

SHRIRAM PISTONS & RINGS LTD.

Regd. Office: 23, 3rd Floor, Himalya House, Kasturba Gandhi Marg, New Delhi-110001
Tel.: +91 11 2331 5941 Fax: +91 11 2331 1203, Website: www.shrirampistons.com
E-mail: spr.fc@shrirampistons.com, CIN: L29112DL1963PLC004084, PAN: AAACS0229G

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]

1. GENERAL INFORMATION

a. Name, address, website and other contact details of the company;	SHRIRAM PISTONS & RINGS LTD. Regd. Office: 23, 3 rd Floor, Himalya House, Kasturba Gandhi Marg, New Delhi-110001 Tel.: +91 11 2331 5941 Fax: +91 11 2331 1203, Website: www.shrirampistons.com E-mail: spr.fc@shrirampistons.com, CIN: L29112DL1963PLC004084, PAN: AAACS0229G																																																																		
b. Date of Incorporation of the company	December 9, 1963																																																																		
c. Business carried on by the company and its subsidiaries with the details of branches or units, if any	Manufacture and Marketing of Pistons, Piston Rings, Piston Pins, and Engine Valves. The company's registered office is at New Delhi, and manufacturing units are at Ghazalabad (UP) & Pathredji (Rajasthan) and Assembly Units are at Gurgaon (Haryana), Sahibabad (UP), Pune (Maharashtra), Hosur (Tamil Nadu) and Becharaji (Gujrat).																																																																		
d. Brief particulars of the management of the company	The Company is managed by the Managing Director subject to the superintendence, control and direction of Board of Directors.																																																																		
e. Names, addresses, DIN and occupations of the directors	<table border="1"> <thead> <tr> <th>NAME</th> <th>DIN</th> <th>OCCUPATION</th> <th>ADDRESS</th> </tr> </thead> <tbody> <tr> <td>Shri. Pradeep Dinodia (Chairman)</td> <td>00027995</td> <td>Practicing Chartered Accountant</td> <td>A-9A, Maharani Bagh, New Delhi -110065</td> </tr> <tr> <td>Shri. Hari Shanker Bhartiya</td> <td>00010499</td> <td>Industrialist</td> <td>2, Amrita Shergill Marg, New Delhi -110003</td> </tr> <tr> <td>Smt. Feida Avnish Chopra</td> <td>08415847</td> <td>Legal Counselor of Supreme Court and High Court</td> <td>232 Jor Bagh, New Delhi-110003</td> </tr> <tr> <td>Smt. Meenakshi Dass</td> <td>00524865</td> <td>Company Director</td> <td>27, Aurangzeb Road, New Delhi -110011</td> </tr> <tr> <td>Dr. Peter Neu</td> <td>00324469</td> <td>Service</td> <td>Am Zuckerberg 40, Ludwigburg, Germany-71640</td> </tr> <tr> <td>Shri. Alok Ranjan</td> <td>08254398</td> <td>Service</td> <td>1/83, Vivek Khand 1, Gomtinagar, Lucknow-226010</td> </tr> <tr> <td>Shri. Inderdeep Singh</td> <td>00173538</td> <td>Company Director</td> <td>20-A, Aurangzeb Road, New Delhi -110011</td> </tr> <tr> <td>Shri. Yukio Tanemura</td> <td>08531888</td> <td>Service</td> <td>3-3-2 #1003, Sagami-Ono, Minami-Ku, Sagamihara-Shi, Kanagawa Prefecture, Japan</td> </tr> <tr> <td>Shri. Kiyoto Tone</td> <td>08154738</td> <td>Service</td> <td>2-1-40 Ishibolake-Cho, Showa-Ku, Nagoya-Shi, Aichi, Japan 466-0023</td> </tr> <tr> <td>Shri Ashok Kumar Taneja (Managing Director & CEO)</td> <td>00124814</td> <td>Service</td> <td>C-6/9, Sardarjung Development Area, New Delhi -110016</td> </tr> <tr> <td>Shri Krishnakumar Srinivasan (Managing Director)</td> <td>00692717</td> <td>Service</td> <td>1-9, Nandanvan, Vishal Nagar, Pimple Nilakh, Pune-411027</td> </tr> <tr> <td>Shri Srinivasan Ramaswamy (Joint Managing Director)</td> <td>00124760</td> <td>Service</td> <td>C-512, Sushant Lok I, Gurgaon Haryana -122002</td> </tr> <tr> <td>Shri Luv D. Shriram (Whole-Time Director)</td> <td>00051065</td> <td>Service</td> <td>26, Sardar Patel Road, New Delhi -110021</td> </tr> <tr> <td>Shri Sascha Putz (Alternate Director to Dr. Peter Neu)</td> <td>"Being applied"</td> <td>Service</td> <td>Hauptstrasse 68 64665 Alsbach-Haehnlein Germany</td> </tr> <tr> <td>Shri Kaoru Ito (Alternate Director to Shri Yukio Tanemura)</td> <td>08505822</td> <td>Service</td> <td>4-1-9 #201, Hiro, Shibuya Ko, Tokyo, Japan-1500012</td> </tr> </tbody> </table>			NAME	DIN	OCCUPATION	ADDRESS	Shri. Pradeep Dinodia (Chairman)	00027995	Practicing Chartered Accountant	A-9A, Maharani Bagh, New Delhi -110065	Shri. Hari Shanker Bhartiya	00010499	Industrialist	2, Amrita Shergill Marg, New Delhi -110003	Smt. Feida Avnish Chopra	08415847	Legal Counselor of Supreme Court and High Court	232 Jor Bagh, New Delhi-110003	Smt. Meenakshi Dass	00524865	Company Director	27, Aurangzeb Road, New Delhi -110011	Dr. Peter Neu	00324469	Service	Am Zuckerberg 40, Ludwigburg, Germany-71640	Shri. Alok Ranjan	08254398	Service	1/83, Vivek Khand 1, Gomtinagar, Lucknow-226010	Shri. Inderdeep Singh	00173538	Company Director	20-A, Aurangzeb Road, New Delhi -110011	Shri. Yukio Tanemura	08531888	Service	3-3-2 #1003, Sagami-Ono, Minami-Ku, Sagamihara-Shi, Kanagawa Prefecture, Japan	Shri. Kiyoto Tone	08154738	Service	2-1-40 Ishibolake-Cho, Showa-Ku, Nagoya-Shi, Aichi, Japan 466-0023	Shri Ashok Kumar Taneja (Managing Director & CEO)	00124814	Service	C-6/9, Sardarjung Development Area, New Delhi -110016	Shri Krishnakumar Srinivasan (Managing Director)	00692717	Service	1-9, Nandanvan, Vishal Nagar, Pimple Nilakh, Pune-411027	Shri Srinivasan Ramaswamy (Joint Managing Director)	00124760	Service	C-512, Sushant Lok I, Gurgaon Haryana -122002	Shri Luv D. Shriram (Whole-Time Director)	00051065	Service	26, Sardar Patel Road, New Delhi -110021	Shri Sascha Putz (Alternate Director to Dr. Peter Neu)	"Being applied"	Service	Hauptstrasse 68 64665 Alsbach-Haehnlein Germany	Shri Kaoru Ito (Alternate Director to Shri Yukio Tanemura)	08505822	Service	4-1-9 #201, Hiro, Shibuya Ko, Tokyo, Japan-1500012
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f. Management's perception of risk factors	Increased focus on quality by OEMs, low cost competition in OEMs, volatility in foreign exchange rates, uncertainty of business conditions due to COVID 19 may impact sales/profit.																																																																		
g. Details of default, including the amount involved, duration of default and present status, in repayment of	There is no default in repayment of : - Statutory dues, - Debentures and interest thereon - Loans from any banks or financial institution and interest thereon.																																																																		

2. PARTICULARS OF THE DEPOSIT SCHEME

a. Date of passing of board resolution	25-06-2020																																
b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits	29-07-2014																																
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;	Amount that company can raise:- a) 10% of aggregate of paid up capital and free reserves against deposits from its shareholders - Rs. 923.43 Million. b) 25% of aggregate of paid up capital and free reserves against deposits from public - Rs. 2309.83 Million. c) Total amount that company can raise - Rs. 3233.76 Million. d) Aggregate of deposits as on 31.3.2020 is Rs. 667.24 Million. e) Aggregate of deposits as on date of issue of circular or advertisement i.e. Rs. 667.76 Million f) Amount of deposit proposed to be raised on the date of issue of circular i.e. upto Rs. 1900 Million. g) Amount of deposit repayable within next 12 months i.e. from 25-06-2020 to 24-06-2021 - Rs. 211.01 Million.																																
e. Terms of raising of deposits: Duration, Rate of interest, mode of payment and repayment	<table border="1"> <thead> <tr> <th colspan="3">Scheme A : Non - Cumulative*</th> <th colspan="3">Scheme B : Cumulative**</th> </tr> <tr> <th>Period</th> <th>Rate of Interest (P.A.)</th> <th>Minimum Amount of deposit (Rs.)</th> <th>Minimum Amount of deposit (Rs.)</th> <th>Maturity Value of deposit (Rs.)</th> <th>Yield (P.A.)</th> </tr> </thead> <tbody> <tr> <td>One year</td> <td>7.50%</td> <td>50000</td> <td>21000</td> <td>22630</td> <td>7.76%</td> </tr> <tr> <td>Two Year</td> <td>8.50%</td> <td>50000</td> <td>21000</td> <td>24876</td> <td>9.22%</td> </tr> <tr> <td>Three Year</td> <td>9.00%</td> <td>50000</td> <td>21000</td> <td>27482</td> <td>10.28%</td> </tr> </tbody> </table> <p>An additional interest also would be paid, over and above the rate of interest as payable under cumulative and non cumulative schemes to the followings:- (1) 0.50 % p.a. to senior citizen (of 60 years and above) (2) 0.50 % p.a. to employees of the company. (3) 0.50 % p.a. to shareholders of the Company.</p> <p>*Interest on deposit under non-cumulative scheme will be paid every quarter ending June, September, December and March and is subject to the deduction of tax at source, wherever applicable. **Interest on deposit under cumulative scheme is monthly compounded and subject to the deduction of tax at source, wherever applicable.</p> <p>For high value deposits, company may at its discretion accept deposit for payment of interest on monthly basis. All payment of deposits / interest will be made by NEFT/RTGS only. All other terms & conditions are set out in the Company's prescribed application forms which are available from the Registered Office of the company.</p>			Scheme A : Non - Cumulative*			Scheme B : Cumulative**			Period	Rate of Interest (P.A.)	Minimum Amount of deposit (Rs.)	Minimum Amount of deposit (Rs.)	Maturity Value of deposit (Rs.)	Yield (P.A.)	One year	7.50%	50000	21000	22630	7.76%	Two Year	8.50%	50000	21000	24876	9.22%	Three Year	9.00%	50000	21000	27482	10.28%
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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 is proposed to be opened on 11.08.2020 and will be valid till next annual general meeting of the company																																
g. Reasons or objects of raising the deposits	Meet short and medium-term finance requirement of the company.																																
h. Credit rating obtained; Name of the Credit Rating Agencies, Rating obtained, meaning of the rating obtained, date on which rating was obtained.	Credit rating IND IAA+/Stable reaffirmed on 05.07.2019 by India Ratings & Research Pvt. Ltd., which indicates strong capacity for timely payment of financial commitments.																																
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.	There is no material interest of directors / promoters or KMP in such deposits and interest rates are at par with other depositors.																																

3. DETAILS OF ANY OUTSTANDING DEPOSITS (As on 31.3.2020)

a. Amount Outstanding;	Rs. 667.24 Million
b. Date of acceptance;	29.05.2010 to 31.3.2020
c. Total amount accepted;	Rs. 238.33 Million
d. Rate of interest;	7.50 p.a % to 11% p.a.
e. Total number of depositors;	757 nos.
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

(Handwritten signatures and initials)
 M. Q. 4. S. J. S. M. K. M. A. Chopra

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	Financial Year					
	2019-20 Million./Rs.	2018-19 Million./Rs.	2017-18 Million./Rs.			
- Profit before depreciation & Tax	1894.58	3035.64	3011.71			
- Profit before Tax	864.15	2092.38	2108.37			
- Profit after tax	730.35	1384.50	1388.82			
- Other comprehensive income	35.38	17.63	15.81			
- Total comprehensive income	765.73	1402.14	1404.63			
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	Financial Year					
	2019-20 Million./Rs.	2018-19 Million./Rs.	2017-18 Million./Rs.			
- Dividend declared inclusive of dividend tax	324.94	269.74	269.56			
- Rate of Dividend	60%	100%	100%			
- Interest coverage ratio (Times)	7.98	16.03	13.84			
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;	ASSETS AS AT			EQUITY & LIABILITIES AS AT		
	2019-20 Million./Rs.	2018-19 Million./Rs.	2017-18 Million./Rs.	2019-20 Million./Rs.	2018-19 Million./Rs.	2017-18 Million./Rs.
ASSETS					EQUITY & LIABILITIES	
Non - current assets					Equity	
a) Property, Plant and Equipment	6440.38	5843.17	5,511.95	a) Equity Share Capital	223.75	223.75
b) Capital work-in-progress	191.63	166.53	112.27	b) Other Equity	10481.30	10040.86
c) Goodwill	14.85	14.85	-			8908.94
d) Other Intangible assets	958.82	268.83	41.96			9132.69
e) Financial assets				Liabilities		
(i) Investment	0.50	0.50	0.50	Non - Current Liabilities		
(ii) Loan	-	-	-	a) Financial Liabilities		
(iii) Other Financial Assets	3.73	39.31	103.90	(i) Borrowings	423.03	657.95
f) Other non-current asset	761.24	1045.92	715.18	(ii) preference share capital	-	288.58
				(iii) Lease liabilities	236.32	0.00
				b) Provisions	316.75	346.83
				c) Deferred tax liabilities (Net)	201.62	319.40
				d) Other non-current liabilities	0.68	28.27
	8,371.15	7,379.10	6,485.76		1178.41	1407.49
Current assets					Current Liabilities	
a) Inventories	2907.81	3471.37	2,810.37	a) Financial Liabilities		
b) Financial assets				(i) Borrowings	449.14	414.93
(i) Investment	606.76	55.07	200.36	(ii) Lease Liabilities	44.82	2629.57
(ii) Trade receivables	2393.09	3558.38	3210.99	(iii) Trade Payable	2309.16	910.52
(iii) Cash and bank balance	958.78	830.91	1811.34			
(iv) Loan	-	-	-	(iv) Other financial liabilities	435.30	411.11
(v) Other Financial Assets	25.57	112.52	123.86	b) Other Current Liabilities	381.75	89.04
c) Current tax assets net	27.15	0.00	-	c) Provisions	78.95	22.33
d) Other current assets	292.26	276.78	266.72	d) Current tax liabilities (net)	0.00	-
	7211.44	8305.02	8423.64		3699.12	4012.03
TOTAL ASSETS	15582.59	15684.13	14909.40	Total Equity and Liabilities	15582.59	15684.13

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement;	Particular	Year ended		
		March 31, 2020 Million./Rs.	March 31, 2019 Million./Rs.	March 31, 2018 Million./Rs.
A) Cash flow from Operating Activities				
Profit for the year				
730.35				
Adjustments for:				
Tax expenses recognised in statement of profit & loss	133.80	707.88	719.55	
Depreciation/amortisation	1030.43	943.26	903.34	
Finance costs	123.79	139.19	164.19	
Bad debts/advances written off	1.47	1.06	2.91	
Provision for doubtful debts (net)	26.44	8.76	2.19	
Interest income	-60.42	-132.41	-120.86	
Net gain on sale/valuation of current investment	-28.31	-7.75	-23.95	
Unrealised exchange rate variation (net)	-18.90	-5.29	-23.70	
Profit/Loss on sale/Retirement of property, Plant and equipment	-0.19	14.84	7.71	
Fair value change in cash flow hedges (net of tax)	-5.33	14.54	-1.85	
Remeasurement of post employment defined benefit plans (net of tax)	40.71	3.09	17.66	
Operating profit before working capital changes	1973.82	3071.67	3036.01	
Adjustments for:				
Inventories	563.55	(660.99)	-406.55	
Trade receivables	1,166.75	(366.23)	-808.25	
Loans and other financial assets (current and non current)	96.29	186.28	45.46	
Other assets (current and non-current)	(74.80)	(179.02)	-24.26	
Trade payables	(413.24)	98.18	530.15	
Other financial liabilities (current and non-current)	(2.81)	71.23	79.07	
Other liabilities and Provisions (current and non current)	(3.72)	35.85	14.53	
Cash Generated from operations	3305.86	2256.96	2466.16	
Income tax paid	(338.20)	(688.59)	-717.66	
Net cash from operating activities (A)	2967.66	1568.36	1748.50	
B) Cash Flow from Investing Activities				
Interest received	51.08	119.94	119.25	
Sale of tangible assets	19.06	24.22	10.02	
Payment for cash consideration under amalgamation	-	(111.82)	-	
Purchase of tangible assets	(1,680.24)	(1,479.31)	-677.49	
Purchase of Intangible assets	(45.16)	(294.56)	-44.53	
Purchase of current investment	(13,523.46)	(5,532.22)	-7616.36	
Proceed from sale of current investment	13,000.08	5,685.26	7520.00	
Increase/(Decrease) in margin money with banks	38.20	(29.69)	-3.08	
Increase / (Decrease) in Deposits more than 12 months	(2.62)	39.60	39.54	
Net cash (used) in Investing activities (B)	-2143.06	-1578.58	-652.65	

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Particular	Year ended		
	March 31, 2020	March 31, 2019	March 31, 2018
	Million./Rs.	Million./Rs.	Million./Rs.
C) Cash Flow from Financing Activities			
Repayment of lease liability	(75.81)		
Interest paid	(123.09)	(164.15)	-150.52
Dividend on preference share	-	(0.08)	
Dividend paid (including Dividend Distribution Tax)	(324.94)	(269.74)	-215.44
Issue/redemption of preference shares	(288.58)	288.58	
Repayment of long term borrowings	(325.01)	(444.00)	-614.58
Net proceeds / (repayment) of short term loans from banks	-	-	-
Proceeds from deposits	238.33	277.34	229.89
Payment of deposits	(208.23)	(298.53)	-133.03
Net cash from/(used) in financing activities (C)	-1107.32	(610.57)	-883.68
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	-282.72	-620.79	212.18
Cash and cash equivalents at the beginning of the year	814.68	1431.44	1219.26
Add: Cash and cash equivalents acquired on amalgamation		4.03	
Cash and cash equivalents at the end of the year	531.96	814.68	1431.44
Components of cash and cash equivalents			
Cash in hand	0.85	1.96	0.34
Balances with banks			
- current accounts	42.67	17.76	22.84
- Other Bank Balance	915.27	811.19	1,788.16
- Working Capital loan from banks (Secured / Unsecured)	(426.83)	(16.23)	(379.90)
TOTAL	531.96	814.68	1,431.44

Note: 1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS)-7

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

The company has adopted all the applicable Indian Accounting standards (Ind AS standards) and the adoption was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Generally Accepted Accounting Principles as prescribed under section 133 of the Companies Act, read with rule 7 of the Companies (accounts) Rules 2014 (IGAAP). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in the accounting policy hitherto is use. The transition to IND AS was done in accordance with IND AS 101 having following effect:

- 1) The leasehold land, earlier classified as Fixed Assets as per IGAAP, has been reclassified to other Non- Current Assets as per Ind AS, however as Ind AS 116 on leases, for financial year 2019-20 the leasehold land has been re-classified under Right of Use Assets as against other non current Assets.
- 2) The Company has taken cross currency Interest rate swaps on foreign currency borrowings. Under Ind AS, the company has recognised the derivative instruments separately at fair value as financial
- 3) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expenses, gains or losses have been presented in other comprehensive income.
- 4) Effective from April 01, 2019 company has adopted Ind AS 116 on leases and applied the tender to all lease contracts existed on Apr 01, 2019, resulting into creation of Right of use Assets and correspondent lease liability. The resulting impact has also been accounted under lease rental, finance cost and amortisation expenses in the Profit and Loss account.

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 have been repaid or will be repaid along with interest on due dates and until they are repaid, they shall be treated as unsecured and ranking pari passu with other unsecured
- 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 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 statement made or opinion expressed in the circular or circular in the form of advertisement. The depositor should exercise due diligence before investing in the deposits schemes. This advertisement is issued on the authority and in the name of the Board of Directors of the Company, the text of which was approved by the Board of Directors at their meeting held on 25 June, 2020 and a copy signed by the majority of the Directors has been filed with the Registrar of Companies.

By Order of the Board

R. Srinivasan
(R. SRINIVASAN)
COMPANY SECRETARY

Place: New Delhi
Date : 25.06.2020

R. Srinivasan *Ambar* *Abhishek* *Manoj*

R. Srinivasan *Yash Chopra*