J.K. Fenner (India) Limited

Regd. Office: 3, Madurai-Melakkal Road, Madurai 625 016 (Tamil Nadu)
Corporate 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

FORM DPT-1

CIRCULAR OR 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

(a) **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

(b) **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.

(c) **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) Acorn 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) BMF Investments Limited – Investments (5) Divyashree Company Private Limited-General merchants, traders, commission agents, distributors etc. All the above subsidiaries are wholly owned Company, except Divyashree Company Private Limited.

Units & Offices: The Company has manufacturing units at Madurai, Nilakottai, Sriperumbudur, Patancheru and Pashamailaram. 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.	079-26408572 079-26408573
CHENNAI	Khivraj Complex-II, 5th Floor, 480 Anna Salai, Nandanam, Chennai - 600 035.	044-43994600 044-43994666
MADURAI	3, Madurai-Melakkal Road, Kochadai, Madurai - 625 016.	0452-4283826 0452-4283822

NAVI MUMBAI	105, Gauri Complex, Sector-11, CBD-Belapur, Navi Mumbai – 400 614	022-27560985 022-27580236
HYDERABAD	Plot No.35, Technocrat Industrial Estate, Balanagar, Hyderabad 500 037	040-23071126 040-23071139
KOLKATA	DN 10, Merlin Matrix, Unit No.605, 6th Floor, Sector V, Salt Lake City, Kolkata-700 091	033-66168861
NEW DELHI	Delite Theatre Building, 2nd Floor, Asaf Ali Road, New Delhi - 110 002.	011-23243113 011-23243153

d. **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	Address	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 Kirloskar	Lakaki Compound, Model Colony, Shivaji Nagar, Pune – 411 016	00007319	Industrialist
Shri Bakul Jain	'Nirmal', 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 Vikrampati Singhania Managing Director	Patriot House 3, Bahadur Shah Zafar Marg New Delhi – 110 002	00040659	Industrialist
Shri Nagaraju Srirama President & Director	Khivraj Complex-II, 5th 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 –**

i) Statutory dues - None, the Company is generally regular in depositing statutory dues with the appropriate authorities, other than those which are sub-judice.

ii) Debentures and interest thereon – None.

iii) Loan from any bank or financial institution and interest thereon – None.

2. **PARTICULARS OF THE DEPOSIT SCHEME**

a. **Date of passing of board resolution:** 10th May 2019.

b. **Date of passing of resolution in the general meeting authorising the invitation of such deposits:** At the Annual General Meeting (AGM) held on 25.09.2015.

c. **Type of deposits, i.e., whether secured or unsecured:** Unsecured.

d. **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	:	5576.14
(ii)	**Other Deposits:** 25% of the aggregate of the paid-up share capital, free reserves and securities premium account	:	13940.35
	TOTAL	:	19516.49
	Amount of the aggregate of deposit actually held on 31/03/2019	:	4408.45
	Amount of deposit held on the date of issue of circular or advertisement	:	
	Amount of deposit proposed to be raised	:	19516.49
	Amount of deposit repayable within the next twelve months	:	1910.25

e. **Terms of raising of deposits:** Duration, Rate of interest, mode of payment and repayment;

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 lakhs and above - maximum 0.50%. p.a.		

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

f. **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 2019, subject to regulatory provisions as may be applicable. This circular is valid upto the date of the AGM to be held in the year 2020 or within six months from the close of the financial year 2019-20, whichever is earlier.

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

h. **Credit rating obtained:**

(i)	Name of the Credit Rating Agencies;	: CRISIL Limited
(ii)	Rating obtained;	: FAA/Stable
(iii)	Meaning of the rating obtained;	: Indicates that the degree of safety regarding timely payment of interest and principal is Strong.
(iv)	Date on which rating was obtained.	: 13th March 2019

i. **Short particulars of the charge created or to be created for securing such deposits, if any:** Not applicable.

j. **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

a. **Amount Outstanding:** ₹ 4408.45 Lacs as on 31st March 2019.

b. **Date of acceptance:** On or before 31st March 2019.

c. **Total amount accepted**: ₹ 4408.45 Lacs (Amount accepted and remaining outstanding)

d. **Rate of interest*:**

	1 Year	2 Years	3 Years
From 01.09.2017	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 lakhs and above - maximum 0.50%. p.a.

e. **Total number of depositors**: 3061

f. **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.

g. **Any waiver by the depositors, of interest accrued on deposits:** Not Applicable.

4. FINANCIAL POSITION OF THE COMPANY

(a) **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
31.3.2017	8211.95	6014.47
31.3.2018	8763.28	5796.14
31.3.2019	10512.36	6428.37

(b) **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
	(%)	₹ in lacs	
31.3.2017	450%	1117.38	4.41
31.3.2018	450%	1117.38	4.63
31.3.2019	500%	1241.53	5.17

Excluding Dividend Distribution Tax of ₹ 227.48 lacs; ₹ 227.48 lacs and ₹ 255.20 lacs for F.Y. 2016-17; 2017-18 and 2018-19 respectively.

(c) **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;**

(₹ in Lacs)

Equity and Liabilities	As at 31.03.2019	As at # 31.03.2018	As at # 31.03.2017	Assets	As at 31.03.2019	As at # 31.03.2018	As at # 31.03.2017
Equity Share Capital	248.31	248.31	248.31	Property, Plant and Equipment	29859.03	28975.87	28648.48
Other Equity	58276.79	54151.43	49078.23	Capital Work-in-progress	583.98	878.53	574.07
Non-current Liabilities				Investment Property	10.52	10.64	10.76
-Financial Liabilities	19193.15	23103.00	19313.62	Intangible Assets	101.09	119.69	160.33
-Others	3287.72	2732.06	2654.22	Intangible Assets under Development	3.09	6.20	4.08
Current Liabilities				Non-current Assets			
-Financial Liabilities	25097.83	22433.78	19159.34	-Financial Assets	34481.12	40591.78	38690.98
-Others	1523.32	1181.47	948.04	-Others	528.71	568.90	583.17
				Current Assets			
				-Financial Assets	26075.47	18563.76	11377.10
				-Others	15984.11	14134.68	11352.79
Total	107627.12	103850.05	91401.76	Total	107627.12	103850.05	91401.76

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;**

(₹ in Lacs)

Cash flow from	2018-19	2017-18	2016-17
Operating activities	6737.22	7551.78	8569.25
Investing activities	(4916.39)	(11616.33)	20005.35
Financing activities	1769.77	4056.28	(28543.15)
Net increase/(decrease) in Cash and cash equivalents	3590.60	(8.27)	(31.45)

(e) **Any 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 Standard (Ind AS). All accounting policies and applicable Ind AS have been applied consistently for all period presented.

5. A DECLARATION BY THE DIRECTORS THAT-

(a) 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 on such deposits and where a default had occurred, the company made good the default and a period of five years had lapsed since the date of making good the default;

(b) 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;

(c) the Company has complied with the provisions of the Act and the rules made thereunder;

(d) the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;

(e) 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);

(f) In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty;

(g) the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;

(h) the deposits accepted by the Company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the Company.

This Circular in the Form of advertisement, the text of which has been duly approved by the Board of Directors at its meeting held on 10th May 2019 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.

Dated: 10th May 2019

Dr. Raghupati Singhania
Chairman

Harsh Pati Singhania
Director

H V Lodha
Director

Bakul Jain
Director

Rahul C Kirloskar
Director

Mamta Singhania
Director

Surendra Malhotra
Director

Vikrampati Singhania
Managing Director

Nagaraju Srirama
President & Director