule, 2014 to the effect that he is not disqualified to act as a Director under section 164 of the Companies Act, 2013.

Shri. M. Muraleedharan(DIN: 08607833) has attended the meetings of the Board as follows:

Board Meetings: 23.10.2019, 30.11.2019, 29.01.2020 and 24.03.2020

None of the Director(s), Key Managerial Personnel of the company or their respective relatives, except Shri M. Muraleedharan (DIN: 08607833), to whom the resolution relates, are concerned or interested financially or otherwise in the resolution mentioned at item no.6 of the Notice. Shri. M. Muraleedharan (DIN: 08607833) holds 15000/- equity shares of Rs. 10/- each amounting to Rs. 1,50,000/-.

The Board considers the business in item no. 6 of the notice as unavoidable to be considered at the e-AGM and hence recommends the resolution set forth in item no. 6 for the approval of the members by way of an ordinary resolution.

**In respect of item No.7**

The Board of Directors, at their meeting held on 11<sup>th</sup> January 2018, appointed Shri. Kuttappannair Muraleedharan (DIN: 08041126) aged 67, as Managing Director of the Company for a period of two years commencing from 01<sup>st</sup> February 2018. The said appointment was also approved by the members at the 29<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September 2018. The Board, on recommendation of the Nomination and Remuneration Committee, re-appointed him as Managing Director for another term effective from 01<sup>st</sup> February 2020 till 31<sup>st</sup> March 2021 on the terms and conditions including remuneration as set out in the resolution, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof. He holds 20010 equity shares of Rs. 10/- each amounting to Rs. 2,00,100/-.

**A Brief Profile of Shri. Kuttappannair Muraleedharan (DIN: 08041126) is as follows:**

Shri. Kuttappannair Muraleedharan (DIN: 08041126) is a Banker, retired as Deputy Zonal Manager from Indian Bank, after serving for 37 years. He is Post Graduate in Chemistry. He worked as Deputy General Manager and General Manager in M/s. KPB Nidhi Limited for 3.5 years prior to his appointment as Managing Director in the year 2018.

The re-appointment of Shri. Kuttappannair Muraleedharan (DIN: 08041126) as the Managing Director is in accordance with Schedule V and Section 196 of the Act. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Shri. Kuttappannair Muraleedharan (DIN: 08041126) has attended the meetings of the Board as follows:

Board Meetings: 31.05.2019, 25.06.2019, 05.08.2019, 26.08.2019, 18.09.2019, 23.10.2019, 30.11.2019, 29.01.2020 and 24.03.2020

None of the Directors and Key Managerial Personnel of the Company and their relatives except Shri. Kuttappannair Muraleedharan (DIN: 08041126) is concerned or interested, financial or otherwise, in the resolution set out at item No.7.

The Board considers the business in item no. 7 of the notice as unavoidable to be considered at the e-AGM and recommends the said ordinary resolution for approval of the shareholders.

**In respect of item No.8**

The Company has 81 Branches in Kerala and may also open new branches in future. It may be necessary to appoint branch auditors for carrying out the audit of accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

None of the Directors, Managers, Other Key Managerial Personnel and their relatives are concerned or interested in passing of this resolution.

The Board considers the business in item no. 8 of the notice as unavoidable to be considered at the e-AGM and recommends the said ordinary resolution for approval of the shareholders.

By the order of the Board  
For **M/s KPB Nidhi Limited**

Place: Aluva  
Date : 04<sup>th</sup>September, 2020

Kuttappannair Muraleedharan  
Managing Director  
(DIN: 08041126)

## DIRECTORS' REPORT

### Dear members,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report on the Business and operation of your Company and the Audited Financial Statements and the Auditor's Report for the Financial Year ended 31<sup>st</sup> March, 2020 along with comparatives.

### Financial Summary or Highlights

The following table shows the operational results of the Company for the Year 2019-20 as compared to that of the Previous Year.

(Rs. In Lakhs)

	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
<b>Total Income</b>	<b>5904.31</b>	<b>4590.07</b>
a. Revenue from operations	5530.67	4297.29
b. Other Income	373.64	292.78
Finance Costs	3615.28	2759.52
Other Expenses	1059.21	848.59
Employee Costs	791.32	684.34
<b>Total Expenses</b>	<b>5465.81</b>	<b>4292.45</b>
Profit before interest, depreciation and Tax	438.50	297.62
Depreciation & Amortization	54.72	40.85
Profit before exceptional Income	383.78	256.77
Profit before Tax	383.78	256.77
Deferred Tax	(3.24)	1.99
Current Tax	108.36	66.93
<b>Profit after Tax</b>	<b>278.66</b>	<b>187.85</b>

### PERFORMANCE

Across the world, economic risks remain strong, aggravated by deepening political polarization and increasing skepticism about the benefits of multilateralism. These risks could inflict severe and long-lasting damage on development prospects. They also threaten to encourage a further rise in inward-looking policies, at a point when global cooperation is paramount. Climate disruption also poses a serious and growing threat to short- and long-term economic prospects.

The world economy is plagued by risks that threaten financial stability. Amid prolonged loose monetary conditions in developed economies and rapid credit growth in some emerging economies, high levels of debt are pervasive. Elevated debt levels not only pose financial risks to themselves but also reduce an economy's resilience to shocks, creating a source of fragility in cases of further deterioration in economic activity.

The global catastrophe caused due to the outbreak of Covid-19 has changed our collective calculus of uncertainty and has left Nations, Economies and Industries, grappling to shift to a new World Order!

In India, we have been emerging as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India's gross domestic product (GDP) (at constant 2011-12 prices) was estimated to be US\$ 3.20 trillion for 2019-20, growing 4.2 per cent over the previous year. With an improvement in the economic scenario, there have been investments across various sectors of the economy. The mergers and acquisition (M&A) activity in India stood at US\$ 28 billion in 2019, while private equity (PE) deals reached US\$ 48 billion.

In response to the border clashes between Indian and Chinese troops, the government has launched a series of measures aimed at curtailing the reach of Chinese goods and businesses within the country. The intention is to try and reduce India's dependence on Chinese imports and cause a pinch in the Chinese economy. And of course, though at the far end of the financial year, Pandemic has definite impact on the growth of Indian economy by forcing us to focus more on Health industry.

Here, in the State of Kerala, heavy landslide in various districts caused by incessant rain has an impact on Kerala economy, which seems aggravated by Pandemic in the last quarter of the Financial Year.

Despite all the turbulence and upheavals, Directors are glad to report that your Company could perform exceedingly well achieving targets in all the major parameters like Deposits, Gold Loan Portfolio and Paid up Capital. Even during the lockdown period in the last Quarter we could finish Annual closing on 31.03.2020 itself, after completing all closing works, sitting at remote locations. This could be made possible, only because of the whole hearted support from our Accounts and IT team.

Subsequently, till lock down is lifted, all system related works and transactions as per the request of our customers were carried out by them. This action has gone a long way in boosting up confidence in the minds of our customers and well-wishers.

Your directors are happy to present the business operations done during the year under review:

During the Financial year 2019-20, your company has achieved a Profit before Tax of Rs. 383.78 lakhs against Rs.256.77 lakhs for the previous year. Deposits of the company registered an increase of 30.49% from previous year's Rs.33923.02 lakhs to Rs.44268.57 lakhs during the year under report. Advances increased by 34.11% from Rs. 30044.95 lakhs to Rs. 40292.77 lakhs by the end of the reporting year. The Credit Deposit Ratio of the reporting Financial Year is 93% compared to 90% for the previous year. Our Gold Loan Portfolio continued to grow at a much faster pace and grew to Rs. 26381.89 lakhs from Rs. 17338.73 lakhs showing a growth rate of 52.16%. Dependence on Loans against Property was brought down gradually and, as a result, the portfolio grew by just 6%, from 117.37 Crores to 124.60 Crores.

## **PROSPECTS**

Covid-19 pandemic stuck India in March, 2020 and it casts a heavy shadow over the economy bringing entire operations in the country to a virtual standstill. The condition continued for almost a month and by May, 2020 some economic activities started picking up. As months passed, there were more and more relaxations in other fields also and we could see the beginning of appearance of green shoots in the economy. The 'Atmanirbhar Bharat Abhiyan's package, announced by the Prime Minister, is expected to be the main catalyst for revival and reforms in Indian Economy. The package, with its liquidity support to NBFCs, HFCs and MFIs, focus on social and rural segment, reforms in the power sector etc shall definitely strengthen the economy in the days ahead.

We are happy and confident that your company has a bright outlook ignited by the confidence in our customers and well wishers and also dedication and commitment of our staff members. We are poised for growth in Gold loan portfolio supported by complimentary growth in Deposit portfolio. Another silver lining is the expected recovery in Property Loan portfolio due to incessant follow up of loan accounts.

## **Reserves**

The Company has transferred 10% of the surplus to reserves during the year under review in order to plough back the profits for further growth and development.

## Dividend

Though the Company has turned around and generated profits during the year, the Board decided to strengthen the bottom line and hence, the Board of Directors has not recommended any dividend for Financial Year 2019-20.

### Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Pursuant to Section 124 of the Companies Act 2013, the amount of dividends that remain unclaimed/unpaid for a period of seven years from the date on which they were declared, and such shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund. Dividend amount outstanding in the Unpaid Dividend Account is required to be transferred to Investor Education and Protection Fund during the year as mentioned in the table below. The details of unclaimed dividends are available on the Company's website, [www.kpbnidhi.com](http://www.kpbnidhi.com). Mrs. Jayalakshmi. P is appointed as the Nodal Officer for the purpose of verification of the claims and coordination with the IEPF Authority. The information relating to outstanding dividend accounts and the dates when due for transfer to IEPF are as follows:

Financial Year ended	Date of declaration of dividend	Last date for claiming dividend	Dividend transfer to IEPF
31/03/2013	27/09/2013	02/11/2020	December 2020
31/03/2014	27/09/2014	02/11/2021	December 2021

## Deposits

The Company has not accepted any fixed deposits during the year to which the provisions of Section 73 of the Companies Act, 2013 are applicable.

## Branches & Regions

During the year 2019-20, we have opened 4 new branches at Valanchery, Aluva Market, Kasaragod and Uppala for which licenses were already obtained from Regional Director, Ministry of Corporate Affairs. At the close of the Financial Year we have 81 Branches divided among 7 regions and one branch headed by AGM directly reporting to Corporate Office. The overall performances of the branches are satisfactory.

## Board of Directors & Key Managerial Personnel

The composition of Board of Directors as on 31<sup>st</sup> March 2020 is as follows:

Sl.No.	Name of Director	Designation
1.	Sri. A. R Mohanan (DIN:06817818)	Chairman
2.	Sri. Kuttappannair Muraleedharan(DIN: 08041126)	Managing Director
3.	Sri. M.Muraleedharan (DIN: 08607833)	Whole time Director
4.	Sri. M.A Vasudevan Namboodiri(DIN: 05102284)	Independent Director
5.	Sri. Jayaprakash Valiathan (DIN: 06470662)	Independent Director
6.	Sri. Vinu Krishnan (DIN: 01743028)	Independent Director
7.	Sri. P. Viswaroopan (DIN: 00256061)	Director
8.	Sri. G. Rajan Nair (DIN: 00057215)	Director
9.	Sri. Vishnu Prasad Balakrishna Menon (DIN: 03500806)	Director
10.	Sri. Rajesh Padmanabhan (DIN: 06651893)	Director

Sri. Kuttappannair Muraleedharan, Managing Director, Sri. M. Muraleedharan, Whole Time Director, Mrs. Jayalakshmi P, Chief Financial Officer and Mrs. Sandhya Gopi, Company Secretary are the whole time Key Managerial Personnel of the Company. Ms. Chinchumol George, Company Secretary resigned from the office of Key Managerial Personnel with effect from 31.12.2019 and Mrs. Sandhya Gopi, Company Secretary was appointed to take over the position on 05.08.2020.

Among the present Directors of the Company, Sri. G. Rajan Nair, Director and Sri. P. Viswaroopan, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offer them for reappointment. The Board recommends their appointment.

Sri. Vinu Krishnan, Sri. Jayaprakash Valiathan and Sri. M A Vasudevan Namboodiri are the Independent Directors of the Company.

The Board has considered the declarations given by independent directors under sub section (6) of the Section 149 and the Company's policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, and independence of a Director. The Board has further evaluated its own performance and that of its Committees and individual Directors. The Board has in its meeting held on 23.10.2019 appointed Sri. M. Muraleedharan as Additional Director in the capacity of Whole time Director, the Board is hence, proposing regularization of the appointment in the ensuing Annual General Meeting.

Also, the Board has recommended the appointment of Sri. Vinu Krishnan as the Independent Director in their meeting held on 23.10.2019 whose appointment as Director was regularized in the previous Annual General Meeting held on 18.09.2019. Accordingly, his appointment as independent director is proposed in the ensuing Annual General Meeting for a term of 5 years.

Sri. Kuttappannair Muraleedharan was appointed on 01.02.2018 as Managing Director and regularized in the Annual General Meeting held on 26.09.2018 to hold office for a period of two years. Since, the period of two years ends on 01.02.2020, the Board in their meeting held on 29.01.2020 recommended the re-appointment of Sri. Kuttappannair Muraleedharan (DIN: 08041126) as the Managing Director to hold office w.e.f., 01.02.2020 till 31.03.2021.

Sri. JayaprakashValiathan (DIN: 06470662), aged 72 years, a non executive director was appointed as an Independent director for a term of five consecutive years from the conclusion of 26<sup>th</sup> Annual General Meeting held on 26.09.2015 till the conclusion of 31<sup>st</sup> Annual General Meeting pursuant to Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. Accordingly, Sri. Jayaprakash Valiathan (DIN: 06470662) will complete his present term of 5 years on 28.09.2020. His re-appointment is recommended by the Nomination and Remuneration Committee and by the Board of Directors and hence, his re-appointment is proposed in the ensuing Annual General Meeting for approval by the shareholders for a second term of two consecutive years from the conclusion of 31<sup>st</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting.

During the year under review, Sri. M.S. Padmanabhan Nair, Sri. P Rajkumar and Sri. K.K. Balaram resigned with effect from 05.08.2019 as they have completed their term of 10 years on the Board as per Rule 17 of Nidhi Rules, 2014.

None of the Directors is disqualified under section 164 of the Companies Act, 2013.

### **Board Meetings**

During the Financial Year the 2019-20, Nine (09) Meetings of Board of Directors were held. The details of the Board Meetings are given below:



Sl. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	31.05.2019 (Friday)	9	5
2.	25.06.2019 (Tuesday)	9	7
3.	05.08.2019 (Monday)	12	9
4.	26.08.2019 (Monday)	9	8
5.	18.09.2019 (Wednesday)	9	9
6.	23.10.2019 (Wednesday)	10	9
7.	30.11.2019 (Saturday)	10	4
8.	29.01.2020 (Wednesday)	10	7
9.	24.03.2020 (Tuesday)	10	8

### Capital Structure

The Authorized Share Capital of the company is Rs. 35, 00, 00,000/- (Rupees Thirty Five Crores Only) divided into 3, 50, 00,000 number of equity shares of Rs.10 each during the Financial Year 2019-20.

Subscribed, issued and paid up capital is Rs. 26,01,68,020/- (Rupees Twenty Six Crores One Lakh Sixty Eight Thousand and Twenty Only) divided into 26,016,802 number of equity shares of Rs.10 each as at the end of the year 2019-20. However, the Company could not file the return of allotment in e-form PAS-3 pertaining to the allotment of 3580674 equity shares of Rs. 10 each as the approval of NDH-4 is pending. Hence, the MCA registry is showing the paid up share capital as Rs. 22,43,61,280/- (Rupees Twenty Two Crores Forty Three Lakhs Sixty One Thousand and Two hundred and Eighty). Your Company would promptly file the return of allotment as soon as the Company receives the approval of e-form NDH-4.

### Material changes and commitment if any affecting the Financial Position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the report.

There is no material change to be reported.

### Issue of Equity Shares with differential Rights/Employee Stock Option/Sweat Equity Shares

The Company has not issued any Equity shares with differential rights or under Employee Stock Option or as Sweat Equity Share.

### Particulars of Loan, Guarantees or Investments under Section 186

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

### Particulars of contracts or arrangements with related parties

There has been no materially significant related party transaction between the Company and its Directors, KMPs or the relatives except for those disclosed in the Financial Statements, which are in the ordinary course of business.

Accordingly, particulars of contracts or arrangements with related parties referred to in section 188(1) are indicated in Form AOC-2 enclosed with this report as **Annexure I**.

## **Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo**

Since the company is a financial company, energy conservation has limited applicability. However, the company follows a practice of purchase and use of energy efficient electrical and electronic equipment and gadgets in its operations. There has not been any foreign exchange earnings or outgo during the Financial Year under review.

## **Compliance with Secretarial Standards**

During the Financial Year 2019-20 our Company has complied with all applicable Secretarial Standards.

## **Risk Management**

Your Company has employed robust Risk management processes and procedures. The Inspection Department of your company under the close guidance and supervision of Audit Committee evaluates the adequacy, completeness, operational effectiveness and efficiency of all internal controls, risk management & governance systems and processes. The Board regularly assesses the functional efficiency in risk management and refines the policies & processes. Responsibility for identification, measurement and controlling of risk in various spheres of Company's activities is vested with a Senior Executive who reports directly to the Managing Director. All material risks of the Company emerging in the course of its business are identified, assessed and monitored. The Company has through the years developed and stabilized an effective Risk Management System. The scope and authority of the internal audit function is defined in the Audit Policy, duly approved and recommended by the Audit Committee of the Board, approved and adopted by the Board and periodically reviewed and modified. The Inspection Department, on a continuous basis, assesses and monitors the effectiveness of the control systems and its adequacy to meet the growing business and operational complexities. The audit findings are escalated to Audit Committee for suggesting corrective action and its follow up. The Company has employed various types of inspections such as Detailed Inspection, Surprise Inspection, Regional Head's visit report, Gold audit etc. The Department also has the twin roles of investigation of fraud and prevention of frauds. Preventive measures are taken for enhancing the awareness of fraud risk and for promoting a culture of compliance among the employees. For this, training is given to employees continuously.

The Credit Committee and Asset Management Committee also evaluate the reports of Inspection Department, which is used for review and monitoring of these risks at periodic intervals. The Nidhi manages credit risk through stringent credit norms established through several years of experience in this line of business and continues to follow the time tested practice of personally assessing every borrower, before committing to a credit exposure. This process ensures that the expertise in lending operations acquired by the Nidhi is put to best use and acts to mitigate credit risks.

Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Nidhi monitors Assets Liabilities Management on an on-going basis to mitigate the liquidity risk.

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

Now that the Company is increasingly using Information Technology for its operations and processes, security and continued viability of Information System has become very critical for the Company. The Company has to ensure that the information system safeguards our assets, maintains data integrity and availability, achieves organizational goals effectively and consumes resources efficiently. This can be achieved through an Information System Audit, which should focus on the risks that are relevant to information assets and should assess the adequacy of controls implemented for mitigating the risks. Our Information System is to be subjected to Vulnerability Assessment & Penetration Testing; Information System Audit should also cover physical security of IT systems, Core Solution

functioning, business continuity procedures and cyber security at branch and Head office level. Your company is planning to introduce System Audit through a competent outside agency.

### **Corporate Social Responsibility (CSR)**

Company has generally taken Corporate Social Responsibility initiatives. However, the present Financial Position of the Company does not mandate the implementation of corporate social responsibility activities pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013. The Company will constitute CSR Committee, develop CSR policy and implement the CSR initiatives whenever it is applicable to the Company.

### **Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

### **Annual Return**

The Annual Return will be available on the website of the Company [www.kpbnidhi.com](http://www.kpbnidhi.com) under corporate menu. The extract of Annual return in form MGT-9 is annexed to the Directors Report as **Annexure II**.

### **Directors Responsibility Statement**

Pursuant to the requirement of Section 134 (3) and (5) of the Companies Act, 2013, your Directors confirm that:-

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

### **Statutory Auditors**

As per Section 139 of Companies Act, 2013, Sri. Damodharan P (ACA Membership No. 221178) Paravattathu Mana, Urakam P. O, Thrissur- 680562 and Sri. Vinay N Pisharady (ACA Membership No. 233743) Pothiyil Pisharam, Marampilly P O, Aluva- 683107, were appointed in the AGM held on 18.09.2019 as the Statutory Auditors of the Company for a period of two years up to the conclusion of Annual General Meeting to be held for the financial year ended 31.03.2021.

### **Cost Auditors**

The Company is not required to appoint a Cost Auditor pursuant to the provisions of the Companies Act, 2013.

### **Secretarial Audit Report**

The provisions of the Companies Act, 2013 and the rules made there under relating to Secretarial Audit Report are not applicable to the Company.

### Statutory Orders

No significant and material orders were passed by Courts, Tribunal and other Regulatory Authorities affecting the going concern status of the Company's operations.

### Audit Committee

The Audit Committee was duly re-constituted in accordance with section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of the Board and its Powers) Rules, 2014 due to resignation of Sri. M.S Padmanabhan Nair, Independent Director, Sri. K. K Balaram, Director & Sri. Rajkumar, Director from the Board of the Company.

Accordingly, the reconstituted Audit Committee comprises of the following members:

Name	Category	Position
Sri.Vishnu Prasad B Menon	Non-executive Director	Chairman
Sri. M.A Vasudevan Namboodiri	Non-executive Independent Director	Member
Sri. Jayaprakash Valiathan	Non-executive Independent Director	Member

Majority of the members are Independent Directors and all the members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Audit Committee shall oversee financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, branch inspection reports, auditor's qualifications, legal requirements concerning financial statements and fixation of audit fee as well as payment for other services etc.

Four (4) Audit Committee meetings were held during the year 2019-20 at the Registered Office of the Company on 25.06.2019, 05.08.2019, 23.10.2019 and 29.01.2020. The meetings were attended by the Chairman and the members of the Committee ensuring quorum and also by the Inspection department.

### Nomination & Remuneration Committee

The Nomination and Remuneration Committee was re-constituted in compliance with the requirements of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 due to resignation of Sri. M.S Padmanabhan Nair, Independent Director, Sri. K. K Balaram, Director & Sri. Rajkumar, Director from the Board of the Company.

Accordingly, the reconstituted Nomination and Remuneration Committee comprises of the following members:

Name	Category	Position
Sri. Jayaprakash Valiathan	Non-executive Independent Director	Chairman
Sri. Vinu Krishnan	Non-executive Independent Director	Member
Sri. M.A. Vasudevan Namboodiri	Non-executive Independent Director	Member

The Committee formulates criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board the policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees and evaluation of Independent Directors and the Board. It identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carry out evaluation of every Director's performance. The Nomination and Remuneration Committee held four (4) meetings on 08.06.2019, 05.08.2019 23.10.2019 and 29.01.2020 and all the meetings were held ensuring the quorum.

## Remuneration Policy

The remuneration policy is in consonance with the existing Company's practice and also with the provisions of the Companies Act, 2013. The Board of Directors has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees. The Company's remuneration policy is driven by the success and performance of the individual employee and the performance of the Company. The Policy is annexed herewith as **Annexure – III**.

## Stakeholders Relationship Committee

The Stakeholders Relationship Committee was re-constituted in compliance with the requirements of Section 178 of the Companies Act, 2013 due to resignation of Sri. M.S Padmanabhan Nair, Independent Director, Sri. K. K Balaram, Director & Sri. Rajkumar, Director from the Board of the Company.

Accordingly, the reconstituted Stakeholders Relationship Committee comprises of the following members:

Name	Category	Position
Sri. G. Rajan Nair	Non executive Director	Chairman
Sri. Viswaroopan Peedikaparambil	Non executive Director	Member
Sri. A.R. Mohanan	Non executive Director	Member

The Stakeholders Relationship Committee looks into shareholders' complaints relating to transfer of shares, transmission of shares, non-receipt of share certificates, recommends measures for overall improvement in the quality of investor services. There were no outstanding complaints as on 31.03.2020.

## Vigil Mechanism

A Vigil Mechanism/Whistle Blower Policy for directors and employees to report genuine concerns has been established as required under the provisions of Section 177 of the Companies Act, 2013.

## Formal Annual Evaluation

The provisions relating to Formal Annual Evaluation are not applicable to the Company pursuant to the provisions of the Companies Act, 2013 and the rules made there under.

## Human Resource Management

We are happy to report that your Company could maintain very cordial and harmonious relations with all sections of the workforce. We are continuing the policy of blending the skill & maturity of the experienced personnel and energy and spontaneity of the youth for developing its Human Resources. The Company ensures a fair system of rewards and reformative discipline that takes care of the awareness and compliance culture among the workforce. We believe that effective communication with employees will enable the employees to understand the Organization better; its plans for growth, its business philosophy, work culture, ethics and values etc and would address the aspirations of the employees. Your Company has introduced various platforms to continuously communicate with and engage the employees as a part of which email has been now accepted across the organization as an important medium of communication between branches, regional offices, Head office, amongst employees themselves etc., Branch level, regional level and corporate level Town Halls have almost been institutionalized. Occasionally BIG calls are organized between HO and branches involving all employees. The Company used to organize corporate level Rewards & Recognition programme in a very grandiose manner annually. This year due to the pandemic COVID-19 the Company could not organize any such programmes. However all initiatives are taken to keep the employees motivated. We plan to offer an intranet facility to enable employees to communicate between them and with head office and also to train themselves.

The Company offers a reasonably and comparatively good compensation package to all its employees with a balanced mix of fixed and variable pay. During the year under report, the Company had introduced various performance linked incentive schemes in order to increase the enthusiasm of the employees.

To keep the Company and its human resources competitive, the Company organized various training programs on different topics and subjects. This active process of learning has enabled employees enhance competence and motivation. The Company has introduced a Performance Management System, where the employees are given an opportunity to set goals and rate their performance themselves through an interactive process with their supervisors.

The Company has 339 permanent and 45 contract employees on its rolls as on 31<sup>st</sup> March, 2020.

### **Computerization**

The Board is happy to inform all our shareholders that your Company is now under a centrally maintained Core computer solution. Besides, almost all processes including HR activities, credit approvals, expenditure authorizations, fee-based income etc are computerized. In addition to reducing cost of operation, this minimizes human errors/ mistakes, facilitates quick audit and inspection and creates a more pleasant work-environment for the employees. The Company is also working on introducing more digitalized products and services.

### **Disclosure under the Sexual harassment of women at the work place (Prevention, prohibition & Redressal) Act, 2013**

The company has not received any complaints during the Financial Year 2019-20 under the above said act.

### **Acknowledgment**

Your Directors wish to place on record their appreciation for the co-operation and support extended by the Shareholders, Bankers, Customers, well wishers and Regulatory Authorities including Ministry of Corporate Affairs. The Board values and appreciates the professionalism, commitment and dedication displayed by employees at all levels. Your Directors are thankful to the shareholders for their continued support and confidence.

Looking forward to continued valuable support from all in the years to come.

For and on behalf of the Board of Directors of

**M/s KPB Nidhi Limited**

Aluva  
04.09.2020

**A.R Mohanan**  
(Chairman)  
(DIN: 06817818)

**Kuttappannair Muraleedharan**  
(Managing Director)  
(DIN: 08041126)

**FORM NO. AOC.2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at arm's length basis

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
a.	Name(s) of the related party and nature of relationship	NIL
b.	Nature of contracts/ arrangements/ transactions	NIL
c.	Duration of the contracts / arrangements/ transactions	NIL
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e.	Justification for entering into such contracts or arrangements or transactions	NIL
f.	Date(s) of approval by the Board	NIL
g.	Amount paid as advances, if any:	NIL
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
a.	Name(s) of the related party and nature of relationship	NIL
b.	Nature of contracts/ arrangements/ transactions	NIL
c.	Duration of the contracts / arrangements/ transactions	NIL
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e.	Justification for entering into such contracts or arrangements or transactions	NIL
f.	Date(s) of approval by the Board	NIL
g.	Amount paid as advances, if any:	NIL
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

For and on behalf of the Board of Directors of

**M/s KPB Nidhi Limited**

Aluva  
04.09.2020

**A.R Mohanan**  
(Chairman)  
(DIN: 06817818)

**Kuttappannair Muraleedharan**  
(Managing Director)  
(DIN: 08041126)

**Form No: MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31/03/2020**

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

**I. Registration and other Details:**

- 1 CIN : U65991KL1989PLC005448
- 2 Registration Date : 17/08/1989
- 3 Name of the Company : KPB Nidhi Limited
- 4 Category / Sub-Category of the Company : Company limited by Shares/Non-Govt Company
- 5 Address of the Registered office and contact details : KPBF MANDIR, REGISTERED OFFICE, NO.VIII/441(1), SANGEETHA SABHA ROAD, ALUVA KERALA- 683101
- 6 Whether listed company : No
- 7 Registrar and Transfer Agency : NA

**II. Principal Business Activities of the Company**

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

Sl. no	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Activities of the Nidhi Company	65991	100

**III. Particulars of Holding, Subsidiary and Associate Companies - Nil**

Sl No:	Name & Addresses of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
--	---	---	---	---	---



**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters</b>									
1) Indian									
a) Individual	0	0	0	0	0	0	0	0	0
b) Central Govt(s)	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Crop.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	0	0	0	0	0	0	0	0	0
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0

h) Foreign Venture	0	0	0	0	0	0	0	0	0
i) Capital Fund	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub -total (B) (1)	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Body Crop.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders Holding nominal share capital up to Rs. 1 lakh	0	8657072	8657072	43.2	0	9735320	9735320	37.42	12.45
ii) Individual Share holder holding nominal share capital exceeding Rs.1 lakh	0	11382679	11382679	56.8	0	16281482	16281482	62.58	43.03
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub -total (B) (2)	-	20039751	20039751	100	0	26016802	26016802	100	29.82
Total public share holding(B) =(B)(1)+ (B) (2)	-	20039751	20039751	100	0	26016802	26016802	100	29.82
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	-	20039751	20039751	100	0	26016802	26016802	100	29.82

**(ii) Shareholding of Promoters**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledge/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledge/encumbered to total shares	
NIL								

**(iii) Change in promoter's Shareholding (please specify, if there is no change)- No Change**

Sl No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	NA			
2	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease	NA			
3	At the end of the year	NA			

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl No.	For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	K R Sreekumar	580000	3	714300	2.74
2	P Viswaroopan	549000	2.74	549000	2.11
3.	Surendran N K	420000	2.1	470000	1.81
4.	Haridasan Parameswaran Pillai	0	0	200020	0.76
5.	Geethakumari C K	0	0	170000	0.65
6.	Sarada Jagadish	170000	0.85	170000	0.65
7.	Rajesh Kumar N	0	0	150010	0.58
8.	Vasudevan N	126010	0.63	126010	0.48
9.	Reghunathan C	72162	0.36	122162	0.47
10.	Krishnakumar	119000	0.6	119000	0.46

**(v) Shareholding of Directors and Key Managerial Personnel**

SI No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	G. Rajan Nair	27900	0.14	33400	0.13
2.	M.A Vasudevan Namboodiri	29975	0.15	29975	0.12
3.	Vishnuprasad B Menon	18500	0.09	21500	0.08
4.	P Viswaroopan	549000	2.74	549000	2.11
5.	Rajesh P	1001	0.005	1001	0.004
7.	Jayaprakash Valiathan	1000	0.005	1000	0.004
8.	A R Mohanan	10731	0.05	15731	0.06
9.	Muraleedharan M	5000	0.02	15000	0.06
10	Kuttappannair Muraleedharan	10010	0.05	20010	0.08
11	Jayalakshmi P (Chief Financial Officer)	4010	0.02	14010	0.05
13	Chinchumol George (Company Secretary) resigned w.e.f 31.12.2019	10	0.00	10	0.00

**Sri. Vinu Krishnan, Independent Director holds 100 equity shares of Rs.10/- each amounting to Rs.1000/-.**

**V. Indebtedness- Indebtedness of the company including interest outstanding/accrued but not due for payment (Rs. in Lakhs)**

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	NIL	3,39,23,02,324.00	3,39,23,02,324.00
ii) Interest due but not paid			7,570,062.00	7,570,062.00
iii) Interest accrued but not due			-	-
<b>Total (i+ii+iii)</b>			3,39,98,72,386.00	3,39,98,72,386.00
<b>Change in Indebtedness during the financial year</b>				
Addition			1,03,72,64,594.00	1,03,72,64,594.00
Reduction*				
<b>Net Change</b>			1,03,72,64,594.00	1,03,72,64,594.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount			4,42,68,57,399.00	4,42,68,57,399.00
ii) Interest due but not paid			1,02,79,581.00	1,02,79,581.00
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>			4,43,71,36,980.00	4,43,71,36,980.00

\*Increase in interest due but not paid Rs. 27,09,519.00

**VI. Remuneration of Directors and Key Managerial Personnel**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SI No.	Particulars of Remuneration	Name KMPs				Total Amount
		Kuttappannair Muraleedharan (Managing Director)	M Muraleedharan (Whole time Director)	Jayalakshmi P (CFO)	Chinchumul George (CS)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	844,974.00	302,275.00	584,982.00	751,800.00	24,84,031.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil				Nil
2	Stock Option	Nil				Nil
3	Sweat Equity	Nil				Nil
4	Commission - as % of profit	Nil				Nil
	-Others	Nil				Nil
5	Others, please specify					
	Reimbursement: Travelling, Telephone, & Newspaper Expenses	7,380.00	25,000.00	24,000.00	18,000.00	74,380.00
	Total (A)	852,354.00	327,275.00	608,982.00	769,800.00	25,58,411.00
	Ceiling as per the Act	NA				NA

**B. Remuneration to other directors:**

(in Rs.)

Particulars of Remuneration													Total Amount
	G. Rajan Nair	M.A Vasudevan Nambodiri	A. R Mohanan	P. Rajkumar	K.K Balaram	M.S Padmanbhan Nair	Jayaprakash Valiathan	Vinu Krishnan	P Viswaroan	Vishnu Prasad B Menon	P. Rajesh		
1. Independent Directors													
Fee for attending board committee meetings	NIL	32,000	NIL	NIL	NIL	27,000	49,000	26,000	NIL	NIL	NIL		134000
Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL		NIL
Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL		NIL
Total (1)	NIL	32,000	NIL	NIL	NIL	27,000	49,000	26,000	NIL	NIL	NIL		134000
2. Other Non-Executive Directors													
Fee for attending board committee meetings	15000	NIL	25000	5,000	3,000	NIL	NIL	NIL	25000	26,000	15,000		114000
Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL		NIL
Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL		NIL
Total (2)	15000	NIL	25000	5,000	3,000	NIL	NIL	NIL	25000	26,000	15,000		114000
Total (B)= (1+2)	15000	32,000	25000	5,000	3,000	27000	49,000	26,000	25000	26,000	15,000		248000

**VII. Penalties / Punishment/ Compounding of Offences: Nil**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment compounding fee imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any
<b>A. Company</b> Penalty Punishment Compounding			None		
<b>B. Directors</b> Penalty Punishment Compounding			None		
<b>C. Other Officers in Default</b> Penalty Punishment Compounding			None		

For and on behalf of the Board of Directors of  
**M/S KPB Nidhi Limited**

Aluva  
04.09.2020

A.R Mohanan  
(Chairman)  
(DIN: 06817818)

Kuttappannair Muraleedharan  
(Managing Director)  
(DIN: 08041126)

## Nomination & Remuneration Policy For Directors, KMPs and other Employees

In terms of section 178 and other applicable provisions of the Companies Act, 2013 as amended from time to time, this policy on Nomination and Remuneration of Directors, KMPs, Executives and other employees has been formulated, approved and adopted by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

### Definitions:

1. 'Act' means Companies Act, 2013.
2. 'Board' means the Board of Directors of the Company.
3. 'Committee' means 'Nomination & Remuneration Committee' constituted by the Board of Directors of the Company.
4. 'Executives' means personnel of the Company which shall include General Managers, Deputy General Managers and Assistant General Managers.
5. 'Key Managerial Personnel' or 'KMP' means the Key Managerial Personnel as defined under the Companies Act, 2013.
6. 'Policy' means this Nomination & Remuneration Policy for Directors, KMPs and other employees of the Company.

### Objective of the Policy:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and other employees involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- To motivate and retain managerial personnel creating competitive advantage in compensation policy and offering good career advancement opportunities.

### The role of the Committee:

The role of the NRC will be the following:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person/s for appointment as Director, KMP or as General Manager and shall recommend to the Board his / her appointment.
2. The Committee shall frame rules for recruitment, appointment and promotion of other employees, which will reflect the broad objectives of the HR policy of the Company.
3. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

4. The Company shall not appoint or continue the employment of any person as Whole Time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**Term/Tenure:**

- a. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

- b. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and General Managers at regular interval (yearly). For other employees, HR policy formulated by the Committee shall prescribe rules and procedures

**Removal:**

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP subject to the provisions and compliance of the said Act, rules and regulations and HR Policies.

**Retirement**

The Directors, KMPs and other employees shall retire as per the applicable provisions of the Act and the prevailing HR policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**Policy relating to remuneration for Directors, KMPs and other employees**

1. Fixed Pay

The Managing Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses and other perquisites etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 as amended from time to time and with the approval of the Central Government, if and to the extent required.

3. Provisions for excess remuneration:



If any Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

4. Other provisions:

- The remuneration / compensation / commission etc. to the Managing Director, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required as per law.
- The remuneration and commission to be paid to the Managing Director shall be in accordance with the percentage / slabs / conditions as per the provisions of the Companies Act, 2013, and the rules made there under as amended from time to time.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board for its consideration.

5. Remuneration to Non-executive / Independent Director

- The Non- Executive / Independent Director is not receiving any remuneration other than sitting fees.
- Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee(s) thereof and in line with the applicable provisions of the Companies Act, 2013.

6. Remuneration to KMPs and Executives

The remuneration determined for the KMP and other Executives shall be in line with the Company's philosophy to provide fair compensation to key executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses and other perquisites etc. shall be decided by the Company's HR department.

7. Remuneration to other employees:

Apart from Directors, KMP and Senior Management, the remuneration of rest of the employees will be determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions in competitive environment.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations in their respective domain.

The various remuneration components, basic salary, allowances and perquisites may be combined to ensure an appropriate and balanced remuneration package.

**Interpretation**

This Policy is intended to comply with the Companies Act, 2013 / and other applicable provisions of the said Act. Notwithstanding anything herein to the contrary, this Policy will be interpreted only in such a manner as to comply with the Companies Act, 2013. Any word not defined in this Policy shall have the same meaning as defined under the Companies Act, 2013 including any amendments thereto. In case any word or provision as appearing in this Policy is contrary to the meaning or provision as provided under the Regulations, then the meaning or provision as provided under the Companies Act, 2013 shall prevail. This policy shall always be in conformity with the provisions of the Regulations and any amendments in the Regulations shall be deemed to form part of this Policy.

# Independent Auditor's Report

To the Members

KPB Nidhi Ltd

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of M/s KPB Nidhi Limited, Aluva ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit/loss, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter Paragraph

We draw attention to Note No 2.17(b) to the Statement which describes the impact of the COVID-19 pandemic on the operations and financial position of the company, and the continuing uncertainties which may require changes in estimates in the future.

Our opinion is not modified in respect of this matter.

### Other information

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

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

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

## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

*\*Refer to Note no 2.9.ii of the financial statement*

- On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Aluva  
28.08.2020

**Damodaran.P Namboodiri ACA**  
Chartered Accountant  
Membership No.221178  
UDIN 20221178AAAABC8653

**Vinay N. Pisharady ACA**  
Chartered Accountant  
Membership No.233743

**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) The title deeds of immovable properties are held in the name of the company.
- 2) In our opinion and according to the information and explanations given to us, the nature of the Company’s business is such that it is not required to hold any inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any public deposit from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under where ever applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
  - (b) According to the information and explanation given to us, there are no dues of Income Tax, Goods and Service Tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions. The company is not holding any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- 10) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) Based on the information and explanations given by the management, the Company is a Nidhi Company and is complied with the following:
- a) The Nidhi Company has complied with net owned fund to deposit in the ratio of 1:20 to meet out the liability
  - b) The Company has maintained the SLR by investing in unencumbered Fixed deposits with Scheduled Commercial Banks, an amount not less than 10% of the deposits outstanding as at the closing of business on the last working day of the second preceding month. i.e., 31.01.2020.
  - c) The prudential norms on income recognition and provisioning against non-performing assets are applicable to the company and non-performing assets have been prudentially written off in statement of profit and loss.

*\*The details are as given in Note 28 to the financial statements*

- d) According to the information and explanation given to us, the company has adequate procedures for appraisal of credit proposals, requests, assessment of credit needs and repayment capacity of borrowers.
  - e) According to the information and explanation given to us, the repayment schedule of various loans granted by the Nidhi Company is based on the repayment capacity of the borrower and would be conducive to recovery of the loan amount.
- 13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has complied with the requirements of section 42 of the Companies Act, 2013 and the amount raised by preferential allotment or private placement of shares during the year under review have been used for the purposes for which the funds were raised. The company has not raised any amount by issuing fully or partially convertible debentures
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Aluva  
28.08.2020

**Damodaran.P Namboodiri ACA**  
Chartered Accountant  
Membership No.221178

**Vinay N. Pisharady ACA**  
Chartered Accountant  
Membership No.233743

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of KPB Nidhi Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of KPB Nidhi Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing Prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal Financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

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

**Damodaran.P Namboodiri ACA**  
Chartered Accountant  
Membership No.221178

**Vinay N. Pisharady ACA**  
Chartered Accountant  
Membership No.233743

Aluva  
28.08.2020

---

**Annexure C to the Auditors' Report**

### **STATUTORY AUDITORS CERTIFICATE** (Pursuant to Rule 22 of the Nidhi Rules, 2014)

This is to certify that, on the basis of books of accounts and other relevant documents verified by us and as per explanations given to us by the management, M/s. KPB NIDHI LIMITED has complied with all the provisions contained in Nidhi Rules-2014 and have not contravened any of the provisions contained in the said rules.

**Damodaran.P Namboodiri ACA**  
Chartered Accountant  
Membership No.221178

**Vinay N. Pisharady ACA**  
Chartered Accountant  
Membership No.233743

Place: Aluva  
Date: 28.08.2020



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

PARTICULARS	Note No.	31.03.2020 Rs.	31.03.2019 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
(1) Share Holders' Funds:			
(a) Share Capital	3	260,168,020	200,397,510
(b) Reserves & Surplus	4	27,982,759	117,061
<b>(2) Share Application Money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long term borrowings	5	4,114,442,739	3,082,048,605
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long term provisions	6	7,982,790	6,179,957
<b>(4) Current Liabilities</b>			
(a) Short term borrowings	7	312,414,660	310,253,719
(b) Trade payables		-	-
(c) Other Current liabilities	8	19,994,522	15,959,248
(d) Short term provisions	10	35,836,000	24,192,940
<b>TOTAL</b>		<b>4,778,821,490</b>	<b>3,639,149,040</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed assets			
(i) Property Plant and Equipments	11	135,114,606	111,155,005
(ii) Intangible assets		3,330,245	727,322
(iii) Capital work-in-progress		-	23,037,500
(iv) Intangible assets under development			
(b) Non-current investments	12	2,991,900	12,531,989
(c) Deferred tax assets (net)	13	8,192,240	7,868,230
(d) Long term loans and advances - Financing Activity	14	1,246,017,563	1,173,745,168
(e) Long term loans and advances	15	232,828,611	82,039,403
(f) Other Non-current assets		-	-
<b>(2) Current Assets</b>			
(a) Cash and bank balances	16	313,508,387	355,686,207
(b) Short term loans and advances - Financing Activity	14	2,783,259,767	1,830,749,984
(c) Short term loans and advances	17	21,971,201	10,356,198
(c) Other Current assets	18	31,606,970	31,252,035
<b>TOTAL</b>		<b>4,778,821,490</b>	<b>3,639,149,040</b>

Notes are an integral part of the financial statements

### In terms of our report attached

**Damodaran P. Namboodiri ACA**  
Chartered Accountant  
Membership No. 221178

**Vinay N. Pisharady ACA**  
Chartered Accountant  
Membership No. 233743

Aluva  
28.08.2020

### For and on behalf of the Board of Directors

**A.R.Mohanan**  
Chairman  
DIN 06817818

**K Muraleedharan**  
Managing Director  
DIN 08041126

**Muraleedharan M.**  
Whole time Director. DIN 08607833

**Jayalakshmi P**  
Chief Financial Officer

**Sandhya Gopi**  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>31.03.2020 Rs.</b>	<b>31.03.2019 Rs.</b>
<b>INCOME</b>			
Revenue from Operations	19	553,068,973	429,729,506
Other Income	20	37,364,342	29,278,306
<b>TOTAL REVENUE</b>		<b>590,433,315</b>	<b>459,007,812</b>
<b>EXPENSES</b>			
Employee benefit expense	21	79,132,412	68,433,863
Finance cost	22	361,528,855	275,951,619
Depreciation and amortization expenses	23	5,472,541	4,085,312
Other expenses	24	105,921,820	84,859,394
<b>TOTAL EXPENSES</b>		<b>552,055,627</b>	<b>433,330,188</b>
<b>Profit Before Tax</b>		<b>38,377,688</b>	<b>25,677,624</b>
<b>Tax Expense</b>			
(a) Current tax		10,836,000	6,692,940
(b) Deferred tax		(324,010)	199,930
		10,511,990	<b>6,892,870</b>
<b>Profit (Loss) for the period</b>		<b>27,865,698</b>	<b>18,784,754</b>
Earnings Per Equity Share Basic and Diluted (Face value of Rs. 10 each)	25	1.316	1.017
Notes are an integral part of the financial statements			

**In terms of our report attached**

**Damodaran P. Namboodiri ACA**  
Chartered Accountant  
Membership No. 221178

Aluva  
28.08.2020

**Vinay N. Pisharady ACA**  
Chartered Accountant  
Membership No. 233743

**For and on behalf of the Board of Directors**

**A.R.Mohanan**  
Chairman  
DIN 06817818

**K Muraleedharan**  
Managing Director  
DIN 08041126

**Muraleedharan M.**  
Whole time Director. DIN 08607833

**Jayalakshmi P**  
Chief Financial Officer

**Sandhya Gopi**  
Company Secretary

## Cash Flow Statement for the year ended 31st March 2020

In terms of AS - 3 on Cash Flow Statement under Indirect Method

PARTICULARS	2019-20 (Rs.)		2018-19 (Rs.)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net profit Before Taxation</b>		38,377,688		25,677,624
Adjustment for:				
Provision for Depreciation	5,472,541		4,085,312	
Provision for Employee Benefits	1,802,833		869,285	
Provision for NPA	7,500,000		-	
Bad Debts w/off	50,875,204		35,744,367	
(Profit) /Loss on sale of Fixed Assets	(80,374)		8,098	
Profit on sale of investments	(122,299)		(1,578,231)	
		65,447,905		39,128,831
Operating profit before working capital changes		103,825,593		64,806,455
Increase in Deposits Accepted	1,034,555,075		739,998,462	
Increase in Gold Loan	(904,315,172)		(579,271,197)	
Increase in Other Advances	(171,342,210)		(164,786,977)	
Decrease in Non Current Assets		-		-
Increase in Other Current Assets	(354,936)		(8,173,551)	
Decrease in Bank Deposits	(117,000,000)		(56,858,889)	
Decrease in Current Liabilities	4,035,274		554,171	
Increase in Loans & Advances	(2,349,079)		(2,274,666)	
		(156,771,048)		(70,812,646)
<b>Cash Generated from operations</b>		(52,945,455)		(6,006,191)
<b>Income tax paid</b>		(17,248,073)		(25,596,93)
<b>Net cash from operating activities</b>		(70,193,528)		(8,565,884)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed assets	(9,104,956)		(6,656,042)	
Sale of Fixed assets	187,766		22,500	
Purchase of current investments	(2,991,900)		(12,531,989)	
Sale of current investments	12,654,288		6,578,231	
Purchase/ Sale of Investment	-		314,640	
<b>Net cash from Investing activities</b>		745,198		(12,272,660)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of equity share capital	59,770,510		21,642,090	
Share Application Money Pending Allotment	-		-	
<b>Net Cash flow from Financing Activities</b>		59,770,510		21,642,090
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>		(9,677,821)		803,546
Cash & Cash Equivalents at the beginning of the year		75,186,207		74,382,661
<b>Cash &amp; Cash Equivalents at the end of the year</b>		<b>65,508,386</b>		<b>75,186,207</b>

In terms of our report attached

**Damodaran P. Namboodiri ACA**  
Chartered Accountant  
Membership No. 221178

Aluva  
28.08.2020

**Vinay N. Pisharady ACA**  
Chartered Accountant  
Membership No. 233743

For and on behalf of the Board of Directors

**A.R.Mohanan**  
Chairman  
DIN 06817818

**Muraleedharan M.**  
Whole time Director. DIN 08607833

**Jayalakshmi P**  
Chief Financial Officer

**K Muraleedharan**  
Managing Director  
DIN 08041126

**Sandhya Gopi**  
Company Secretary

## **Notes to the financial statements for the year ended March 31, 2020**

### **1. Company Information**

KPB Nidhi is a Nidhi Company (formerly Kerala Permanent Benefit Fund Ltd.), incorporated on 17.08.1989 for encouraging the habit of thrift and savings among members, to receive deposits in the nature of savings/ fixed/recurring and to advance monies on the security of gold, silver and jewellery, immovable property, fixed deposits, KVP/NSC, insurance policies and other Government securities and to act as insurance agents.

### **2. Significant Accounting Policies**

#### **2.1. Basis of preparation**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Prudential norms: The Company complies all the material aspect, with the prudential norms relating to the income recognition, asset classification and provisioning for bad and doubtful debts and other matters, as applicable to the company.

#### **2.2. Uses of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period.

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### **2.3. Property, Plant and Equipments**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company

#### **2.4. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

## 2.5. Depreciation and Amortisation

Depreciation on Property, Plant and Equipments assets is provided using the Straight Line Method based on the useful life of the asset and is charged to the Statement of Profit and Loss in the manner prescribed in Schedule II to the Companies Act, 2013. Depreciation is provided on a pro-rata basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation is provided upto the month of sale or disposal of the assets. Freehold land is not depreciated.

The Company has revised its policy of providing depreciation on fixed assets effective April 1, 2017. Depreciation is now provided on a straight line basis for all assets. The carrying amount as on April 1, 2017 is depreciated over the remaining useful life. In respect of fixed assets acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013.

The Company determined that the change in depreciation method from WDV method to a straight-line method is a change in accounting estimate affected by a change in accounting principle. A change in accounting estimate affected by a change in accounting principle is to be applied prospectively. The change is considered preferable because the straight-line method will more accurately reflect the pattern of usage and the expected benefits of such assets and provide greater consistency with the depreciation methods used by other companies in the Company's industry.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life as per Schedule II
Computers and servers	3-6 Years
Office equipment	5 Years
Furniture and fixtures	10 Years
Vehicles	8-10 Years

\* Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. Computer Software which is not an integral part of the related hardware is classified as an intangible asset, and amortized over 10 years.

## 2.6. Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been

recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

## 2.7. Revenue recognition

i. **General:** Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measureable.

ii. **Income from loans**

**Interest income from loan transactions** is accounted for by applying the interest rate implicit in such contracts.

Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.

Delayed payment charges, fee based income and interest on trade advances are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

iii. **Dividend income:** Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. Dividend income is recognised when the right to receive payment is established.

iv. **Income from investments:** Profit earned from sale of securities recognised on trade date basis. The cost of securities is computed on weighted average basis

v. **Other Income: In respect of the other heads of income, the Company accounts the same on accrual basis.**

## 2.8. Investments

Investments are classified into current and non-current investments. Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as Current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Investment in subsidiary company is stated at cost.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## 2.9. Employee Benefits

i. **Short Term Employee Benefits:** All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service.

ii. **Gratuity scheme:** The Company operates a defined benefit gratuity plan for employees. The provision for retirement gratuity is provided as per the company's policy. The liability for gratuity has been computed on the assumption that such benefit is payable to all eligible employee at the end of the accounting Year. As per

AS-15, the recognition and measurement of the present value of defined benefit obligations must be based on actuarial valuation and the company has not complied with the same.

**iii. Provident Fund:** Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund.

The Company has no further obligation to the plan beyond its monthly contributions.

**iv. Compensated absences:** The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature.

## 2.10. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

## 2.11. Income taxes

Income tax comprises current and deferred income tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2.12. Segment Reporting

The Company primarily operates as a Loan company and its operations are in India. Since the Company has not operated in any other reportable segments, as per AS 17 'Segment Reporting', no segment reporting is

applicable. Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

### **2.13. Cash and Cash equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

### **2.14. Cash Flow Statement**

Company has prepared cash flow statement using the Indirect Method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

### **2.15. Earnings per share**

The basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### **2.16. Lease**

The Company's leasing arrangements in terms of Accounting Standard 19 on leases are in respect of operating leases for premises. These leasing arrangements, which are cancellable, are usually renewable by mutual consent on mutually agreeable terms.

### **2.17. Provisions and Contingent liabilities**

- a. A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statement
- b. The lock-down restrictions imposed by Governments on account of the outbreak of the COVID-19 pandemic have affected the operations of the company, more particularly for periods commencing from the last week of the financial year ended 31st March 2020. However, with such restrictions being increasingly relaxed from the last week of April 2020 in many areas, the operations of the company have since been improving. To mitigate the burden of debt servicing brought about by the disruptions, the company has offered an optional moratorium on payment of loan installments falling due between March 1, 2020 and May 31, 2020, in accordance with the regulatory package announced by RBI in March/ April 2020; and further extensions, if any, based on RBI announcements in May 2020 will be decided by the company in the future. Given the continuing uncertainties associated with the pandemic, the company will continue to monitor the position and appropriately adjust any significant changes in such estimates based on future conditions.



**Note - 3**
**SHARE CAPITAL.**

Particulars	March 31, 2020	March 31, 2019
(a) Authorised 35000000 (March 31, 2019: 35000000) Equity Shares of Rs. 10 each	350,000,000	350,000,000
(b) Issued, Subscribed & Fully Paid Up 26016802 (March 31, 2019: 20039751) Equity Shares of Rs. 10 each	260,168,020	200,397,510
<b>TOTAL</b>	<b>260,168,020</b>	<b>200,397,510</b>

**i. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	March 31, 2020		March 31, 2019	
	No.	Value	No.	Value
No: of shares at the beginning of the year	20,039,751	200,397,510	17,875,542	178,755,420
Add: Issued During the year	5,977,051	59,770,510	2,164,209	21,642,090
Less: Reduction in number of shares due to consolidation during 2016-17	-	-	-	-
Less: shares bought back	-	-	-	-
Outstanding at the end of the year	<b>26,016,802</b>	<b>260,168,020</b>	<b>20,039,751</b>	<b>200,397,510</b>

**ii. Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ' 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**iii. Details of Shareholders holding more than 5% Shares**

Name of Shareholder	March 31, 2020		March 31, 2019	
	Number of shares held	% of share holding	Number of shares held	% of share holding
Equity shares of Rs. 10 each fully paid	NIL	NIL	NIL	NIL

**iv. Share Allotted but pending for Filing Return of Allotment**

As per the Nidhi (Amendment) Rules, 2019 vide notification no G.S.R. 467(E) Dated 01.07.2019 all Nidhi company has to file new from NDH-4 . The company had complied with the notification and filed the return, but on account of the outbreak of the COVID-19 pandemic the company has not received the necessary approval from MCA regarding the NDH-4. The company had allotted shares and issued share certificate but filing of PAS-3- Return of allotment of shares is pending as the company has not received the necessary NDH-4 approval. In the notification MCA has stated that the Filing of form SH-7 and PAS-3 shall be allowed only after getting the necessary approval from MCA.

**Note - 4**
**RESERVES & SURPLUS**

<b>Reserves and Surplus</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Capital Reserve</b>		
Amount as per Last Balance Sheet	92,105	92,105
(+) Additions/ transfers during the Year	-	-
<b>Closing Balance</b>	<b>92,105</b>	<b>92,105</b>
<b>General Reserve</b>		
Amount as per Last Balance Sheet	5,350,739	5,350,739
(+) Additions/ transfers during the Year	2,786,570	-
<b>Closing Balance</b>	<b>8,137,309</b>	<b>5,350,739</b>
<b>Surplus</b>		
Balance as per last financial statements	(5,325,783)	(24,110,537)
(+) Net profit/(net loss) for the current year	27,865,698	18,784,754
(-) Transfer to General Reserve	2,786,570	-
<b>Balance as at the end of the year</b>	<b>19,753,345</b>	<b>(5,325,783)</b>
<b>TOTAL</b>	<b>27,982,759</b>	<b>117,061</b>

**Note - 5**
**LONG TERM BORROWINGS**

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Secured Borrowings</b>	-	-
<b>Unsecured Borrowings</b>		
Term Deposits*	4,114,442,739	3,082,048,605
<b>TOTAL</b>	<b>4,114,442,739</b>	<b>3,082,048,605</b>

\* Term deposits with original maturity tenure is more than 12 months.

**Note - 6**
**LONG TERM PROVISIONS**

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
(a) Provision for employee benefits: Provision for Gratuity (Refer note 2.09.ii)	7,982,790	6,179,957
<b>TOTAL</b>	<b>7,982,790</b>	<b>6,179,957</b>

**Note - 7**
**SHORT TERM BORROWINGS :**

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Secured</b> -	-	
<b>Unsecured</b>		
Deposits		
i. Recurring Deposits	89,521,877	72,827,113
ii. Savings Deposits	222,892,783	237,426,606
<b>TOTAL</b>	<b>312,414,660</b>	<b>310,253,719</b>

**Note - 8**
**OTHER CURRENT LIABILITIES**

Particulars	March 31, 2020	March 31, 2020
(a) Current maturities of long-term debt	-	-
(b) Unclaimed Dividend	450,550	450,550
(c) Other payables		
i. Statutory remittances (Refer note(i) below)	2,335,050	2,276,836
ii. Interest Payable	10,279,581	7,570,062
iii. Matured Deposits	999,475	1,126,623
iv. Expenses Payable	3,067,796	1,861,156
v. Others	2,862,070	2,674,021
<b>TOTAL</b>	<b>19,994,522</b>	<b>15,959,248</b>

(i) Statutory dues includes provident fund, employees state insurance, professional tax etc.

**Note - 9**

There is no Micro and Small enterprise, to whom the company owes dues, which are outstanding for more than 45 days as at 31.03.2020. This information as required to be disclosed under the Micro, Small and Medium enterprises development act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

**Note - 10**
**SHORT TERM PROVISIONS :**

Particulars	March 31, 2020	March 31, 2019
(a) Provision for employee benefits:		
Provision for gratuity	-	-
(b) Provision - Others:		
Provision for Income Tax	10,836,000	6,692,940
Provision for Bad & Doubtful debts	25,000,000	17,500,000
<b>TOTAL</b>	<b>35,836,000</b>	<b>24,192,940</b>

**Note - 12**
**NON- CURRENT INVESTMENTS**

Particulars	March 31, 2020	March 31, 2019
<b>Non-trade investments (valued at cost unless stated otherwise):</b>		
<b>Investment in Gold</b>	-	-
<b>Other Investment</b>		
Axis Hybrid Fund Series 35	1,500,000	1,500,000
Axis Emerging Oppurtunities Series 1	492,000	500,000
Axis Equity Advantage Series 1	999,900	999,900
Axis Focused 25 Fund Growth	-	9,532,089
<b>Aggregate amount of quoted investments</b>	<b>2,991,900</b>	<b>12,531,989</b>
<b>Market value of quoted investments</b>	<b>3,155,279</b>	<b>13,162,055</b>
<b>TOTAL</b>	<b>2,991,900</b>	<b>12,531,989</b>

**Note - 13**
**DEFERRED TAX (LIABILITY) / ASSET :**

Particulars	March 31, 2020	March 31, 2019
<b>Deferred Tax Liabilities</b>		
Others*	(115,730)	-
On difference between book balance and tax balance of fixed assets	(118,690)	-
<b>Deferred Tax Asset</b>		
On difference between book balance and tax balance of fixed assets	0	1,139,710
Others*	8,426,660	6,728,520
<b>Net Deferred Tax Liability / (Asset)</b>	<b>8,192,240</b>	<b>7,868,230</b>

\* Others includes Provision for advances ,Gratuity Provisions etc

**Note - 14**
**LOANS AND ADVANCES - FINANCING ACTIVITY**

Particulars	March 31, 2020	March 31, 2019
<b>Non-Current</b>		
Secured, considered good		
Property Loan	1,246,017,563	1,173,745,168
<b>Current</b>		
Secured, Considered Goods		
Gold Loan	2,638,189,088	1,733,873,916
Loan On Deposit	121,346,713	91,917,875
Other Loans	1,797,556	1,954,340
Unsecured, Considered Goods		
Staff Loans	21,926,410	3,003,853
<b>TOTAL</b>	<b>4,029,277,330</b>	<b>3,004,495,152</b>

\*Loans and Advances due by firms or private companies in which any director is a partner or a director or a member is Nil

**Note - 15**
**LONG TERM LOANS AND ADVANCES :**

Particulars	March 31, 2020	March 31, 2019
(a) Security Deposits		
Unsecured, considered good	10,828,611	9,539,403
FD's With Bank with maturity of more thann 1 year	222,000,000	72,500,000
<b>TOTAL</b>	<b>232,828,611</b>	<b>82, 039, 403</b>

**Note - 16**
**CASH AND BANK BALANCES :**

Particulars	March 31, 2020	March 31, 2019
<b>Cash and Cash Equivalents</b>		
(a) Cash in hand	27,866,004	21,895,895
(b) Balance with banks		
(i) In Current Accounts	37,191,833	52,839,763
(ii) Cheques, drafts on hands	-	-
	<b>65,057,837</b>	<b>74,735,657</b>
<b>Other Bank Balances</b>		
(i) In Deposit Accounts	470,000,000	353,000,000
Less: Original Maturity more than one year	(222,000,000)	(72,500,000)
	248,000,000	280,500,000
Unpaid Dividend Accounts	450,550	450,550
<b>TOTAL</b>	<b>313,508,387</b>	<b>355,686,207</b>

**Note - 17**
**SHORT TERM LOANS AND ADVANCES :**

Particulars	March 31, 2020	March 31, 2019
Loans & Advances to Related Parties	-	-
(b) Balances with Government authorities		
Unsecured, considered good		
Income Tax Receivable	788,036	788,037
TDS & Advance Tax	16,327,160	5,772,026
GST Receivable	2,865,249	2,002,935
(c) Others (Unsecured, considered good)		
Loans and advances to employees	6,623,40	722,445
Others (Prepaid Expenses, and other advances etc)	1,328,417	1,070,755
<b>TOTAL</b>	<b>21,971,201</b>	<b>10,356,198</b>

*Advances recoverable in cash or in kind or for value to be received*

**Note - 18**
**OTHER CURRENT ASSETS :**

Particulars	March 31, 2020	March 31, 2019
(a) Accruals		
Interest accrued on deposits/Securities	31,202,696	18,256,079
(b) Others		
Stock of Stationery	-	380,736
Stamp in Stock	105,419	60,501
Insurance Claim Receivable	-	1,209,595
Commission Receivables	261,200	766,581
Other Avances	37,655	107,753
Others Receivables	-	10,470,791
<b>TOTAL</b>	<b>31,606,970</b>	<b>31,252,035</b>

**Note - 19**
**REVENUE FROM OPERATIONS :**

Particulars	March 31, 2020	March 31, 2019
Interest Received	552,644,409	428,234,016
Commission Received	424,564	1,495,490
<b>TOTAL</b>	<b>553,068,973</b>	<b>429,729,506</b>

**Note - 20**
**OTHER INCOME :**

Particulars	March 31, 2020	March 31, 2019
(a) Interest Income		
Interest received from Deposits	35,939,439	26,392,962
(b) Other non-operating income (net of expenses directly attributable to such income)		
Net Gain on Sale of Investment	122,299	1,578,231
Processing fees recovered	455,400	802,800
Profit on disposal of Fixed Assets	87,665	-
Bad trade and other receivables recoverd	264,341	320,791
Interest on IT refund	-	1,41,762
Other Miscellaneous Income	27,387	41,760
Reversal of diminution in value of investment	467,811	-
<b>TOTAL</b>	<b>37,364,342</b>	<b>29,278,306</b>

**Note - 21**
**EMPLOYEE BENEFIT EXPENSES**

Particulars	March 31, 2020	March 31, 2019
Salaries & Wages	67,868,178	58,644,312
Contributions to provident and other funds	6,706,473	6,222,046
Staff welfare expenses	4,557,761	3,567,505
<b>TOTAL</b>	<b>79,132,412</b>	<b>68,433,863</b>

**Note - 22**
**FINANCE COST :**

Particulars	March 31, 2020	March 31, 2019
(a) Interest expense on :		
(i) Borrowings		
Interest on Deposits	361,288,437	275,794,477
Interest & Bank Charges	121,699	91,606
interest on Income Tax	118,719	65,536
<b>TOTAL</b>	<b>361,528,855</b>	<b>275,951,619</b>

**Note - 23**
**DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	March 31, 2020	March 31, 2019
Depreciation	5,071,806	3,984,943
Amortisation	400,735	100,369
<b>TOTAL</b>	<b>5,472,541</b>	<b>4,085,312</b>

**Note - 24**
**OTHER EXPENSES :**

Particulars	March 31, 2020	March 31, 2019
Advertisement	279,374	183,931
Audit Fees	629,000	589,000
Board/AGM/Commt.Meet. Expenses	272,924	190,430
Business Promotion Expense	1,289,063	1,209,372
Collection charges paid to SSD	1,194,976	1,280,284
Consultation & Prof Charges	145,800	7,625,400
Donation	112,001	198,111
Electricity Charges	1,465,310	1,246,573
Filing fees	41,500	798,200
Fuel Charges	112,375	120,054
GST	1,049,466	1,751,961
Kerala Flood Cess	3,178	-
Insurances	1,043,539	1,092,597
Legal Charges	4,298,460	5,157,322
Managers/Regional Conference Expenses	82,281	36,431
Miscellaneous Expenses	2,949,000	2,555,765
News Paper	163,960	148,022
Office Expense	463,741	447,348
Postages, Stamps, Telephone & Internet	3,403,894	2,872,454
Printing & Stationery	1,990,306	1,713,378
Rates & Taxes	273,356	167,901
Reimbursement of Out of Pocket exp	4,132,280	1,430,111
Rent Paid	12,659,290	11,118,343
Repairs & Maintenance	800,011	738,368
Repairs to vehicle	9,878	21,269
Sitting Fees	248,000	219,000
Software Maintenance Charges	4,067,398	2,901,607
Staff Meeting Expense	777,460	480,193
Training Expenses	42,672	20,648
Travelling Expenses	3,113,005	2,202,750
Water charges	169,140	122,293
Loss on Disposal of Fixed Assets	7,290	8,098
Loss On Insurance Claims	248,687	-
Provision for Bad & Doubtful debts	7,500,000	-
Bad Debts	50,875,204	35,744,367
Diminution in value of investment	8,000	467,811
<b>TOTAL</b>	<b>105,921,820</b>	<b>84,859,394</b>

**Note - 24.1**

Payment to the auditors comprises :	March 31, 2020	March 31, 2019
As auditors - statutory audit	629,000	589,000
<b>TOTAL</b>	<b>629,000</b>	<b>589,000</b>

**Note - 25**
**EARNINGS PER SHARE (BASIC & DILUTED) :**

The company reports basic and diluted Earnings per Share in accordance with AS 20. Basic Earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding at the end of the year. Diluted Earnings per share have been computed using the weighted average number of equity shares and potential equity shares outstanding at the end of the year.

Particulars	March 31, 2020	March 31, 2019
Profit after tax	27,865,698	18,784,754
Weighted average number of shares	21,175,022	18,478,240
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	1.32	1.02

**Note - 26**
**Related party transactions :**
**Details of Related Parties :**

Description of Relationship	Names of Related Parties
Key Management Personnel	K. Muraleedharan (Managing Director) Jayalakshmi P (CFO) Chinchu George (Company Secretary) Reg. on 31.12.2019 Sandhya Gopi (Company Secretary)-Joined on 05-08-2020 M. Muraleedharan (Whole Time Director)
Relatives of KMP	Nil
Entities in which KMP / Relatives of KMP can exercise significant influence	Nil

The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the Auditors.

**Details of Related Party Transactions :**

Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Salary and allowance	2,484,031			2,484,031
<i>PY</i>	<i>1,699,555</i>	-	-	<i>1,699,555</i>
Expenses Reimburse	74,380			74,380
<i>PY</i>	<i>76,048</i>	-	-	<i>76,048</i>

Note: Figures in italics relates to the previous year



**Note - 27**
**Transaction with Non Executive Director**

Name of Non-Executive Director		March 31, 2020	March 31, 2019
M.S Padmanabhan Nair	Sitting fee	27,000	35,000
Jayaprakash Valiathan	Sitting fee	49,000	46,000
M.A Vasudevan Namboodiri	Sitting fee	32,000	37,000
Vishnu Prasad b Menon	Sitting fee	26,000	-
K.K.Balaram	Sitting fee	3,000	26,000
Vinu Krishnan	Sitting fee	26,000	-
A R Mohanan	Sitting fee	25,000	15,000
P Viswaroopan	Sitting fee	25,000	25,000
P Rajkumar	Sitting fee	5,000	10,000
G. Rajan Nair	Sitting fee	15,000	25,000
P. Rajesh	Sitting fee	15,000	-
Total		<b>248,000</b>	<b>219,000</b>

**Note - 28**

Bank Balance include fixed deposit in scheduled commercial banks, deposited in compliance of the provisions of Clause I (g) of Notification NO GSR555(E) dated 26.07.2001 issued by the Department of Corporate Affairs, Govt of India

In terms of notification no.GSR 555(E) dated 26.07.2001 read with amendment made vide GSR No.202(E) dated 31st March 2006, the company has to make provisions in respect of Non performing Loans ( NPA) outstanding as on 31.03.2002 in phased manner and whatever unprovided balance remains outstanding as on 31-07-2007 has to be completely provided by 31.03.2015. All the NPAs has been written off prudentially.

As a prudent measure , the company has written off an amount of Rs. 5,08,75,204 relating to Gold Loans and Property Loans

**Note - 29**

Particulars	March 31, 2020	March 31, 2019
Total Gold loan portfolio	2,638,189,088	1,733,873,916
Total Assets	4,778,821,490	3,639,149,040
Gold loan portfolio as a % age of total assets	55%	48%

**Note - 30**

Particulars	March 31, 2020	March 31, 2019
CIF Value of Imports of Capital Goods	-	-
Value of Imports	-	-
Expenditure in foreign currency on accrual basis	-	-
Earnings in Foreign Currency	-	-

**Note - 31**

Particulars	March 31, 2020	March 31, 2019
Matters where the future cash outflows are determinable only on receipt of pending judgements /conclusions	-	-

Previous year figures have been reworked, re-grouped, re-arranged and re-classified wherever necessary to conform to current year's classifications/disclosure. The figures are rounded off to nearest rupees

**In terms of our report attached**

**Damodaran P. Namboodiri ACA**  
Chartered Accountant  
Membership No. 221178

**Vinay N. Pisharady ACA**  
Chartered Accountant  
Membership No. 233743

Aluva  
28.08.2020

**For and on behalf of the Board of Directors**

**A.R.Mohanan**  
Chairman  
DIN 06817818

**K Muraleedharan**  
Managing Director  
DIN 08041126

**Muraleedharan M.**  
Whole time Director. DIN 08607833

**Jayalakshmi P**  
Chief Financial Officer

**Sandhya Gopi**  
Company Secretary

**Schedule - 11**  
**Fixed Asset Schedule**

Sl. No. Particulars	Gross Block			Depreciation				Net Block	
	01.04.2019	Additions	Deletions	31.03.2020	01.04.2019	Additions	Deletions	31.03.2020	31.03.2019
<b>Property, Plant &amp; Equipments</b>									
1 Land	50,269,035	121,300		50,390,335	-	-		50,390,335	50,269,035
2 Building	38,704,437	23,068,500		61,772,937	1,932,365	592,985		59,247,587	36,772,071
3 Computers	9,795,190	1,301,266	355,371	10,741,085	7,236,755	1,350,163	327,193	8,259,726	2,558,435
4 Electrical Fittings	13,784,589	1,027,740	113,031	14,699,299	6,937,101	952,534	71,111	7,818,525	6,847,488
5 Furniture & Fixtures	31,765,877	3,619,992	269,295	35,116,574	17,836,608	2,071,440	232,002	19,676,047	13,929,268
6 Motor Vehicles	933,998	-	-	933,998	155,291	104,683		259,974	778,707
<b>Total</b>	<b>145,253,126</b>	<b>29,138,798</b>	<b>737,697</b>	<b>173,654,227</b>	<b>34,098,121</b>	<b>5,071,806</b>	<b>630,306</b>	<b>38,539,621</b>	<b>111,155,005</b>
<b>Intangible Assets</b>									
7 Computer Software	1,053,170	3,003,658	-	4,056,828	325,848	400,735		726,583	727,322
<b>Total</b>	<b>1,053,170</b>	<b>3,003,658</b>	<b>-</b>	<b>4,056,828</b>	<b>325,848</b>	<b>400,735</b>	<b>-</b>	<b>726,583</b>	<b>727,322</b>
<b>Work in Progress</b>									
8 Building Under Construction	23,037,500		23,037,500		-	-			23,037,500
<b>Grand Total</b>	<b>169,343,796</b>	<b>32,142,456</b>	<b>23,775,197</b>	<b>177,711,055</b>	<b>34,423,969</b>	<b>5,472,541</b>	<b>630,306</b>	<b>39,266,204</b>	<b>134,919,827</b>
<b>Previous Year</b>	<b>162,778,208</b>	<b>36,656,042</b>	<b>30,090,454</b>	<b>169,343,796</b>	<b>30,398,512</b>	<b>4,085,312</b>	<b>59,855</b>	<b>34,423,969</b>	<b>132,379,696</b>



# KPB Nidhi Ltd.

Approved by Govt. of India .ESTD 1989 . CIN: U65991KL1989PLC005448

Registered Office: KPBF Mandir, Sangeetha Sabha Road

Aluva - 683 101, Kerala Phone: 04842922000, 2922060

Email: headoffice@kpbnidhi.com,

(Pursuant to MCA Circular No.20/2020, 14/2020, 17/2020 dated  
5<sup>th</sup> May 2020, 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020)

Name of the Company: M/S KPB NIDHI LIMITED				
Registered Office: KPBF MANDIR, SANGEETHA SABHA ROAD, ALUVA - 683101				
CIN:U65991KL1989PLC005448				
<b>BALLOT PAPER</b>				
SL. NO	PARTICULARS	DETAILS		
1.	Name of the First Named Shareholder (in Block Letters)			
2.	Postal Address			
3.	Registered Folio Number			
4.	Class of Shares	Equity		
I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent dissent to the said resolutions in the following manner:				
No.	Item	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To adopt Financial Statements of the Company including Report of the Board of Directors and Auditors			
2.	To re-appoint Shri. Viswaroopan Peedikaparambil (DIN:00256061) as Director			
3.	To re-appoint Shri. Rajan Nair Gangadharan (DIN: 00057215) as Director			
4.	Re-appointment of Shri. Jaya Prakash Valiathan (DIN: 06470662) as an Independent Director			
5.	Appointment of Shri. Vinu Krishnan (DIN: 01743028) as an Independent Director			
6.	Appointment of Shri. Muraleedharan (DIN: 08607833) as Whole Time Director			
7.	Re-appointment of Shri. Kuttappannair Muraleedharan (DIN: 08041126) as Managing Director			
8.	To authorise Board of Directors to appoint Branch Auditors and to fix their remuneration			

Place:



# BRANCH SHIFTING



THRISSUR



PARALI



MATTANCHERY

# NEW BRANCH OPENING

## Uppala



## Valanchery



## Vadakkencherry



# ANNUAL GENERAL MEETING 2018-19 & CUSTOMER MEET AT KESHAVASMRITHI, PALACE ROAD, ALUVA



FELICITATION GIVEN TO Sri. PEB MENON Sir. ON HIS

81<sup>st</sup> Birthday



**KPB Nidhi Ltd.**

HO:KPB Mandir,Sangeetha Sabha Road, Aluva-683101.Email:headoffice@kpbnidhi.com

CIN:U65991KL1989PLC005448, www.kpbnidhi.com

Tel:0484-2922000