

Book - Post

MISSION

Mutuality Among Humanity

To: _____

VISION

*Many may Come and Many may Go
But
We Serve You Forever*



TOWN BENEFIT FUND (KUMBAKONAM) LTD.,
Declared as a Public Company By Govt. of India

Regd. Office : 157, T.H.S.S. Road, Kumbakonam-612 005 • 2431908, web: www.tbf.co.in

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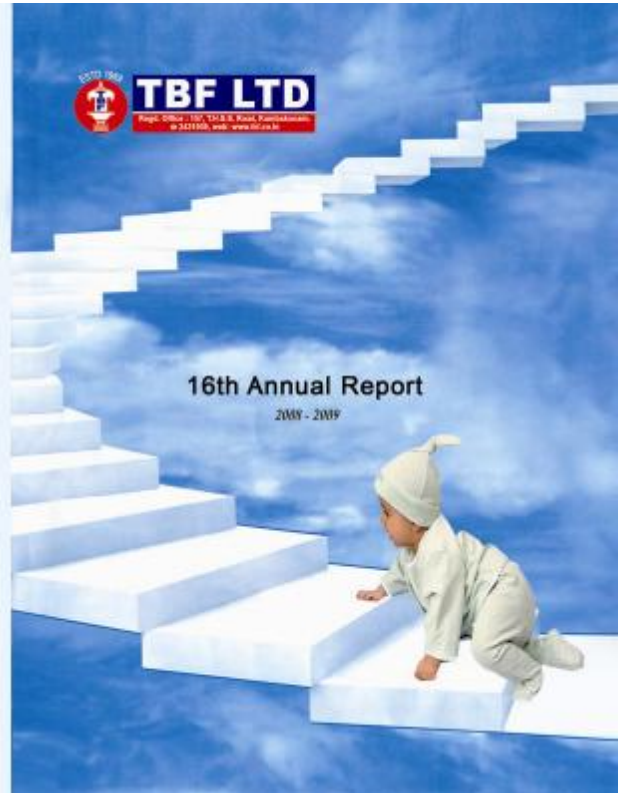


TBF LTD

Regd. Office : 157, T.H.S.S. Road, Kumbakonam
• 2431908, web: www.tbf.co.in

16th Annual Report

2008 - 2009



முதல் அறிவுரைகள் எப்பற்ற
மாணவருக்கு மட்டும்கொடுக்கப்பட
வேண்டி இ. கண்ணகியாருக்கு
விவரங்கள் பாராட்டு பத்திரமும்,
பரிசும் வழங்கிய போது.



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

FOUNDER MEMBERS



Sri. S. M. SWAMINATHAN
President



Sri. CA. M. RAMAN
Chairman



Sri. M. SURESHKUMAR
Director



Sri. Dr. P. RAVICHANDRAN M.S.,
Director



Sri. N. RENGASAMY
Director



Sri. G. BASKARAN
Director



Sri. B. MUKUNTHARAMANUJAM
Director



Sri. S. R. SRIDHARAN
Director



Sri. Rtn. T. MANICKAVASAGAM
Director



Smt. Y. KANNIGA
Director



Sri. Rtn. R. VIJAYAKUMAR
Director



Sri. V. MOHANRAM
Director



FOUNDER MEMBERS :

Sri. CA.M.RAMAN
Sri. S.M.SWAMINATHAN
Sri. Dr.PRAVICHANDRAN M.S.,
Sri. T.MANICKAVASAGAM
Sri. S.R.SRIDHARAN
Sri. B.MUKUNTHARAMANUJAM
Smt. Y.KANNIGA
Sri. G.BASKARAN
Sri. R.VIJAYAKUMAR
Sri. N.RENGASAMY
Sri. V.MOHANRAM
Sri. M.SURESHKUMAR

AUDITORS :

M/s. ARASU & ARUNACHALAM
Chartered Accountants

LEGAL ADVISOR :

Sri.M.NATARAJAN, B.A., B.L.,

COMPANY SECRETARY :

Sri.B.KALYANASUNDARAM,
B.Com., A.I.C.W.A., A.C.S.

BANKERS :

City Union Bank Ltd.,
Tamilnadu Mercantile Bank Ltd.,
South Indian Bank Ltd.,
ICICI Bank Ltd.,

REGISTERED OFFICE :

157, T.H.S.S. Road.,
Kumbakonam - 612 001.
☎ 2425226, 2402649
Website : www.tbf.co.in



❑ **MAIN OFFICE :** 157, T.H.S.S. Road, KUMBAKONAM - 612 001. ☎ 2431908, 2431918

❑ **KUMBAKONAM TOWN BRANCH :**

No. 120, Indira Gandhi Salai,
KUMBAKONAM - 612 001.
☎ 0435 - 2424508

❑ **MANNARGUDI BRANCH :**

115, Gandhiji Road,
MANNARGUDI - 614 001.
☎ 04367 - 252992

❑ **PATTUKKOTTAI BRANCH :**

113/59, Thalayeri Street,
PATTUKKOTTAI - 614 601.
☎ 04373 - 256908

❑ **TIRUVARUR BRANCH :**

No.12, Ellai Amman Kovil East Street,
TIRUVARUR - 610 001.
☎ 04366 - 227108

❑ **THANJAVUR BRANCH :**

1/2906, South Street,
THANJAVUR - 613 009.
☎ 04362 - 276408

❑ **MADIPAKKAM BRANCH :**

No. 117, Senthuran Colony,
1st Street, Madipakkam, CHENNAI-91.
☎ 044 - 22582408

❑ **PANRUTI BRANCH :**

No. 9-A, Rajaji Street,
PANRUTI - 607 106.
☎ 04142 - 244908

❑ **MADURAI BRANCH :**

No. 91, Kamarajar Salai,
MADURAI - 625 009.
☎ 0452 - 2623908



NOTICE

Notice is hereby given that pursuant to section 166 and other applicable provisions of the Companies Act, 1956 that the 16th ANNUAL GENERAL MEETING of the company will be held at JANARANJANI HALL, GOPAL RAO LIBRARY BUILDINGS (OPP. GANDHI PARK), TOWN HALL ROAD, KUMBAKONAM at 4.00 PM on Wednesday 23rd September, 2009 to transact the following business.

AGENDA

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended on that date, the Report of Directors and Auditors thereon and the Compliance Certificate of the Practicing Company Secretary.
2. To declare Dividend for the year ended 31-03-2009.
3. To elect Directors : -
 - a) Shri N. Rengasamy retires by rotation and being eligible, he offers himself for reappointment.
 - b) Shri G. Baskaran retires by rotation and being eligible, he offers himself for reappointment.
 - c) Shri M. Suresh Kumar retires by rotation and being eligible, he offers himself for reappointment.
 - d) Shri V. Mohanram retires by rotation and being eligible, he offers himself for reappointment.
4. To Consider and if thought fit to pass with or without modifications, the following:
"RESOLVED that, pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. ARASU & ARUNACHALAM, CHARTERED ACCOUNTANTS, Kumbakonam the retiring auditors be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following resolutions as an ordinary Resolutions : -
"RESOLVED that the Authorised Share capital of the company be and if hereby increased from Rupees 1,00,00,000/- to Rupees 2,00,00,000/-
"RESOLVED FURTHER that the figures "1,00,00,000/-" as appearing in clauses V of the Memorandum of Association and clause 3 of the Articles of Association be and is hereby altered as "2,00,00,000/-"

PLACE : KUMBAKONAM
DATE : 15-08-2009

FOR AND ON BEHALF OF THE BOARD

Sd.
(CA.M. RAMAN)
CHAIRMAN



DIRECTORS' REPORT

With the support of members, your Directors have pleasure in presenting the Sixteenth Annual Report and Accounts relating to the financial year ending on 31.03.2009.

NEW BRANCH PROPOSAL :

Your Directors are pleased to inform you that your company had proposed to open new branches at **Nanganallur and West Mambalam** Shortly.

1. FINANCIAL PERFORMANCE AND RESULTS :

PARTICULARS

	31-03-2009 Rs.	31-03-2008 Rs.
INCOME		
Interest income	4,32,02,281	3,14,96,964
Other Income	8,01,904	4,69,258
Total Income (A)	4,40,04,185	3,19,66,222
EXPENDITURE		
Interest paid	2,92,47,219	2,17,37,009
Establishment Expenses	41,80,496	32,50,632
Operating Expenses	4,82,574	4,12,706
Administrative Expenses	43,04,159	29,26,209
Depreciation	4,13,602	4,97,934
Total Expenditure (B)	3,86,28,050	2,88,24,489
PROFIT BEFORE TAX (A-B)	53,76,135	31,41,733
Tax Expenses Including Deffered Tax	16,59,690	12,32,663
PROFIT AFTER TAX	37,16,446	19,09,070

As Could be seen from the above figures the Total Income has increased by **37.66%** The Deposits has increased to **Rs. 3334.52** lacs as on 31.03.2009 from **Rs. 2300.78** lacs as on 31.03.2008 and the percentage of increase works out to **44.93%** Correspondingly Advances has increased to **Rs. 2681.85** as on 31.03.2009 from **Rs. 1839.69** as on 31.03.2008 and the percentage of increase works out to **45.78%**. **Profit After Tax Increased From Rs.19.09 Lacs to Rs.37.16 Lacs.** **The Percentage of increase works out to 94.66 %.** The Equity Capital has also increased by **Rs. 29.92** lacs and the paid up capital has reached **Rs. 94.46** lacs as on 31.03.2009



2. DIVIDEND :

Your Directors recommend a dividend at the rate of 15% to the share holders for the year ended 31-03-2009 on pro-rata basis.

3. DIRECTORS :

The following Directors who retires at the ensuing Annual General Meeting :
Shri N. Rengasamy, Shri G. Baskaran, Shri M. Suresh Kumar & Shri V. Mohanram being eligible offer themselves for reappointment.

4. AUDITORS :

M/s. Arasu & Arunachalam, Chartered Accountants, Kumbakonam, the present Auditors of the Company, are eligible for re-appointment and they have expressed their willingness therefore.

5. DISCLOSURE UNDER SECTION 217 (2A) AND 217 (1) (E) OF THE COMPANIES ACT, 1956 : The report is NIL so far as our company is concerned.

6. DIRECTORS RESPONSIBILITY STATEMENT U/S 217 (2AA)

The Directors report that :

- a. The Annual Accounts have been prepared by applying all applicable accounting standards. Proper explanations have been given wherever material departures have taken place.
- b. Suitable accounting policies have been selected and consistently followed in making judgments and estimate that are reasonable and prudent so as to give a true and fair view of state of affairs of the company at the end of the financial year 31.03.2009 and of the PROFIT of the company for the year ending on 31.03.2009.
- c. Proper and sufficient care had been taken for the maintenance of adequate Accounting records in accordance with the provisions of those ACT, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The Annual Accounts have been prepared on a Going Concern Basis.

7. COMPLIANCE CERTIFICATE U/S 383 A(1) :

The compliance certificate dated 10-08-2009 obtained from M/S. B.K. SUNDARAM & ASSOCIATES, PRACTICING COMPANY SECRETARIES, TIRUCHIRAPPALLI is enclosed.

Your Company endeavor their best to adopt good corporate practices to protect the interest of the Company, its Stake Holders, Depositors, Borrowers and Employees.

8. ACKNOWLEDGEMENT :

The Board of Directors express their gratitude to various Government agencies for their patronage and support and to the members for their confidence in the company and acknowledge the dedicated services rendered by the employees of the company.

FOR AND ON BEHALF OF THE BOARD

PLACE : KUMBAKONAM.

DATE : 15-08-2009

Sd...

(CA.M.RAMAN)
CHAIRMAN



- vi) Government Grant – AS 12
The company receives no Grant from Government in respect of any Revenue or Capital nature and hence there is no necessity for relevant disclosure.
- vii) Investments – AS 13
The company has NIL investments in shares, debentures etc., during the year. Hence the disclosure in respect of method of valuation is NIL
- viii) Borrowing Cost – AS 16
The company does not have any Borrowings attributable directly or indirectly for development of any asset. Hence there is no borrowing cost to be added to the Fixed asset as per AS 16.
- ix) Related party Disclosure – AS 18

KEY MANAGEMENT PERSONNEL

- 1) **S.M.SWAMINATHAN, President**
Remuneration to Shri S.M. Swaminathan, (Consolidated)
Rs. 96,000.00
 - 2) **CA. M. RAMAN, Chairman**
Remuneration to Shri M. Raman (Consolidated)
Rs. 1,80,000.00
- x) Lease – AS 19
The company does not possess any leased asset.
 - xi) Earning per share – AS 20
EPS has been calculated as per the AS 20.
 - xii) Consolidated Financial statements – AS 21
We have only Branches and don't have any subsidiaries. Hence there is no process of consolidation of Financial Statements as per AS 21.
 - xiii) Deferment of Taxes – AS 22
The deferred tax Asset or Liability is created and shown in the accounts as per AS 22
 - xiv) Intangible Assets – AS 26
The company has no Assets under the head 'Intangible Asset' for the current financial year.
 - xv) Impairment of Assets – AS 28
In the opinion of the management, there is no impairment of assets to which AS 28 is applicable.



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SHORT RESUME OF DIRECTORS

- 1) Name : **S.M. SWAMINATHAN**
Age : 65 years
Occupation : Bus operator
Present position : President

Shri. S.M.Swaminathan is the president of TBF and also a Director. He is professionally a bus operator and one of the leading auto spares sellers. He has vast knowledge in financing business.

-
- 2) Name : **CA.M.RAMAN**
Age : 54 years
Qualification : B.Sc., FCA.,
Occupation : He is a Practicing Chartered Accountant
Present position : Chairman
DIN : 00820624

Shri. M. Raman, Chairman of TBF Limited, is respected for deep insight with which he leads the company and is credited with several key strategic interventions which have positioned as a well managed, well governed, value creating, top league company in Tamilnadu. As a Chartered Accountant, he is professionally well qualified and equipped with knowledge in company matters, leads the company in a growing path. Shri. M.Raman has been honored with several recognition within Tanjore dist., including the President of an International organization & Rotary Club of Kumbakonam Mahamaham.

-
- 3) Name : **S.R.SRIDHARAN**
Age : 53 years
Occupation : Civil Contractor
Present position : Director
DIN : 02710057

Shri.S.R. Sridharan associated as a director, is a Civil Contractor and one of the successful business entrepreneurs in his field.

-
- 4) Name : **DR.P.RAVICHANDRAN**
Age : 55 years
Qualification : M.B.B.S.,M.S.,
Occupation : Practicing Doctor and Civil Surgeon
Present position : Director
DIN : 02720100

Shri. Dr. P. Ravichandran is associated as a Director. He is a famous and leading Doctor and also specialist surgeon at Kumbakonam. He has been honored with several recognition within Tanjore dist., including the President of Indian Medical Association (IMA), Kumbakonam.



- 5) Name : N. RANGASAMY
Age : 80 years
Occupation : Bus Operator
Present position : Director
DIN : 02711244

Shri. N. Rangasamy is associated as a Director. He is professionally a Bus operator and has vast knowledge about finance business.

- 6) Name : B.MUKUNTHA RAMANUJAM
Age : 53 years
Occupation : Business (Opticals)
Present position : Director
DIN : 02710054

Shri. B.Mukuntha Ramanujam is associated as a Director. He is a dealer of Optical Appliances.

- 7) Name : R.VIJAYAKUMAR
Age : 42
Occupation : Marketing
Present position : Director
DIN : 02555991

Shri. R. Vijayakumar is associated as a director, got commerce graduation from a reputed institution. Vijayakumar is the best Insurance Service provider in Kumbakonam. He has vast knowledge in finance business and special skill in customer maintenance. He is the Past President of Rotary club of Kumbakonam Mahamaham. He is also one of the trustees of MANAVALAKALAI MANDRAM (YOGA Centre), Kumbakonam.

- 8) Name : Y.KANNIGA
Age : 58 years
Present position : Director
DIN : 02556001

Smt. Y.Kanniga is associated as a director. She is equipped with vast business knowledge.

- 9) Name : T. MANICKAVASAGAM
Age : 57 years
Occupation : Business (Automobile spare parts)
Present position : Director
DIN : 01922271
Directorship in other Companies : Akkshaya Motors India Ltd., Kumbakonam.

Shri. T. Manickavasagam associated as a director, is a leading automobile spare parts seller. He was the Past President of Rotary Club of Kumbakonam Mahamaham. At present he is vested with the post of Chairman for Membership Development and Zone Chairman of Community Service. He was vested with the post of Advisor of Motor Parts Dealers association, Kumbakonam and secretary of The Tamilnadu Automobile & Allied Industries Federation, Chennai. He is also a Director of Akkshaya Motors India Ltd., Kumbakonam. He is an E.C. Member of Chamber of Commerce.



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

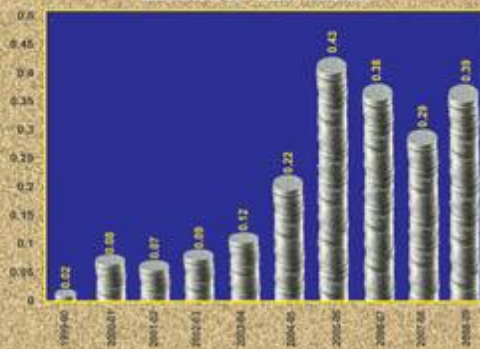
RETURN ON AVG NETWORTH (in %)



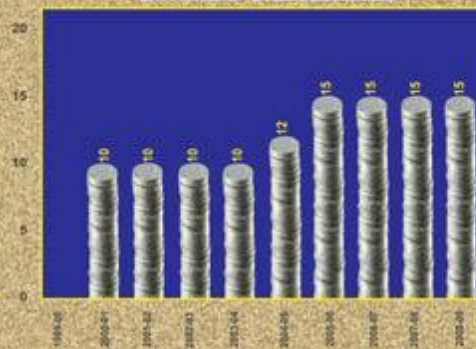
PROFIT AFTER TAX (Rs. In Lacs)



EARNINGS PER SHARE



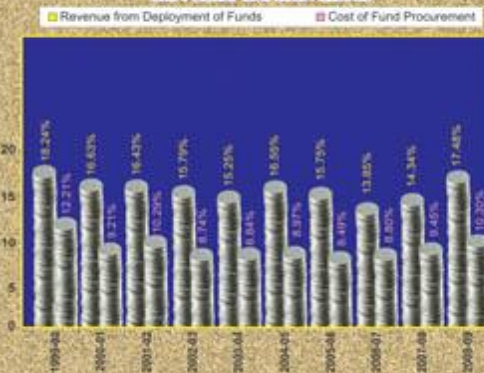
DIVIDEND PERCENTAGE



NO. OF BRANCHES



**Cost of Deposit
Revenue for Advances (in %)**





10)Name : G.BASKARAN
Age : 71 YEARS
Occupation : Business (Automobile spare parts)
Present position : Director
DIN : 02710065

Shri. G. Baskaran is associated as a director and is a leading automobile spare parts seller at Kumbakonam.

11)Name : V.MOHAN RAM
Age : 54 years
Occupation : Jewellery Shop
Present position : Director
DIN : 01847102

Shri. V.Mohanram is associated as a director.

12)Name : M.SURESH KUMAR
Age : 54 years
Occupation : Jewellery shop, Tyre dealer (Kundan Tyres)
Present position : Director
DIN : 00820567

Shri. M. Sureshkumar is associated as a Director. He is also a dealer of Tyres under the name - Kundan Tyres.

RATE OF INTEREST FOR TERM DEPOSITS
FROM 01-04-2009

	REGULAR	SENIOR
1 YEAR	10.5 %	11 %
2 YEARS	11 %	11.5 %
5 YEARS	12.5 %	12.5 %



CORPORATE GOVERNANCE REPORT

1. BOARD OF DIRECTORS

The Board of Directors comprises of eminent persons with professional experience in the field of Business, Finance, Accounts and Banking Industry. The strength of the Board as on 31.03.2009 is 12 including the Chairman.

SL	Name of Director	Category
1	S.M.Swaminathan	Independent
2	CA. M. Raman	Independent
3	Dr.P.Ravichandran	Independent
4	T.Manickavasagam	Independent
5	N. Rangasamy	Independent
6	G. Baskaran	Independent
7	R. Vijayakumar	Independent
8	S.R.Sridharan	Independent
9	B.Mukuntha Ramanujam	Independent
10	V. Mohan Ram	Independent
11	M. Sureshkumar	Independent
12	Y.Kanniga	Independent

Change in Directorship/Appointment of New Directors

No new director is appointed by the Board. Existing directors shall continue.

Attendance of Last AGM, Board Meeting and Committee Meeting, Sitting fee details

DIRECTOR	Attendance in Last AGM on 26 th Sep 2008	Attendance in Board Meeting	Sitting fees paid	Attendance in Committee Meeting	Sitting fees paid
S.M.Swaminathan	YES	12	36,000	10	30,000
CA. M. Raman	YES	12	36,000	12	36,000
Dr.P.Ravichandran	YES	4	12,000	4	12,000
T.Manickavasagam	YES	11	33,000	11	33,000
N. Rangasamy	YES	9	27,000	9	27,000
G. Baskaran	YES	12	36,000	12	36,000
R. Vijayakumar	YES	11	33,000	12	36,000
S.R.Sridharan	YES	11	33,000	10	30,000
B.Mukuntha Ramanujam	YES	12	36,000	12	36,000
V. Mohan Ram	YES	11	33,000	12	36,000
M. Sureshkumar	YES	11	33,000	10	30,000
Y.Kanniga	YES	10	30,000	8	24,000



DATES OF BOARD MEETING HELD :

13.4.08, 11.05.08, 08.06.08, 13.07.08, 10.08.08, 14.09.08, 12.10.08, 09.11.08, 14.12.08, 11.01.09, 08.02.09, 08.03.09

DATES OF COMMITTEE MEETING HELD :

27.04.08, 25.05.08, 22.06.08, 27.07.08, 24.08.08, 26.09.08, 28.10.08, 23.11.08, 28.12.08, 26.01.09, 22.02.09, 22.03.09

DATE AND VENUE OF LAST 3 AGMS :

Sl	Date of AGM	Location	Time
1	25 th Sep, 2006	"Janaranjani Hall", Town Hall Road, Kumbakonam	3.30 P.M.
2	27 th Sep, 2007	"Janaranjani Hall", Town Hall Road, Kumbakonam	4.00 P.M.
3	26 th Sep, 2008	"Janaranjani Hall", Town Hall Road, Kumbakonam	4.00 P.M.

Jewel Auctions conducted during the Audit Year

Jewel Loan issued upto	Auctioned on
31/03/2007	24/05/2008
30/06/2007	23/08/2008
30/09/2007	27/12/2008



ARASU & ARUNACHALAM
CHARTERED ACCOUNTANTS

33 (13), Kamashi Josier Street,
Kumbakonam - 612 001.
Tel : 0435-2420907, 2430990
Mobile : 94434 29092

AUDITOR'S REPORT

To the members of
TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

We have audited the attached Balance Sheet of TOWN BENEFIT FUND (KUMBAKONAM) LIMITED as at 31st March 2009, the Profit and Loss Account *AND ALSO THE CASH FLOW STATEMENT FOR THE YEAR ENDED ON THAT DATE* annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as was considered appropriate and on the basis of information and explanations given during the course of audit, we report on the matters applicable to the company.
3. In respect of fixed assets:

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

As explained to us, all the fixed assets have been physically verified by the management during the year at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such physical verification.

In our opinion the Company has not disposed off any substantial / major part of fixed assets during the year and the going concern status of the company is not affected.



4. The company has neither granted nor taken any loans – secured or unsecured, to from companies, firms or other parties covered in the register maintained under Sec. 301 of the Companies Act.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of fixed assets.
6. The company has not accepted deposits from public but only from its members. The provisions of Section 58A are not applicable to this company. The company has complied with the directives issued by the Reserve Bank of India and Central Government as regards to acceptance of deposits. No order has been passed by the Company Law Board or Reserve Bank of India or any court or any other Tribuna U/s. 58AA.
 - A. According to the information and explanations given to us, the company was generally regular in depositing dues in respect of Employees Provident Fund, Income Tax, and other statutory dues with the appropriate authority during the year.
 - B. According to the records examined by us and the information and explanations given to us, there are no disputed amounts due in respect of income tax, wealth tax, sales tax, excise duty.
7. Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions. The company has not issued any debentures.
8. Based on our examination of documents and records, we are of the opinion that the company has maintained adequate records for recording of data on advances against immovable properties, jewels and its own Fixed Deposits.
9. The company is Nidhi Company.
 - a. The net owned funds to deposit liability ratio is more than 1:20 as at 31.03.2009.
 - b. Based on the information and explanations and on the basis of our audit procedures we are of the opinion that the company has complied with the principles of prudential norms on income recognition and provisioning against sub-standard, doubtful/loss assets.



10. According to the information and explanations given to us and on examination of balance sheet, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.

We further report that clauses (ii), (v), (vi), (viii), (x), (xiv), (xv), (xvi) and (xviii) to (xxi) of Companies (Auditor Report) order, 2003 are not applicable to the company.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account, as required by the law, have been kept by the company, so far as appears from our examination of those books.

The Balance Sheet, the Profit & Loss Account and *THE CASH FLOW STATEMENT* dealt with by this report are in agreement with the books of account.

In our opinion, the Balance Sheet, the Profit & Loss Account and *THE CASH FLOW STATEMENT* dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956

In our opinion, and based on information and explanation given to us, none of Directors are disqualified as on 31st March 2009 from being appointed as Directors in term of section 274(1)(g) of The Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In so far as it relates to Balance Sheet, of the state of affairs of the company as at 31st March 2009;
- (ii) In so far as it relates to the Profit & Loss Account, the profit of the company for the year ended on that date; and
- (iii) In so far as it relates to the cash flow statement, the cash flow of the company for the year ended on that date.

Place : Kumbakonam
Date : 14-08-2009

For Arasu & Arunachalam
Chartered Accountants
Sd.
CA.AR.VISWANATHAN
Partner
Membership No. 209435



B.K.SUNDARAM & ASSOCIATES
COMPANY SECRETARIES.
B.KALYANASUNDARAM,
B.Com.,AICWA.,ACS.,

OFFICE:
29,PANDAMANGALAM, AGRAHARAM,
WORIUR,TRICHY-620003.
PHONE:- 0431- 2761590.

To

The Members

M/s. TOWN BENEFIT FUND (KUMBAKONAM) LIMITED.

Sub : Compliance Certificate.

Ref : TOWN BENEFIT FUND (KUMBAKONAM) LTD. Company Regn. No.: 18 – 25555.

We have examined the registers, records, books and papers of the above said company as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the afore-said financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act and the Rules made there under.
3. The Company being a Public Limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 12 (TWELVE) times on 13/04/2008, 11/05/2008, 08/06/2008, 13/07/2008, 10/08/2008, 14/09/2008, 12/10/2008, 09/11/2008, 14/12/2008, 11/01/2009, 08/02/2009 and 08/03/2009 in respect of which meetings proper notices were given and the proceedings were duly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from 18/09/2008 to 25/09/2008 (both days inclusive) during the year under scrutiny.
6. The Annual General Meeting for the financial year ended on 31st March 2008 was held on 26/09/2008 after giving notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary meeting was held during the financial year under scrutiny.
8. The Company has not advanced any loan to its Directors and/or persons or firms or Companies referred in the section 295 of the Act.
9. The Company has not entered into contract attracting the provisions of section 297 of the Act during the year under scrutiny.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.



11. The company did not attract the provisions of Section 314 of the Act during the year under scrutiny.
12. No duplicate Share Certificate was issued during the year under scrutiny.
13. (i) The company has delivered all certificates on allotment of securities and on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
(ii) The Company has not deposited any amount in a separate Bank Account in respect of the dividend declared during the year under scrutiny.
(iii) The Company paid the dividend by cash / by cheques / by credit to the S.B. Accounts of the concerned members with the company, to all the members within a period of 30 days (thirty days) from the date of declaration and there was no unclaimed or unpaid dividend.
(iv) The Company has no amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon remaining unclaimed or unpaid for a period of seven years to warrant transfer to Investor Education and Protection Fund.
(v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointments of Directors, Additional Directors, Alternate Directors and Directors to fill casual vacancies have been duly made.
15. The appointments of Whole-time Directors have been made in compliance with the provisions of Sec. 269 read with Schedule XIII to the Act. Proof of filing of Form No.25-C not available for scrutiny.
16. The Company has no sole-selling agents.
17. The Company had no need to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities during the year under scrutiny.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has issued 29,92,596 Equity Shares of Re.1/-each during the financial year. Proof of filing of Form No.2 not available for scrutiny.
20. The company has bought back NIL shares during the financial year ending on 31/3/2009.
21. The company has redeemed NIL preference shares/debentures during the year under scrutiny.
22. The company had no occasion to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Department of Company Affairs has notified the company as NIDHI under Section 620A of the Companies Act, 1956 with effect from 3/2/2004. The Company has received deposits only from its members in compliance with the directives issued by the Reserve Bank of India with regard to acceptance of deposits by NIDHI Companies.
24. The amount borrowed by the Company from directors, members, Banks and others during the financial year ending on 31-3-2009 are within the borrowing limits of the company.



25. The company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate during the year under scrutiny.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny. Proof of filing of Form No.23 not available for scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny
30. The Company has not altered its Articles of Association of the Company during the year under scrutiny.
31. No prosecution was initiated against or show cause notices received by the company for alleged offences under the Act and No fines and penalties or any other punishment were imposed on the company during the year under scrutiny.
32. The company has not received any money as security from its employees during the year under scrutiny.
33. The Company does not attract the provisions of Section 418 of the Companies Act, 1956.

ANNEXURE A

REGISTERS AS MAINTAINED BY THE COMPANY

1. REGISTER OF MEMBERS U/S. 150.
2. BOARD MEETING MINUTES BOOK U/S 193 AND ATTENDANCE.
3. SHAREHOLDERS' MEETING MINUTES BOOK U/S 193 AND ATTENDANCE
4. REGISTER OF DIRECTORS, MANAGING DIRECTOR & SECRETARY U/S 303.
5. REGISTER OF DIRECTORS' SHARE HOLDINGS U/S 307.
6. REGISTER OF SHARE TRANSFERS
7. REGISTER OF INVESTMENTS
8. REGISTER OF ISSUE OF DUPLICATE SHARE CERTIFICATE
9. BOOKS OF ACCOUNTS.

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies:

NIL

Place: TRICHY
Date : 10-08-2009

Signature : Sd/-
Name of Company Secretary : B.KALYANASUNDARAM
C. P. No. : 2209.



BALANCE SHEET AS AT 31ST MARCH 2009

Sources of Funds ■	Sch. Ref	As At 31-03-2009	As At 31-03-2008
Share Capital ■	1	94,46,043	64,53,447
Reserves & Surplus ■	2	86,53,427	60,37,034
Deposits ■	3	33,34,51,838	23,00,78,426
Borrowings ■	4	31,06,285	12,29,485
Other Liabilities & Provisions ■■■ ■■■	5	57,36,807	43,11,369
Total ■		36,03,94,401	24,81,09,761
Application of Funds ■		As At 31-03-2009	As At 31-03-2008
Cash & Bank Balances ■■■	6	6,68,40,890	3,87,60,790
Investments ■	7	-	12,72,469
Loans & Advances ■■	8	26,81,85,338	18,39,69,383
Fixed Assets ■■	9	1,36,36,576	1,13,22,240
Other Current Assets ■■	10	1,17,31,597	1,27,84,879
Total ■		36,03,94,401	24,81,09,761

Signature to Balance Sheet and Schedules there to and notes of accounts
As per our report of even date.

Sd.
Sri. CA. AR. VISWANATHAN
Partner. M.No.209435

ARASU & ARUNACHALAM
Chartered Accountants

Place : Kumbakonam
Date : 14-08-2009

Directors:

Sd. Sri. Dr. P. RAVICHANDRAN M.S.,
Sd. Sri. B. MUKUNTHARAMANUJAM
Sd. Sri. N. RENGASAMY
Sd. Smt. Y. KANNIGA

Sd.
Sri. CA. M. RAMAN
Chairman
Sd.
Sri. G. SWAMINATHAN
General Manager

Sd. Sri. T. MANICKAVASAGAM
Sd. Sri. M. SURESHKUMAR
Sd. Sri. G. BASKARAN

Sd.
Sri. S. M. SWAMINATHAN
President

Sd. Sri. S. R. SRIDHARAN
Sd. Sri. R. VIJAYAKUMAR
Sd. Sri. V. MOHANRAM



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2009

Income II	Sch Ref	31-03-2009	31-03-2008
Interest Earned ■	11	4,32,02,281	3,14,96,964
Other Income ■	12	8,01,904	4,69,258
		4,40,04,185	3,19,66,222
Expenditure ■		31-03-2009	31-03-2008
Interest paid ■	13	2,92,47,219	2,17,37,009
Establishment expenses ■■	14	41,80,496	32,50,632
Operating Expenses ■■	15	4,82,574	4,12,706
Administration Expenses■■■	16	59,63,849	41,58,872
Depreciation ■		4,13,602	4,97,934
		4,02,87,739	3,00,57,152
Net Profit for the year ■		37,16,446	19,09,070
Opening Balance ■■		12,80,525	11,60,769
TOTAL ■		49,96,971	30,69,839
Appropriations ■			
General Reserve ■		11,00,053	7,05,000
Dividend Equalisation Reserve ■		1,25,000	1,25,000
Charitable Reserve ■■		62,500	62,500
Proposed Dividend ■		11,00,053	8,96,814
Balance Carried over to Balance Sheet		26,09,365	12,80,525

Signature to Profit & Loss Account & Schedule their to & notes of Accounts as per our report of even date.

Sd.
Sri.CA.AR.VISWANATHAN
Partner. M.No.209435

ARASU & ARUNACHALAM
Chartered Accountants

Place : Kumbakonam
Date : 14-8-2009

Directors:
Sd. Sri.Dr.PRAVICHANDRAN M.S.,
Sd. Sri.B.MUKUNTHARAMANUJAM
Sd. Sri.N.RENGASAMY
Sd. Smt.Y.KANNIGA

Sd.
Sri.CA.M.RAMAN
Chairman
Sd.
Sri.G.SWAMINATHAN
General Manager

Sd.
Sri.S.M.SWAMINATHAN
President

Sd.Sri.T.MANICKAVASAGAM
Sd.Sri.M.SURESHKUMAR
Sd.Sri.G.BASKARAN

Sd.Sri.S.R.SRIDHARAN
Sd.Sri.R.VIJAYAKUMAR
Sd.Sri.V.MOHANRAM



SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2009

1. Share Capital ■

	As At 31-03-2009	As At 31-03-2008
Authorised : 100,00,000 Equity Shares of Re.1 each ■	1,00,00,000	1,00,00,000
Issued,Subscribed, Paidup - 94,46,043 Shares of Re.1 each (Previous year- 64,53,447 shares) ■	94,46,043	64,53,447

2. Reserves and Surplus ■

	As At 31-03-2009	As At 31-03-2008
General Reserve ■		
Opening Balance ■	31,99,000	24,94,000
Appropriation of the year ■	11,00,053	7,05,000
Closing Balance ■	42,99,053	31,99,000
Other Revenue Reserves ■		
Opening Balance ■	8,56,340	6,68,840
Appropriation of the year ■	1,87,500	1,87,500
Closing Balance ■	10,43,840	8,56,340
Bad Debts Reserve ■	7,01,169	7,01,169
Profit & Loss Account ■	26,09,365	12,80,525
TOTAL ■	86,53,427	60,37,034

3. Deposits ■

	As At 31-03-2009	As At 31-03-2008
Fixed Deposits ■	12,66,67,842	8,08,85,363
Cumulative Deposits ■	17,30,66,919	12,31,86,392
Savings Deposits ■	2,13,67,260	1,73,26,385
Recurring Deposits ■	98,64,555	72,71,352
Special Savings Deposits ■	24,85,262	12,74,900
Deposits Matured but not claimed ■	0	1,34,034
TOTAL ■	33,34,51,838	23,00,78,426

4. Borrowings ■

	As At 31-03-2009	As At 31-03-2008
Loan from Banks (OD against deposits)	31,06,285	12,29,485
TOTAL ■	31,06,285	12,29,485



SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2009

5. Other Liabilities & Provisions

	As At 31-03-2009	As At 31-03-2008
Creditors for expenses	17,21,395	10,25,975
Locker Deposit	1,500	1,500
Interest accrued & not due	8,12,370	4,99,076
Deffered Tax Liability	1,34,087	5,36,025
Provisions		
Taxation & Dividend Tax	15,25,603	10,79,573
Gratuity	4,41,799	2,72,406
Proposed Dividend	11,00,053	8,96,814
TOTAL	57,36,807	43,11,369

6. Cash & Bank Balances

	As At 31-03-2009	As At 31-03-2008
Cash on Hand	37,26,049	25,53,291
Balances with banks		
In Current accounts	61,08,641	7,01,299
In Deposit accounts	5,70,06,200	3,55,06,200
TOTAL	6,68,40,890	3,87,60,790

7. Investments

	As At 31-03-2009	As At 31-03-2008
Unquoted- at Cost Sardar Sarovar Narmada Nigam Ltd (30 deep discount bonds of Rs 111,000 each @ Face Value)	—	12,72,469
TOTAL	—	12,72,469

8. Loans & Advances

	As At 31-03-2009	As At 31-03-2008
Secured & Considered good, for which the company holds security of value atleast equal to the amount stated in the balance sheet		
Jewel Loans	25,87,48,040	17,65,22,814
Loan against Deposits	91,67,792	71,92,822
Mortgage Loans	2,53,748	2,53,748
Loans - SL	15,759	0
TOTAL	26,81,85,338	18,39,69,383



SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2009

10. Other Assets ■

	As At 31-03-2009	As At 31-03-2008
Advances recoverable in cash or in kind or for value to be received Unsecured and considered good		
Interest Accrued ■	78,31,756	82,32,571
Deposits ■	15,14,535	15,29,035
Prepaid Expenses ■■	89,363	84,196
Staff Advance ■■	95,348	1,22,031
Income tax ■	20,60,987	15,39,039
Suit Accounts - Expenses Recoverable	51,569	51,419
Stock of Stationery ■■	75,039	69,803
Un Secured Advance ■■	13,000	11,56,785
Total ■	1,17,31,597	1,27,84,879

SCHEDULE 9 : FIXED ASSETS (நிலையான சொத்து)

DEPRECIATION SCHEDULE FOR THE YEAR ENDED 31-3-2009

ASSET சொத்து	GROSS BLOCK (கூல ஆக்கவினை)				DEPRECIATION (தேயமானம்)				NET BLOCK (நீத ஆக்கி)	
	OPENING ஆரம்பம்	ADDITIONS கூடுதல்	DELETION கழித்தல்	CLOSING முடிவு	01-04-2008 முடிவு	CURRENT YEAR தற்போதைய முடிவு	WITHDRAWN (தேயம் உண்டாகி) முடிவு	31-3-2009 முடிவு	31-3-2009 முடிவு	31-3-2008 முடிவு
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (தீர்)	14,00,693	-	-	14,00,693	-	-	-	-	14,00,693	14,00,693
Building (கட்டிடம்)	29,07,606	18,38,913	-	47,46,519	2,12,343	59,880	-	3,12,223	44,34,296	26,55,263
Furniture & Fixtures (பொருட்கள்)	27,31,961	5,16,919	2,29,966	30,18,934	9,01,619	1,25,785	2,03,794	8,23,609	21,95,325	18,30,362
Vehicle (வாகனம்)	2,79,207	49,081	16,990	2,71,298	62,104	22,295	13,061	70,938	2,00,332	2,16,703
Computers & Equipments (கணினி கருவிகள்)	21,07,233	4,39,265	1,01,529	21,24,969	9,76,014	2,05,642	4,14,197	7,27,059	13,97,910	12,11,219
TOTAL (கூடுதல்)	1,39,14,720	28,44,178	7,08,493	1,60,50,405	21,92,400	4,13,602	6,72,253	19,33,829	1,36,36,176	1,13,22,240

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009****11. Interest Earned ■**

	As At 31-03-2009	As At 31-03-2008
Interest on Advances ■	3,95,13,241	2,71,70,060
Interest on Deposits ■	34,61,509	43,13,194
Government Public Sector Securities ■	2,27,531	0
Income Tax Refund (interest) ■	0	13,710
TOTAL ■	4,32,02,281	3,14,96,964

12. Other Income ■

	As At 31-03-2009	As At 31-03-2008
Documentation Fees ■	25,182	23,553
Expenses Recovered ■	1,178	27,246
Sale of Forms ■	2,15,170	4,14,180
Profit on Sale of Investments ■	0	0
Profit on Sale of Asset ■	0	4,279
Miscellaneous Income ■	5,60,374	0
TOTAL ■	8,01,904	4,69,258

13. Interest Expended ■

	As At 31-03-2009	As At 31-03-2008
Term Deposits ■	2,72,39,514	2,01,01,669
Savings & Recurring Deposits ■	17,76,409	12,08,915
Bank Overdraft ■	2,31,296	4,26,425
TOTAL ■	2,92,47,219	2,17,37,009

14. Establishment ■

	As At 31-03-2009	As At 31-03-2008
Salary & Stipend ■	28,02,673	21,33,782
Bonus & Incentive ■	4,59,915	4,76,959
Contribution to PF & Other funds ■	3,14,688	2,47,798
Provision for Gratuity ■	1,91,555	95,064
Welfare & Amenities ■	1,35,665	81,029
Directors' Remuneration ■	2,76,000	2,16,000
TOTAL ■	41,80,496	32,50,632



SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

15. Operating Expenses ■

	As At 31-03-2009	As At 31-03-2008
Business Development ■	23,101	2,57,924
Compliments ■	2,31,946	1,20,309
Branch Inaugural & Shifting Expenses ■	1,68,619	0
SSD Collection charges ■	58,908	34,473
TOTAL ■	4,82,574	4,12,706

16. Administrative Expenses ■

	As At 31-03-2009	As At 31-03-2008
Rent ■	4,95,226	3,19,763
Electricity ■	2,37,331	2,06,934
Rates ,Taxes & Filing Fees ■	1,09,100	1,37,267
Insurance ■	1,20,575	1,15,760
Travelling & Conveyance ■	1,90,200	1,70,263
Communication ■	1,97,358	1,49,741
Printing & Stationery ■	3,78,005	2,67,457
Director Sitting Fees ■	7,44,000	7,62,000
Audit Fees ■	36,000	27,000
Internal Audit Fees ■	64,925	19,250
Legal & Professional Charges ■	28,500	9,200
Repairs-Building & Other Assets ■	4,85,123	1,93,336
Loss on Sale of Asset ■	70,940	7,650
Bank Charges ■	1,45,467	40,218
General Charges ■	10,01,410	5,00,370
Provision for taxes ■	15,25,603	12,32,663
Provision for Deferred taxes ■	1,34,087	0
TOTAL ■	59,63,849	41,58,872



CASH FLOW STATEMENT (■)

	2008-09	2007-08
Cash from Operating activity ■		
Retained Earnings ■	26,16,393	10,12,256
Depreciation ■	4,13,602	4,85,615
Deferred tax liability ■		51,485
Funds advanced to Members ■	(8,42,15,955)	(3,58,27,944)
Deposits from Members ■	10,33,73,412	4,17,18,193
Operating profit before working capital changes ■	2,21,87,452	74,39,605
Working capital changes ■		
Bank account ■	(54,07,342)	8,98,589
Current Assets ■	10,53,282	(30,71,313)
Current liabilities ■	14,25,438	4,89,144
Net Cash from operations ■■■	1,92,58,830	57,56,025
Cash from Investment activity ■		
Purchase of Fixed Assets ■	(28,44,178)	(41,56,485)
Sale of Fixed Assets ■	1,16,240	0
Redemption of Investments ■	12,72,469	
Bank Fixed Deposits ■	(2,15,00,000)	17,00,000
Net cash used in Investment Activities ■■■	(2,29,55,469)	(24,56,485)
Cash from Financing activity ■		
Proceeds from Issue of Share capital ■■■	29,92,596	7,14,291
Bank Loan ■	18,76,800	(39,13,171)
Net cash flow from Financing activities ■■■	48,69,396	(31,98,880)
Net increase in cash and cash equivalents ■■■■■	11,72,757	1,00,660
Cash balance during beginning of the year ■■■■■	25,53,289	24,52,629
Cash balance at the closing of year ■■■■■	37,26,046	25,53,289

(3)

(2)



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL:-

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

2. REVENUE RECOGNITION:-

The company follows historical cost convention and adopts mercantile system of accounting, recognizing income and expenditure on their accrual.

3. FIXED ASSETS:-

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

4. DEPRECIATION ON FIXED ASSETS:-

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

5. INVESTMENTS:-

Investments are redeemed by the company at the contracted price.

6. RETIREMENT BENEFITS:-

The liabilities towards retirement benefits are accounted for in according with AS-15, The provision for gratuity made on accrual basis.

7. FOREIGN CURRENCY TRANSACTIONS:-

No foreign currency transactions.

8. TAXES ON INCOME:-

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



(B) NOTES ON ACCOUNTS

1. Sundry Creditors, Sundry Debtors, Loans & Advances have been taken at their book value subject to confirmation and reconciliation.
2. The classification of account head Bad Debts was reclassified from Current Liabilities & Provisions to Reserve and Surplus as Bad Debts Reserve.
3. Payment to Directors

Directors Remuneration	2007-08 (Rs.)	2008-2009 (Rs.)
Salary	2,16,000	2,76,000
Director sitting fees	7,62,000	7,44,000
Total	9,78,000	10,20,000

4. Major components of Deferred tax

Particulars	As at 31.03.2008 (Rs.)	As at 31.03.2009 (Rs.)
A) Deferred Tax Liability		
Depreciation	44,568	1,86,430
B) Deferred Tax Assets		
Gratuity	(6,917)	(52,343)
Net Deferred Tax liabilities/(assets) (A-B)	51,485	1,34,087

5. The SSI status of the creditors is not known to the company, hence the information is not given.

Previous year figures have been regrouped or rearranged wherever necessary.

Signature to Schedule 1 to 16 In terms of Our Separate Report of Even Date Attached

For ARASU & ARUNACHALAM

For TOWN BENEFIT FUND KUMBAKONAM LIMITED

(CA. AR.Viswanathan)
Partner
Membership No. 209435

(CA. M.Raman)
Chairman

Place : Kumbakonam
Date : 14-08-2009



ARASU & ARUNACHALAM
CHARTERED ACCOUNTANTS

33 (13), Kamashi Josier Street,
Kumbakonam - 612 001.
Tel : 0435-2420907, 2430990
Mobile : 94434 29092

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

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

During the course of Statutory Audit of Town Benefit Fund (Kumbakonam) Limited for the Financial year 2008-09, we have verified the relevant records of the company and also obtained all the relevant information and explanations with reference to the various directions contained in the notifications referred to above.

We hereby certify :

- that the said company had complied with the directions referred as per the notifications referred above.
- that the said company had complied with the directions of Ministry of Corporate affairs issued from time to time.
- that the accounts for the year ended 31.03.2009 the Company has complied the provisions in respect of non-performing asset in accordance with the prudential norms laid down
- that the company has maintained its books of accounts and prepared the financial statement in accordance with recognised principles of accounting.

Place : Kumbakonam
Date : 14-8-2009

For ARASU & ARUNACHALAM
Chartered Accountants
Sd.
CA.AR.VISWANATHAN
Partner
Membership No. 209435



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 18/25555 (1993) CIN No : U65991 TN 1993 PLC 02555
Balance Sheet Date : 31.03.2009

II. CAPITAL RAISED DURING THE YEAR :

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	29,92,596

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS

(Amount Rs. in Thousands)

Total Liabilities	360394	Total Assets	360394
SOURCES OF FUNDS		APPLICATION	
Paid-up-Capital	9446	Net Fixed Assets	13636
Reserves & Surplus	8653	Current Assets	346758
Deposit	333452		
Borrowings	3106		
Other Liability	5737		

IV. PERFORMANCE OF COMPANY (Amount Rs. in Thousands)

Turnover	Rs.	44004	Total Expenditure	Rs.	38628
Profit before tax	Rs.	5376	Profit after tax	Rs.	3716
Earning per share		0.39	Dividend @ %		15%

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

(As per monetary items)

Items Code No. (ITC Code)
Product Description

Not Applicable as the company is engaged only in accepting from members and lending monies to them against Security of Immovable properties, Jewels and the member's own deposits

Sd.
Sri.CA.AR.VISWANATHAN
Partner. M.No. 209435

Sd.
Sri. CA.M.RAMAN
Chairman

Sd.
Sri.S.M.SWAMINATHAN
President

ARASU & ARUNACHALAM
Chartered Accountants

Sd.
Sri.G.SWAMINATHAN
General Manager

Place : Kumbakonam
Date : 14-08-2009

Directors:

Sd. Sri.Dr.PRAVICHANDRAN M.S.,
Sd. Sri.B.MUKUNTHARAMANUJAM
Sd. Sri.N.RENGASAMY
Sd.Smt.Y.KANNIGA

Sd.Sri.T.MANICKAVASAGAM
Sd.Sri.M.SURESHKUMAR
Sd.Sri.G.BASKARAN

Sd.Sri.S.R.SRIDHARAN
Sd.Sri.R.VIJAYAKUMAR
Sd.Sri.V.MOHANRAM



NOTES

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the company.
2. The record date for the purpose of the meeting and declaration and payment of dividend is 16-9-2009.
3. The register of members and the share transfer books of the company shall remain closed from Wednesday the 16th September, 2009 to Wednesday 23rd September, 2009 (both days inclusive)
4. Members are requested to intimate immediately to the company, quoting Registered Folio Number, changes in their address, if any with the Pincode Number.
5. Members holding shares in the same name(s) and in the same order under different ledger folios are requested to apply for consolidation of such folios enclosing the relevant share certificates.
6. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries to the Chairman of the company at least seven days before the date of the meeting, so that the information required by the least seven days before the date of the meeting, so that the information required by the members may be made available at the meeting.
7. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report and hand over the same at the entrance of the hall duly filled in and signed.
8. No instrument of proxy shall be valid unless in the case of an individual shareholder it is signed by him or by his attorney duly authorized in writing or in the case of holders it is signed by the shareholders first named in the Register or his attorney duly authorized in writing, or in the case of our Company it is executed under its common seal, if any, or signed by its attorney duly authorized in writing.
9. Provided that in instrument of proxy shall be sufficiently signed by any shareholder, who is, for any reason, unable to write his name, if his mark is affixed hereto and attested by a Judge, Magistrate, Justice of the peace, Registrar, or Sub-Registrar of Assurances, or other Government Gazetted Officer or an Officer of the Town Benefit Fund (Kumbakonam) Limited.
10. A Proxy, unless appointed by our Company, should be a Shareholder of the Town Benefit Fund (Kumbakonam) Limited.
11. No proxy shall be valid unless it is duly stamped and unless it, together with the power of attorney or other authority (if any) under which it is signed, or a copy of that power of attorney or authority certified by a Notary Public or a Magistrate is deposited with the Central Office or other office designed from time to time by the Chairman or President in his behalf, not less than 48 hours before the date fixed for the meeting. (In case a power of attorney is already registered with the Company the Folio No. and Registration No. of the power of attorney be also mentioned)

The following are authorized to accept the proxy form, power of attorney or other authority :

- (a) Shareholders / Proxy are requested to bring this attendance slip (completed) with them when they come to in the meeting and hand it over at the gate after affixing the signatures thereon.
- (b) The Proxy from must be Deposited at the Registered Office of the Company 157, T.H.S.S. Road, Kumbakonam - 612 001 not less than 48 hours before the time for holding the meeting.



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED, KUMBAKONAM.

Registered Office : No. 157, T.H.S.S. Road,
KUMBAKONAM - 612 001.

I / We.....
of.....being member / members of Town Benefit Fund
(Kumbakonam) Limited hereby appoint.....of.....or failing
him.....as my / our proxy to attend vote for me / us and on
my / our Behalf at the 16th Annual General Meeting of the Company to be held on Wednesday
the 23rd September 2009 at 4.00 pm.

Signed thisday of.....2009

Member's Folio Number.....

No. of Shares held.....

Affix
One Rupee
Revenue
Stamp

Signature

TOWN BENEFIT FUND (KUMBAKONAM) LIMITED, KUMBAKONAM.

Registered Office : No. 157, T.H.S.S. Road,
KUMBAKONAM - 612 001.

ATTENDANCE SLIP

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

I hereby record my presence at the 16th Annual General Meeting of the Company to be held at
Janaranjani Hall, (Opp. Gandhi Park) Town Hall Road, Kumbakonam on Wednesday
23rd September 2009 at 4.00 pm.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)

NAME OF THE PROXY

(To be filled by the proxy)

SIGNATURE OF THE MEMBER / PROXY

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

**உறுப்பினர்களுக்கு ஓர் வேண்டுகோள் !**

உங்களுக்குத் தேவையான சேவையை புரிந்திட கீழ்க்கண்ட படிவத்தை பூர்த்தி செய்து அனுப்பிட வேண்டுகிறோம்.

உறுப்பினர் பெயர் :

முகவரி :

உறுப்பினர் எண் :
(Folio No.)

பங்குத் தொகை :
(No. of Shares)

உறுப்பினர்களுக்கு ஓர் அரிய வாய்ப்பு

நமது நிறுவனம் 29-08-1993 முதல், உறுப்பினர்களுக்கு பல நல்ல திட்டங்களை அறிமுகப்படுத்தி மிக வேகமாக வளர்ந்து வருவதை தாங்கள் அறிவீர்கள்.

தற்போதம் நமது நிறுவனம் 9 சினைகளுடன் கியங்ஷி வருகிறது. நடப்பு ஆண்டில் மேலும் 5 புதிய சினைகளை துவக்கி உறுப்பினர்களின் சேவையை மேலும் விரிவு படுத்த திட்டமிடப்பட்டுள்ளது.

உங்கள் பேராதரவினால் கடந்த 5 ஆண்டுகளாக 15% ஈவுத்தொகை (Dividend) வழங்கி வருகிறது. வரும் ஆண்டுகளில் ஈவுத்தொகை அதிகரிக்க அதிக வாய்ப்புள்ளது.

நமது நிறுவனத்தின் முதலீடு செய்வது முற்றிலும் பாதுகாப்பானது, ஏனெனில் நமது நிறுவனம் உறுப்பினர்களின் நகைகள், மற்றும் வைப்பு நிதிகளின் மேல் மட்டுமே கடன் வழங்குகிறது.

நமது நிதி நிறுவனத்தின் பங்கின் புத்தக மதிப்பு ரூ. 1.92 ஆக உள்ளது. சும்பகோணம் பதிவு அலுவலகம், நகர சினை மற்றும் திருவாரூர் சினை ஆகியவை நிறுவனத்தின் சொந்த கட்டிடத்தில் கியங்ஷி வருகிறது. மேலும் பட்டுக்கோட்டை சினைக்காக இடம் வாங்கப்பட்டுள்ளது. மேற்படி சொத்துக்களின் தீன்றைய மதிப்பிணையும் கணக்கிட்டால் நமது நிறுவனத்தின் பங்கு மதிப்பு ரூ. 3.00/- ஆக இருக்கும்.

நமது நிறுவனத்தின் நன்மதிப்பு (Goodwill) மற்றும் உறுப்பினர்களின் மனிதவள ஆதரவின் (Human Resource) மதிப்பையும் கணக்கிட்டால் இது மேலும் பல மடங்கு உயரும்.

நமது நிறுவனம் நடப்பு நிதி ஆண்டில் பங்கு மூலதனத்தை ரூபாய் 1 கோடியிலிருந்து 2 கோடியாக உயர்த்த தீர்மானிக்கப்பட்டுள்ளது.

நமது நிதி நிறுவனம் ஒவ்வொரு உறுப்பினர்களுக்கும் ஒரு ரூபாய் மூக மதிப்புள்ள 50,000 பங்குகளை வழங்க தீர்மானிக்கப்பட்டுள்ளது. உறுப்பினர்கள் அனைவரும் இந்த அரியவாய்ப்பினை பயன் படுத்தி இந்த திட்டத்தால் பயனடைந்து ரூ. 1,50,000/- மதிப்புள்ள பங்குகளை ரூ. 50,000/- க்கே பெற்று இந்த திட்டத்தால் பயனடைந்து நிறுவனத்தின் வளர்ச்சிக்கு பேராதரவு தரும்படி நிறுவனத்தின் சார்பில் உங்களைக் கேட்டுக்கொள்கிறோம்.

நமது நிறுவனம் அளிக்கின்ற ஈவுத்துகைக்கு வருமான வரி பிடித்தம் நிறுவனம் செலுத்துவதால் உறுப்பினர்களுக்கு வருமான வரி கிடையாது.

இப்படிக்கு,

தலைவர் **S.M.சுவாமிநாதன்**

மற்றும் **இயக்குநர்கள்,**



TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

FINANCIAL PERFORMANCE & RATIOS FOR THE PAST 10 YEARS

(Rs. in Lakhs)

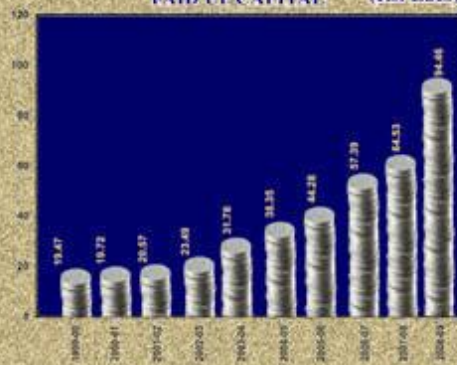
PARTICULARS / YEAR	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Interest Income	54.54	55.49	69.14	84.39	119.85	163.43	202.51	256.84	314.97	432.02
Interest Expense	37.46	36.29	45.48	56.89	76.78	101.23	123.26	165.84	217.37	292.47
Net Interest Income	17.09	19.21	23.66	27.50	43.08	62.20	79.26	90.99	97.60	139.55
Other Income	1.71	1.65	1.67	2.95	3.23	3.58	7.12	2.56	4.69	8.02
Net Revenue	18.79	20.85	25.33	30.45	46.31	65.78	86.37	93.56	102.29	147.57
Establishment Expense	4.82	6.07	6.75	9.45	11.70	15.71	19.87	23.64	30.35	41.80
Operating Expense	7.25	5.27	7.04	6.61	12.62	14.26	5.42	6.20	4.13	4.83
Administration Expense	4.91	4.43	5.04	6.87	10.49	15.23	22.07	24.79	29.26	43.04
Depreciation	0.48	0.59	1.17	1.20	1.55	1.68	3.49	5.69	4.98	4.14
Operating Cost	17.46	16.36	20.00	24.13	36.36	46.88	50.85	60.32	70.88	93.81
Profit Before Taxes	1.33	4.49	5.33	6.32	9.95	18.90	35.52	33.24	31.42	53.76
Provision For Taxation	0.16	0.14	1.40	1.38	3.30	6.26	10.81	11.68	12.33	16.60
Profit After Taxes	1.17	4.35	3.94	4.94	6.65	12.64	24.71	21.55	19.09	37.16
Funds :										
Paid up Capital	19.47	19.72	20.57	23.49	31.78	38.35	44.28	57.39	64.53	94.46
Reserves & Surplus	3.03	5.18	6.97	7.57	11.62	20.00	29.12	43.23	60.37	86.53
Net Worth	22.50	24.90	27.54	31.06	43.40	58.35	73.39	100.63	124.90	180.99
Deposits	306.86	393.89	442.06	650.60	863.13	1128.00	1452.51	1883.60	2300.78	3334.52
Loans	158.05	156.97	215.69	395.64	633.77	851.14	1158.93	1481.41	1839.69	2681.85
Investments	25.66	77.14	59.00	33.00	29.00	30.00	12.72	12.72	12.72	0
Key Ratios										
Earnings per Shares (EPS)	0.06	0.22	0.19	0.21	0.21	0.32	0.56	0.38	0.29	0.39
Return on Average Networth	5.49%	18.37%	15.01%	16.87%	17.87%	24.85%	37.52%	24.77%	17.39%	24.29%
Dividend per Shares (Rs.)	-	0.10	0.10	0.10	0.10	0.12	0.15	0.15	0.15	@ 0.15
Dividend Pay Out Ratio	-	1.32	1.46	1.16	0.86	0.54	0.35	0.40	0.49	0.38
Book Value Per Share	1.16	1.26	1.34	1.32	1.37	1.52	1.66	1.75	1.93	1.92
Price to Earning Ratio (PE Ratio)	16.66	4.54	5.26	4.76	4.76	3.12	1.78	2.63	3.29	2.54
Incremental Ratios										
Deposits in %	7.45%	28.36%	12.23%	47.17%	33.44%	29.93%	28.77%	29.68%	22.15%	44.93%
Advances in %	-5.43%	-0.68%	37.41%	83.43%	60.19%	34.30%	36.16%	27.83%	24.18%	45.78%
Cost of Fund procurement	12.21%	9.21%	10.29%	8.74%	8.84%	8.97%	8.49%	8.80%	9.45%	10.30%
Revenue from Deployment of Funds	18.24%	16.63%	16.43%	15.79%	15.25%	16.55%	15.75%	13.85%	14.34%	17.48%
Net yield	6.63%	7.42%	6.14%	7.05%	6.41%	7.58%	7.26%	5.05%	4.89%	7.18%
No. of Branches	2	2	3	4	4	4	6	6	8	9

@ As recommended by the Board of Directors.

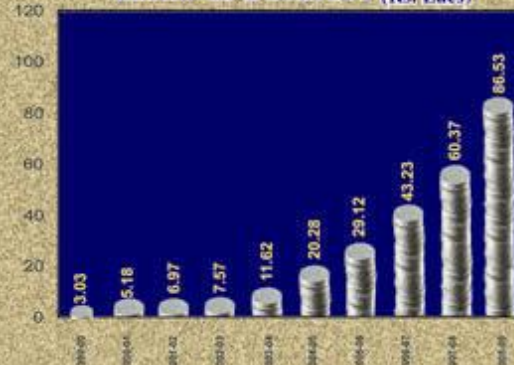


TOWN BENEFIT FUND (KUMBAKONAM) LIMITED

PAID UP CAPITAL (Rs. Lacs)



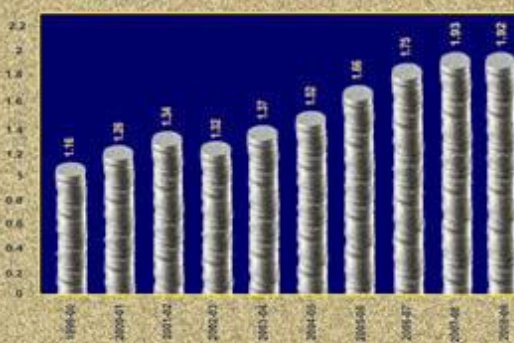
RESERVES & SURPLUS (Rs. Lacs)



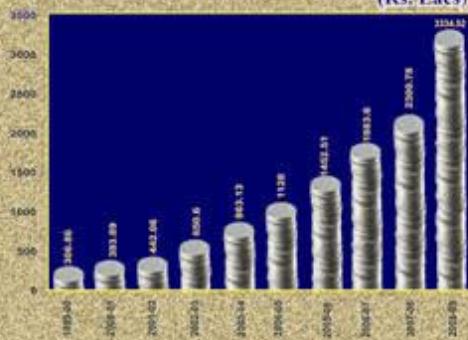
NET WORTH (Rs. Lacs)



INTRINSIC VALUE OF Re.1/SHARE



DEPOSITS (Rs. Lacs)



ADVANCES (Rs. Lacs)

