

Regd. Office: 3, Madurai-Melakkal Road, Madurai - 625 016, Tamil Nadu
Corp. Office: Khivraj Complex II, 5th Floor, 480, Anna Salai, Nandanam, Chennai-600 035.
E-mail: fd@jkfenner.com, Website: www.jkfennerindia.com; CIN: U24231TN1992PLC062306
Tel.No: 0452 4283822/4283826, Fax: 0452 4283831

INVITES FIXED DEPOSITS

TERM DEPOSIT (NON - CUMULATIVE)

| Period | Rate of Interest per annum (%) | Minimum amount of deposit |
|---------|--------------------------------|---------------------------|
| 1 Year | 8.00 % | ₹ 25,000/- |
| 2 Years | 8.25 % | ₹ 25,000/- |
| 3 Years | 8.35 % | ₹ 25,000/- |

0.50% p.a additional interest to senior citizens (above 60 years), employees, shareholders and person investing ₹ 5 lacs and above - max. 0.50% p.a.

FORM DPT-1

CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

[Pursuant to section 73(2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

The circular or circular in the form of advertisement shall contain the following:

1. GENERAL INFORMATION

- Name, address, website and other contact details of the Company:
J.K. FENNER (INDIA) LIMITED,
3, Madurai-Melakkal Road, Madurai 625 016, Tamil Nadu
Website: www.jkfennerindia.com; E-mail: fd@jkfenner.com,
Tel.No: 0452 4283822/4283826, Fax: 0452 4283831
- Date of Incorporation of the Company: The Company was incorporated on 9th April 1992 as a Private Company and was converted into Public Company on 22nd April 1997.
- Business carried on by the Company and its subsidiaries with the details of branches or units, if any;

By the Company: The Company is engaged in manufacture and sale of Power Transmission Belts, Oil seals & Moulded Rubber Products, and in designing, supplying and installing Mechanical Power Transmission Drives.
By its Subsidiaries: The Company has five subsidiary companies. The names and their respective business are as follows: (1) Acom Engineering Limited- Manufacturing Engineering Materials (2) Southern Spinners and Processors Ltd - Manufacture / sale of Cotton Yarn, Polyester Cotton Fabrics etc. (3) Modern Cotton Yarn Spinners Ltd - Manufacture / sale of Cotton Yarn, Polyester Cotton Fabrics, etc. (4) Modern Cotton Yarn Spinners Ltd - Manufacture / sale of Cotton Yarn, Polyester Cotton Fabrics, etc. (5) BMF Investments Limited - Investments (5) Divyashree Company Private Limited - General merchants, traders, commission agents, distributors etc. All the above subsidiaries are wholly owned by the Company except Divyashree Company Private Limited.
Limits & Offices: The Company has manufacturing units at Madurai, Nilakottai, Sriperumbudur, Patancheru and Pashamailai. It has established Sales Offices at Ahmedabad, Bangalore, Chennai, Indore, Jaipur, Kanpur, Kochi, Kolkata, Ludhiana, Madurai, Mumbai, New Delhi and Hyderabad.

Deposits are accepted at these offices:

- AHMEDABAD**
602, Wall Street Annex, Opp. Orient Club, Near Gujarat College Crossing, Ellis Bridge, Ahmedabad - 380 006. Ph: 079-26409572/26409573
- CHENNAI**
Khivraj Complex-II, 5th Floor, 480 Anna Salai, Nandanam, Chennai - 600 035. Ph: 044-43994600/43994666
- MADURAI**
3, Madurai-Melakkal Road, Kochadai, Madurai - 625 016. Ph: 0452-4283826/4283822
- NAVI MUMBAI**
105, Gauri Complex, Sector-31, CBD-Belapur, Navi Mumbai - 400 614. Ph: 022-27560985/27580236
- HYDERABAD**
Plot No.35, Technocrat Industrial Estate, Balanagar, Hyderabad 500 037 Ph: 040-23071126/23071139
- KOLKATA**
DN 10, Merin Matrix, Unit No. 605, 6th Floor, Sector V, Salt Lake City, Kolkata - 700 091. Ph: 033-61568891
- NEW DELHI**
Delite Theatre Building, 2nd Floor, Asaf Ali Road, New Delhi - 110 002. Ph: 011-23243113/ 23243153

2. Brief particulars of the management of the Company;

The Company is managed by the Managing Director and the President & Director under the superintendence, control and direction of the Board of Directors.

e. Names, addresses, DIN and occupations of the directors;

| NAME | ADDRESSES | DIN | OCCUPATION |
|--|---|----------|----------------------|
| Dr.Raghupati Singhania Chairman | Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi - 110 002 | 00036129 | Industrialist |
| Shri H.V. Lodha | 14, Government Place East, Kolkata - 700 069. | 00394094 | Chartered Accountant |
| Shri Harsh Pati Singhania | Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi - 110 002 | 00086742 | Industrialist |
| Shri Rahul C. Kiroskar | Lakaki Compound, Model colony, Shivaji Nagar, Pune - 411 016 | 00007319 | Industrialist |
| Shri Bakul Jain | 'Nirma' 3rd Floor, Nariman Point Mumbai 400 021 | 00380256 | Industrialist |
| Smt. Mamta Singhania | Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi - 110 002 | 01667668 | Business |
| Shri Surendra Malhotra | Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi - 110 002 | 00271508 | Business Executive |
| Shri Vikramprati Singhania Managing Director | Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi - 110 002 | 00040659 | Industrialist |
| Shri Nagaraju Sirirama Managing Director | Khivraj Complex-II, 5 th Floor, 480 Anna Salai, Nandanam, Chennai - 600 035. | 02473218 | Service |

f. Management's perception of risk factors;

The demand for Power Transmission Belts, Oil seals & Moulded Rubber Products is dependent upon many external factors like economic growth and development of rubber industry in the country. The entire rubber industry sector is linked to these economic activities. Any slow down in these activities can affect the Company. Similarly, Government policies for economy in general and rubber industry in particular can also impact the demand of the Company's products as well as profitability.

g. Details of default, including the amount involved, duration of default and present status, in repayment of -

- Statutory dues - None, The Company is generally regular in depositing statutory dues with the appropriate authorities, other than those which are sub-judice.
- Debentures and interest thereon - None.
- Loan from any bank or financial institution and interest thereon - None.

2. PARTICULARS OF THE DEPOSIT SCHEME

- Date of passing of board resolution - 18th May 2018.
- Date of passing of resolution in the general meeting authorizing the invitation of such deposits : At the Annual General Meeting (AGM) held on 25th September 2015.
- Type of deposits: i.e., whether secured or unsecured : Unsecured
- Amount which the Company can raise by way of deposits as per the Act and the rules made thereunder; and the aggregate of deposits actually held on the last day of the immediately preceding financial year and on the date of issue of the Circular or advertisement; and amount of deposit proposed to be raised; and amount of deposit repayable within the next twelve months:
The amount which the Company can raise by way of deposits as per the Companies Act, 2013 and the Rules thereunder. (₹ In Lacs)

| | |
|---|-----------------|
| (i) From Members: | |
| 10% of the aggregate of the paid-up share capital, free reserves and securities premium account | 5044.14 |
| (ii) Other Deposits: | |
| 25% of the aggregate of the paid-up share capital, free reserves and securities premium account | 12610.36 |
| TOTAL | 17654.50 |
| Amount of the aggregate of deposit actually held on 31/03/2018 | 4931.95 |
| Amount of deposit held on the date of issue of circular or advertisement | 4382.90 |
| Amount of deposit proposed to be raised | 17654.50 |
| Amount of deposit repayable within the next twelve months | 2046.50 |

e. Terms of raising of deposits : Duration, Rate of Interest, Mode of Payment and Repayment :

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0.50% p.a additional interest to senior citizens (above 60 years), employees, shareholders and person investing ₹ 5 lacs and above - max. 0.50% p.a.

Mode of Payment and Repayment : By Cheque / NEFT / RTGS.

- Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid:
The Scheme will open from the date, following the day of the Annual General Meeting to be held in the year 2018, subject to regulatory provisions as may be applicable. This circular is valid upto the date of the AGM to be held in the year 2019 or within six months from the close of the financial year 2018-19, whichever is earlier.

g. Reasons or objects of raising the deposits: To support business operations.

Credit rating obtained:

- Name of the Credit Rating Agency : CRISIL Limited
- Rating obtained : FAA+/ Stable
- Meaning of the rating obtained : Indicates that the degree of safety regarding timely payment of interest and principal is Strong.
- Date on which rating was obtained : May 08, 2017

- Extent of deposit insurance : The Ministry of Corporate Affairs had exempted companies to accept deposits without deposit insurance contract upto 31st March 2018 or till the availability of deposit insurance product, whichever is earlier. The Company has since suspended acceptance of deposits due to non-availability of deposit insurance product. In the meantime, the requirement of providing for deposit insurance has been omitted from the Companies Act, 2013. The Company will start accepting public deposits as soon as the said amendment in the Companies Act is made effective.

- Short particulars of the charge created or to be created for securing such deposits, if any : Not applicable.
- Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons : None.

3. DETAILS OF ANY OUTSTANDING DEPOSITS

- Amount Outstanding : ₹ 453 lacs as on 31st March 2018.
- Date of acceptance : On or before 31st March 2018.
- Total amount accepted : ₹ 4938.45 lacs (Amount accepted and remaining outstanding)
- Date of interest*

| Period | 1 Year | 2 Years | 3 Years |
|-------------------------------|------------|------------|------------|
| From 01.09.2017 to 31.03.2018 | 8.00% p.a. | 8.25% p.a. | 8.35% p.a. |
| From 20.09.2016 to 31.08.2017 | 8.50% p.a. | 8.75% p.a. | 9.00% p.a. |
| Upto 19.09.2016 | 9.00% p.a. | 9.25% p.a. | 9.50% p.a. |

*0.50% p.a additional interest to senior citizens (above 60 years), employees, shareholders and person investing a single deposit of ₹ 5 lacs and above - max. 0.50% p.a.

- Total number of depositors : 4147
- Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved : None
- Any waiver by the depositors, of interest accrued on deposits : Not Applicable

4. FINANCIAL POSITION OF THE COMPANY

- Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement; (₹ in Lacs)

| Financial Year ended | Profit before Tax | Profit after Tax |
|----------------------|-------------------|------------------|
| 31.3.2016 | 6640.30 | 4847.81 |
| 31.3.2017 | 8211.95 | 6014.47 |
| 31.3.2018 | 8763.28 | 5796.14 |

- Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid).

| Financial Year ended | Dividend on Equity Shares (%) | Interest coverage Ratio |
|----------------------|-------------------------------|-------------------------|
| 31.3.2016 | 400% | 993.22 |
| 31.3.2017 | 450% | 1117.38 |
| 31.3.2018 | 450% | 1117.38 |

Excluding Dividend Distribution Tax of ₹ 202.20 lacs ; ₹ 227.48 lacs and ₹ 227.48 lacs for FY: 2015-16, 2016-17 and 2017-18 respectively.

- A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement;

| Equity and Liabilities | As at 31.03.2016 | As at 31.03.2017 | As at 31.03.2018 | Assets | As at 31.03.2016 | As at 31.03.2017 | As at 31.03.2018 |
|-------------------------|------------------|------------------|------------------|-------------------------------------|------------------|------------------|------------------|
| Equity Share Capital | 248.31 | 248.31 | 248.31 | Property, Plant and Equipment | 28975.87 | 28648.48 | 29603.18 |
| Other Equity | 54515.43 | 49078.23 | 41563.96 | Capital Work in-progress | 878.53 | 574.07 | 277.32 |
| Non-current Liabilities | | | | Investment Property | 10.64 | 10.76 | 10.88 |
| Financial Liabilities | 23103.00 | 19313.62 | 20215.94 | Intangible Assets | 119.69 | 160.33 | 182.22 |
| Others | 2732.06 | 2654.22 | 2647.81 | Intangible Assets under Development | 6.20 | 4.08 | 2.86 |
| Current Liabilities | | | | Non-current Assets | | | |
| Financial Liabilities | 22433.78 | 19159.34 | 22700.83 | -Financial | 46091.78 | 38690.98 | 36203.78 |
| -Others | 1181.47 | 948.04 | 868.72 | Others | 568.90 | 583.17 | 886.97 |
| | | | | Current Assets | | | |
| | | | | -Financial | 13063.76 | 11377.10 | 11831.73 |
| | | | | Assets | | | |
| | | | | -Other | 14134.68 | 11352.79 | 9246.63 |
| Total | 103850.05 | 91401.76 | 88245.57 | Total | 103850.05 | 91401.76 | 88245.57 |

Previous year figures have been reclassified / regrouped/ recast, wherever necessary.

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement;

| Cash flow from | 2017-18 | 2016-17 | 2015-16 |
|--|------------|------------|-----------|
| Operating activities | 7551.78 | 8569.25 | 10854.30 |
| Investing activities | (11616.33) | 20005.35 | (5999.64) |
| Financing activities | 4056.28 | (28543.15) | (4953.22) |
| Net increase/(decrease) in Cash and cash equivalents | (8.27) | (31.45) | (98.56) |

- Change in accounting policies during the last three years and their effect on the profits and the reserves of the Company : The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS). All accounting policies and applicable Ind AS have been applied consistently for all periods presented.

5. A DECLARATION BY THE DIRECTORS THAT-

- The Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon;
- The Board of Directors have satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that the Company will not become insolvent within a period of one year from the date of issue of the circular or advertisement;
- The Company has complied with the provisions of the Act and the rules made thereunder;
- The compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Company;
- The deposits accepted by the Company before the commencement of the Act have been repaid (or will be repaid along with interest thereon on maturity and until they are repaid, they shall be treated as unsecured and ranking pari passu with other unsecured liabilities);
- In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty;
- The deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement; and
- The deposits accepted by the Company are unsecured and rank pari passu with other unsecured liabilities of the Company.

6. DISCLAIMER: It is to be distinctly understood that filing of circular or circular in the Form of advertisement with the Registrar and not in any way be deemed or construed that the same has been cleared or approved by the Registrar or Central Government. The Registrar or Central Government does not take any responsibility either for the correctness or soundness of any deposit scheme for which the deposit is being accepted or invited or for the correctness of the statements made or opinions expressed in the circular or circular in the Form of advertisement. The depositors should exercise due diligence before investing in the deposits schemes.

This Circular in the Form of advertisement, the last of which has been duly approved by the Board of Directors at its meeting held on 18th May 2018 is duly signed by the majority of Directors of the Company as constituted at the time the Board approved the Circular in the Form of Advertisement.

This advertisement is being issued on the authority and in the name of the Board of Directors of the Company.

Place: Chennai
Dated: 12th September, 2018

* Omitted vide Circular dated 5th July, 2018 of the Ministry of Corporate Affairs.

Certificate of the Statutory Auditor issued pursuant to the Companies (Acceptance of Deposits) Amendment Rules, 2018, which came into force on 15th August 2018

We hereby certify that J.K. Fenner (India) Limited has not committed default in the repayment of the deposits or in the payment of interest on such deposits accepted either before or after the commencement of the Companies Act, 2013

For Lotha & Co.
Chartered Accountants
Firm Registration No. 301051E
Source: Lotha
Partner

Place: New Delhi
Dated: 10th August, 2018

By order of the Board
For J.K. Fenner (India) Ltd
R. VIJAYARAGHAVAN
Company Secretary

Member No. 507462