



Kandagiri Spinning Mills Limited

Post Box No.3, Udayapatti, Salem – 636 140 ; Ph.: 0427 – 2244400; Fax: 0427-2244422

Web.: www.kandagirimills.com ; E-mail: sales@kandagirimills.com

CIN : L17111TZ1976PLC000762

APPLICATION FOR ACCEPTANCE OF FIXED DEPOSIT (UNSECURED)

FIRST APPLICANT

Mr/Mrs./Miss _____

D.O.B & Age _____

*Guardian`s Name & Relationship _____

Address: _____

SECOND APPLICANT

Mr/Mrs./Miss _____

D.O.B & Age _____

*Guardian`s Name & Relationship _____

Address: _____

THIRD APPLICANT

Mr/Mrs./Miss _____

D.O.B & Age _____

*Guardian`s Name & Relationship _____

Address: _____

***To be entered in case the applicant is a minor.**

I / We wish to place a deposit as mentioned below for

Rs. (in words) Rupees

.....and enclose a Cheque / Draft

No..... dated Drawn on

.....Branch.....

...../ FDR No. Due on.....for the said amount.

I request Kandagiri Spinning Mills Limited to keep the said amount in Fixed Deposit for the period stated hereunder in accordance with the terms and conditions stipulated by the Company which I /We have read and understood and agree to be bound by that.

SCHEME OF DEPOSIT (Non Cumulative)

Please tick (✓) where ever applicable

DURATION: 12 months / 24 Months / 36 Months

- INTEREST PAYABLE:** Quarterly
 Half- yearly
 Yearly
 On Maturity

RATE OF INTEREST : * *Please refer the terms and conditions annexed with this form for ' rate of interest'*

INTEREST PAYMENT MODE (FOR FIXED DEPOSIT ONLY)

1. Interest Direct to my Bank (details given below)
 2. Interest to my address (Bank Details if given will be Incorporated in the interest warrant as a safety against wrongful encashment).

BANK DETAILS

Bank Name.....

Branch.....

IFS CODE.....

S.B.A/c. No.....Current A/c No.....

STATUS OF THE FIRST APPLICANTRESIDENT INDIVIDUAL

OTHERS (SPECIFY) _____

CATEGORY SHARE HOLDER FOLIO No. _____

CLIENT ID No. _____

DP ID No. _____

NOMINATION

I / We hereby nominate the following person to receive the amount payable to me / us on my/ our death

Nominee's Name: _____

Guardian's Name: _____
(In case Nominee is a Minor)**TAX DETAILS**Not to deduct To deduct * PAN No _____* If tax has to be deducted please mention the PAN No.
Photo copy of PAN card needs to be attached.**DECLARATION**

- ❖ I/We declare that I am/We are resident(s) in India and am/are not depositing this money as nominee(s) of any person residing outside India.
- ❖ I/We declare that the first named depositor is the beneficial owner of the deposit and is to be treated as the payee for the purpose of deduction of income-tax under the Income Tax Act, 1961.
- ❖ I/We declare that the amount is not being deposited out of the funds acquired by me/us by borrowing or accepting deposits from any person.
- ❖ I/We confirm having read and understood the Terms and Conditions governing Deposit Scheme furnished to me along with the application form and agree to abide by the same.
- ❖ I/We also declare that what is stated in this application is true and correct.

SIGNATURE OF APPLICANT(s) (GUARDIAN IN CASE OF MINOR)1st
APPLICANT

DATE:

2nd
APPLICANT

DATE:

3rd
APPLICANT

DATE:

REPAYMENT ON MATURITY TO : First named Depositor / Jointly / Either or survivor (E or S)/ Any one or survivor**FOR COMPANY USE**

ACCOUNT No.	F.D.R. No.	N/A	CATEGORY	TERM	AMOUNT	DEPOSIT DATE	REMARKS

Please see the Circular in the form of advertisement and refer the Terms & Conditions governing the deposits in item no. 2(e) of the circular enclosed herewith.



KANDAGIRI SPINNING MILLS LIMITED

Post Box No.3, Udayapatti, Salem 636 140. Ph. 0427-2244400; Fax-0427-2244422

CIN: L17111TZ1976PLC000762

E mail: sales@kandagirimills.com; Website: www.kandagirimills.com

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:-

Kandagiri Spinning Mills Limited
Post Box No.3, Udayapatti, Salem – 636 140
Tamilnadu, INDIA.
Ph.: 0427 – 2244400; Fax: 0427-2244422
Web.: www.kandagirimills.com
E-mail: sales@kandagirimills.com
CIN : L17111TZ1976PLC000762

b. Date of incorporation of the company:- 05-05-1976

c. Business carried on by the company and its subsidiaries with the details of branches or units, if any:-

The Company carries on the business of Manufacture and Sale of Cotton Yarn. The manufacturing activity is carried on at (1) POST BOX NO. 3, UDAYAPATTI, SALEM – 636 140, (2) MILL PREMISES, SESHANCHAVADI (P.O.), SALEM – 636 111 and at (3) MILL PREMISES, METTUPATTY (P.O.) SALEM – 636 111. The Company has no branches. The Company has set up Wind Farm in Coimbatore District of Tamil Nadu.

d. Brief particulars of the management of the company:-

The Company is managed by Non-executive Chairman and Managing Director under the supervision and direction of the Board of Directors.

e. Names, addresses, DIN and occupations of the directors:-

Sl. No.	Name	Address	DIN	Occupation
1	Sri. S. DEVARAJAN (Chairman and Non Executive Director)	63/315, Brindavan Road, 8th Cross, Fairlands, Salem 636 004	00001910	Industrialist
2	Sri. R. SELVARAJAN (Managing Director)	64/315, Brindavan Road, 8th Cross, Fairlands, Salem 636 004	00001703	Industrialist
3	Sri. S. VIJAY SHANKAR (Chief Financial Officer and Director)	64/315, Brindavan Road, 8th Cross, Fairlands, Salem 636 004	00001711	Industrialist
4	Sri. S. SIVAKUMAR (Non Executive Director)	Old No.70, New No.60, Marimuthu Street, Ammapet, Salem 636 003	00002099	Industrialist
5	Dr. A. SARAYU (Non Executive Director)	64/315, Brindavan Road, 8th Cross, Fairlands, Salem 636 004	06953362	Medical Practitioner
6	Sri. S.GNANASEKHARAN (Non Executive Independent Director)	“3/107.T.Kailasampalayam, Tiruchengode TK, Namakkal 637 209	06796817	Practicing Company Secretary
7	Sri. KAMESHWAR M BHAT (Non Executive Independent Director)	G-6, Architha III, 18 th Cross, Ideal Home Township, Rajarajeshwari Nagar, Bangalore – 560 098.	06951906	Financial consultant.
8	Dr. V. SEKAR (Non Executive Independent Director)	147, Royapettah High Road, Mylapore, Chennai- 600 004, Tamilnadu	03128187	Management Consultant.
9	Dr.R.RAMARATHNAM (Non Executive Independent Director)	926, TVS Avenue, Anna Nagar West Extension, Chennai 600101, Tamil Nadu, India	02175098	Industrialist
10	Sri. D. BALASUNDARAM (Non Executive Independent Director)	122, Tank Road, Sivananda Colony, Tatabad, Coimbatore - 641 012	07800844	Management Consultant.

f. Management’s perception of risk factors:-

The deposits accepted by the Company are unsecured and rank pari passu with other unsecured liabilities of the Company. Rating assigned by CARE Rating is **B+ (FD)** which indicates Instrument with this rating are considered to have high risk of default regarding timely servicing of Financial obligation. Members may take note of this while deciding on making deposits with the Company.

The demand for yarn is depended upon many external factors like cotton price, economic growth, international policies and textile development in the Country. The entire spinning industry is linked to these economic activities. Any slow down or changes in these activities will affect the yarn demand adversely. Similarly government policies for economy in general and spinning industry in particular can also impact the demand for yarn as well as profitability.

g. Details of default, including the amount involved, duration of default and present status, in repayment of :- [Details provided as on this circular date 12.08.2017]

- statutory dues – Nil, the Company is generally regular in depositing statutory dues with the appropriate authorities, other than those which are sub-judice.
- debentures and interest thereon - Nil
- loan from any bank or financial institution and interest thereon – Dues honored belatedly during the year. Given below details of Bank term loan principal and interest dues outstanding as on this circular date will be paid in due course.

S. No.	Bank	Particulars	Due Amount (Rs.)	Due Date
1.	State Bank of India	Working Capital	56,585	30/06/2017
		Term Loan Interest	57,927	31/07/2017
2.	State Bank of India	Corporate Loan Interest	11,79,017	30/06/2017
			12,22,029	31/07/2017
3.	Karnataka Bank Limited	Working Capital	41,90,000	18/06/2017
		Term Loan Principal	41,90,000	18/07/2017
		Working Capital Term Loan Interest	2,43,847	31/05/2017
4.	Karnataka Bank Limited	DPN Loan Interest	2,44,362	30/06/2017
		DPN Loan Principal	1,00,00,000	28/05/2017
			1,36,785	31/05/2017
			1,56,470	30/06/2017
5.	Karnataka Bank Limited		1,46,278	31/07/2017
		Corporate Loan Principal	5,00,000	30/06/2017
			7,50,000	31/07/2017
		Corporate Loan Interest	5,52,109	30/06/2017
		5,76,780	31/07/2017	

2. PARTICULARS OF THE DEPOSIT SCHEME

- Date of passing of board resolution:- **12-08-2017**
- Date of passing of resolution in the general meeting authorizing the invitation of such deposits:- **12-08-2017**
- 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 there under:

Particulars	Limit up to which deposit can be Accepted
From Shareholders *(35% of the aggregate paid up capital, Securities Premium Account and free Reserves as on 31 st March, 2017)	Rs.285.57 lakhs

(*- Limit upto which deposits calculated in accordance with the provisions of rule 3 of Companies (Acceptance of Deposits) Amendment Rules, 2016)

(ii) Aggregate of deposits actually held on the last day of the immediately preceding Financial year (i.e.31-03-2017):-

Deposits from Share holders	Rs. 64.55 Lakhs
Deposits from Directors	Rs.1363.23 Lakhs

(Deposits accepted from directors is exempted under the definition of ‘deposits’ as per Companies (Acceptance of Deposits) Rules,2014)

(iii) Aggregate of deposits on the date of issue of the Circular or advertisement

Deposits from Share holders - Rs. 63.95 Lakhs as on 12.08.2017

(iv) Amount of deposit Company proposed to be raised in the Financial Year 2017-18:-

Upto Rs.285.57 lakhs (Deposits from Share holders) [Ref. item (i)]

(v) Amount of deposit repayable within the next twelve months:-

Deposits from Share holders : **Rs.17,21,000/-**

e. Terms of raising of deposits:-

Deposits from Share Holders:

Type : Non- Cumulative

Duration : 1 Year, 2 Years & 3 Years

Rate of interest : Deposits (i) Below Rs.1 Lakh - 11%
(ii) From Rs.1 Lakh & Above - 12%
(iii) Of Senior Citizen - 12%

(Senior Citizen - First / Sole depositor age 60 years and above)

Mode of payment &: Payment of Interest & Principal will be made
Repayment by Cheque / Demand Draft / RTGS

- ❖ The Company will accept unsecured Fixed Deposits from its Shareholders only.
- ❖ Any deposit in excess of the minimum acceptable amount covered under the said category shall be in multiples of Rs.5,000/- only.
- ❖ Detailed terms and conditions for acceptance / renewal of deposits can be received from the Registered Office of the Company
- ❖ Deposits shall be treated as deposit from the shareholders if the first holder of the deposit is a shareholder or a joint shareholder of the Company,

PRINCIPAL TERMS AND CONDITIONS GOVERNING UNSECURED FIXED DEPOSIT SCHEME OF THE COMPANY:

APPLICATION:

- ❖ Deposits will be accepted subject to the terms and conditions specified in the prescribed application form which is available at the Registered Office of the Company.
- ❖ The Company’s prescribed application form duly filed in, along with necessary remittance should be sent to the Company’s Registered Office situated at P.B.No.3, Udayapatti, Salem – 636 140.
- ❖ The amount of the deposit should be remitted by an “Account Payee” cheque/draft payable at Salem and drawn in favour of “Kandagiri Spinning Mills Limited”. No outstation cheques, only At par cheques and Demand draft will be accepted.

- ❖ The minimum amount of deposit acceptable under the non cumulative scheme is Rs.15,000/-, Rs.10,000/- and Rs.5,000/- respectively for three years. Any deposit in excess of the minimum acceptable amount covered under the above categories shall be in multiple of Rs.5,000/- only.
- ❖ The Company will not entertain any request for change of scheme once selected. Where the scheme choice is not indicated in the application form (non-cumulative), the deposit will be treated as placed under the non-cumulative scheme.
- ❖ Deposits will not be accepted from non-resident Indians and foreign nationals, un-registered trusts, partnership firms etc. Applications from minors are acceptable, provided the application forms are signed by their natural guardians on their behalf.
- ❖ In the event of death of the first named depositor, all payments on account of principal and/ or interest will be made to the first of the joint holders in order of the survivors on production of the death certificate, without reference to the heirs and/ or legal representatives of the deceased depositor. In any other case, it will be necessary for the legal representative of the deceased depositor to produce Succession Certificate/Letters of Administration/Probate of the Will etc. to the satisfaction of the Company.
- ❖ Individual depositors, singly or jointly, can nominate any person (major or minor through FNC) under the nomination facility. In the event of death of all the Depositor/s, the deposits shall vest in the nominee. Power of Attorney holder or a guardian applying on behalf of a minor cannot nominate and in that case, proper indemnity must accompany such requests for repayment of Fixed Deposits.

FIXED DEPOSIT RECEIPTS:

- ❖ Fixed Deposit Receipts will be issued to the depositors from the Company’s Registered Office situated at Salem within a period of 21 days from the date of deposit.
- ❖ The Fixed Deposit Receipt is non-transferable.
- ❖ The Company will not accept or recognize any lien or assignment of the deposit and/or interest thereon.
- ❖ In the event of loss or destruction or mutilation of a Fixed Deposit Receipt, the Company may, in its sole discretion, issue a duplicate receipt on such reasonable terms as to indemnity or otherwise as it may think fit. All expenses incurred in this connection will be borne by the depositor/s.

INTEREST:

- ❖ Interest will be calculated from the date of realization of the cheque/draft in the Company’s Bank Account. Interest under non cumulative deposit scheme shall be paid Quarterly/Half Yearly/Yearly/On the date of maturity as requested by the depositors in the Fixed Deposit Application Form and the interest shall be payable for quarterly basis on 31st March, 30th June, 30th September and 31st December and for half yearly basis on 31st March & 30th September and for yearly basis on 31st March or interest will be payable on the date of maturity of deposits.
- ❖ Payment of interest will be made by an account payee Cheque/DD/RTGS and payable at par at all the branches of the concerned bank in India. The cheque/DD will be sent by Regd.Post/speed post/courier to the registered address of the depositor/s.

- ❖ Change of address and instruction regarding interest remittance would be given effect in the next payment of interest, if they are received at least 30 days in advance of the date of payment duly quoting the Fixed Deposit Receipt Number.
- ❖ Interest will cease to accrue after the date of maturity of the deposits.
- ❖ Excess interest, if any, paid under any circumstances, will be recovered from the subsequent payment of interest or from the principal amount.

INCOME TAX:

- ❖ Tax at the applicable rates and in accordance with the provisions of Income-Tax Act, 1961, will be deducted at source from the amount of interest paid and/or credited to a depositor. At present, tax is deductible if the aggregate amount of interest paid or payable during the financial year exceeds Rs.5,000/-. However, tax will not be deducted if the necessary statement/declaration in Form 15G/15H as required under the Income Tax Act is furnished to the Company in respect of each financial year along with Photocopy of PAN. If the PAN is not received, tax will be deducted at the applicable rate. Tax deducted due to non compliance with this condition will not be refunded under any circumstances.

RENEWAL/REPAYMENT OF DEPOSITS:

- ❖ In case of premature withdrawals, re-payment of deposit amount and interest will be governed by the Companies (Acceptance of Deposit) Rules, 2014 and amendments thereto.
- ❖ The Deposit Receipt duly discharged on a revenue stamp should be sent to the Company 30 days before the date of maturity to enable the Company to renew or refund the deposits as the case may be on the due date. For renewals, a fresh application form duly filled in should accompany the discharged Fixed Deposit Receipt.
- ❖ Repayment of principal amounts will be made by Cheque/DD/RTGS
- ❖ It is not obligatory on the part of the Company to give notice or advance intimation about the due date of the Renewal or Repayment of the deposit.
- ❖ Where the due date for any payment falls on a day on which the Registered Office of the Company is closed or on a Bank holiday, the payment will be made on the next working day.

JOINT DEPOSITS :

- ❖ Deposits will be accepted in joint names not exceeding THREE. The first named depositor will be regarded as the beneficial owner of the deposits and will be treated as the payee for the purpose of deducting tax u/s 194A of the Income-Tax Act, 1961.
- ❖ In the case of deposits in joint names, all correspondence, payment of interest and repayment of the fixed deposit will be made to the person whose name appears first on the Deposit Receipt

GENERAL:

- ❖ The Company reserves the right(s)
 - To accept deposit only for such periods as it may decide from time to time.
 - To reject any application for a fresh deposit or for renewal without assigning any reason.
 - To repay the deposit prematurely before the due date.

- ❖ Fixed Deposit will be subject to Companies (Acceptance of Deposit) Rules, 2014 and amendments from time to time and any other rules or regulations prescribed by the Central Government or the Reserve Bank of India or any other statutory body.

- ❖ Dispute arising out of the acceptance of deposits are subject to Salem jurisdiction only.

- ❖ The forms having incomplete information will not be accepted and the remittance will be returned to the prospective depositors, within reasonable time.

- ❖ In the case of deposits made under Power of Attorney; the relevant Notarised Power of Attorney must be lodged with the Company at the time of application.

- ❖ All the correspondence for change of name, address, loss of Fixed Deposit Receipt/Interest Warrant etc., should be addressed to:-

KANDAGIRI SPINNING MILLS LMTIED

P.B.No:3, UDAYAPATTI,

SALEM – 636 140, TAMILNADU

MONDAY TO FRIDAY (9.00 TO 18.00 HRS) (EXCEPT ON BANK/PUBLIC HOLIDAYS)

The Company has constituted the Stakeholders Relationship Committee of Directors authorised by the Board of Directors of the Company for taking actions to redress the stakeholders' grievances. All complaints/grievances may be sent to the Company Secretary, Kandagiri Spinning Mills Limited, P.B.No.3, Udayapatti, Salem – 636 140.

- 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 Fixed Deposit Scheme proposed to be opened from the date of receipt of approval from ROC and this advertisement issued shall be valid till 30-09-2018 or the date of next annual general meeting of the Company, whichever is earlier.

- g. Reasons or objects of raising the deposits:-
To meet the Working Capital needs of the Company

- h. Credit rating obtained:-
Name of the Credit Rating Agencies : CARE Rating
Rating obtained : B+(FD)
Meaning of the rating obtained : Instrument with this rating are considered to have high risk of default regarding timely servicing of Financial obligation
Date on which rating was obtained : 06-07-2017

- i. Extent of deposit insurance:-

Pursuant to Companies (Acceptance of Deposits) Rules, 2017 vide MCA notification no. G.S.R.454(E) dated 11.05.2017, Companies may accept deposits from Share Holders without insurance contract till 31st March, 2018 or till the availability of a Deposit Insurance Product, whichever is earlier. Accordingly, the Company has not entered into any insurance contract for deposits now, but as and when such insurance product is available in the market, Company will obtain such applicable Deposit Insurance.

Name of the Insurance Company	: N.A
Terms of the insurance coverage	: N.A
Duration of coverage	: N.A
Extent of coverage	: N.A
Procedure for claim in case of default etc.	: N.A

j. Short particulars of the charge created or to be created for securing such deposits, if any:-

Not Applicable as the deposits are Unsecured

k. 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 AS ON 31st MARCH, 2017:-

- a. Amount Outstanding : From shareholders -Rs.64.55 Lakhs
as on 31.03.2017 From Public – NIL (Not eligible to accept deposits from public)
- b. Date of acceptance : Deposits accepted from Shareholders from 8th August,2016 after obtaining approval from ROC by filing Circular in Form DPT-1
- c. Total amount accepted : Rs.17.66 Lakhs (Accepted from shareholders)
- d. Rate of interest : Deposits (i) Below Rs.1 Lakh - 11%
(ii) From Rs.1 Lakh & Above - 12%
(iii) Of Senior Citizen - 12%
(Senior Citizen - First / Sole depositor age 60 years and above)
- e. Total number of depositors : 28 persons
- 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: **Nil**
- g. Any waiver by the depositors, of interest accrued on deposits: **Nil**

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:-

Year Ended	Profit before Tax (Rs. in lakhs)	Profit after Tax (Rs. in lakhs)
31-03-2015	226.67	155.67
31-03-2016	(1133.76)	(1133.76)
31-03-2017	(1115.89)	(1115.89)

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 or interest paid):-

Year Ended	Dividend Declared (Equity)(Rs. in Lakhs)	Dividend %	Interest Coverage Ratio
31-03-2015	-Nil-	-Nil-	1.82
31-03-2016	-Nil-	-Nil-	0.70
31-03-2017	-Nil-	-Nil-	0.68

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:-

(Rs. In Lakhs)

LIABILITIES	2016-17	2015-16	2014-15
Shareholders' Fund:			
Share Capital	385.75	385.75	385.75
Reserves and surplus	2513.65	3629.54	4763.00
Non-current liabilities:			
Long-term borrowings	2855.95	3608.89	3223.30
Deferred tax liabilities (net)	1683.84	1683.84	1683.84
Long-term provisions	151.79	148.88	143.92
Current liabilities:			
Short-term borrowings	3001.81	3508.71	4043.32
Trade payables	296.81	1272.70	1230.24
Other current liabilities	1103.77	2209.45	1580.47
Short-term provisions	2.24	2.55	4.79
Total	11995.61	16450.31	17058.94

ASSETS	2016-17	2015-16	2014-15
Non-current assets:			
Fixed: Tangible assets	7412.40	9297.50	9854.52
Capital work-in-progress	--	--	27.21
Non-current investments	200.39	200.99	200.99
Long-term loans and advances	1354.35	1301.98	1389.34
Other non-current assets	--	--	4.17
Current assets:			
Inventories	2197.21	3599.78	4317.90
Trade receivables	527.92	1804.19	934.39
Cash and cash equivalents	16.26	69.49	154.18
Short-term loans and advances	254.26	139.62	128.81
Other current assets	32.83	36.75	47.43
Total	11995.61	16450.31	17058.94

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of Circular or advertisement:-

	2016-17	2015-16	2014-15
Cash Flow from Operating Activities	901.86	838.41	1673.37
Cash Flow from Investing Activities	2739.77	(113.40)	(60.46)
Cash Flow from Financing Activities	(3643.74)	(788.17)	(1552.33)
Net increase/(decrease) in cash and cash equivalents	(2.10)	(63.16)	60.57

e. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company:-

No Changes

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 there on;
- 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 were repaid before 1st April, 2015.
- 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.

"6. DISCLAIMER.- It is to be distinctly understood that filing of circular or circular in the Form of advertisement with the Registrar should 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 financial 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."

The text of this advertisement has been approved by the Board of Directors of the Company at the Board Meeting held on 12.08.2017. A copy of this advertisement signed by all the Board of directors of the Company filed with the Registrar of Companies, Coimbatore as required by the Companies (Acceptance of Deposits) Rules, 2014 with subsequent amendments thereto.

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

By Order of the Board

- Sd - (S. DEVARAJAN) - Sd - (R. SELVARAJAN) - Sd - (S. VIJAY SHANKAR)
- Sd - (S. SIVAKUMAR) - Sd - (Dr. A. SARAYU) - Sd - (S.GNANASEKHARAN)
- Sd - (KAMESHWAR M BHAT) - Sd - (Dr.V. SEKAR) - Sd - (Dr.R.RAMARATHNAM)
- Sd - (D. BALASUNDARAM)

Place: Salem

Date: 12.08.2017