

CIRCULAR FOR ACCEPTANCE OF 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]

Date : 25.09.2021

1. GENERAL INFORMATION

- a. Name, address, website and other contact details of the company
SREE AKKAMAMBA TEXTILES LTD.
Venkatarayapuram, Tanuku-534 215
West Godavari District, Andhra Pradesh
Email: akkamamba@gmail.com
Website: www.akkamamba.com
Phone Nos.08819-224945 / 224946
- b. Date of incorporation of the company
8th April, 1954
- c. Business carried on by the company and its subsidiaries with the details of branches or units, if any
Manufacture and sale of cotton yarn
- d. Brief particulars of the management of the company
The Company is managed by the Board of Directors
- e. Names, addresses, DIN and occupations of the directors

SNo.	Name	DIN	Address	Occupation
1	Sri P.Narendranath Chowdary, Chairman	00015764	Dommeru W.G.Dist.	Industrialist
2	Sri M.S.R.V.K.Rangarao Managing Director	00031720	Tanuku W.G.Dist.	Industrialist
3	Sri M. Narendranath	00016764	Tanuku W.G.Dist.	Industrialist
4	Sri J. Murali Mohan	00114341	Arundalpet Guntur-2	Industrialist
5	Sri N.V. Soma Raju	00352229	Penugonda W.G.Dist.	Business
6	Sri J. Suresh	01343147	Chirala PrakasamDist	Business

- f. Management's perception of risk factors
The profitability of the company depends upon the domestic as well as global marketing scenario that may change from time to time.
- g. Details of default, including the amount involved, duration of default and present status, in repayment of -
i) statutory dues Nil
ii) debentures and interest thereon Nil
iii) loan from any bank or financial institution and interest thereon Nil

2. PARTICULARS OF THE DEPOSIT SCHEME

- a. Date of passing of board resolution
26th June, 2021
- b. Date of passing of resolution in the general meeting authorizing the invitation of such deposits
25th Sept. 2021
- 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
- | | Rs. in Lakhs |
|----------------------------------------------------|--------------|
| 1) Amount of deposits which can be raised | 1,124.71 |
| 2) Amount of deposits held on 31.03.2021 | 1,008.18 |
| 3) Amount of deposits held on 26.06.2021 | 1,032.54 |
| 4) Amount proposed to be raised | 92.17 |
| 5) Deposits amount repayable within next 12 months | 438.92 |
- e. Terms of raising of deposits:
Duration, Rate of interest, mode of payment and repayment

SCHEME- I			SCHEME-II	
CUMULATIVE DEPOSITS			NON-CUMULATIVE DEPOSITS	
Period	Amount of deposit	Amt.payable on maturity	Period	Rate of interest p.a
One year	10,000	10,830	One year	8.0%
Two years	10,000	11,850	Two years	8.5%
Three years	10,000	13,090	Three years	9.0%
Interest compounded monthly and payable on maturity			Interest compounded monthly and payable quarterly	

- Deposits are accepted with a minimum of Rs.10,000/- and in multiples of Rs.1,000/-
- Outstation payments of interest and principal through Demand Drafts of Union Bank of India and State Bank of India.
- Premature withdrawals may be allowed at the discretion of the company subject to the compliance of the Companies (Acceptance of Deposits) Rules,2014.
- No tax deduction at source on interest payments upto Rs5,000/- in one financial year.

- f. Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid :
Upto 68th Annual General Meeting.
- g. Reasons or objects of raising the deposits :
To meet the working capital requirements 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 :
Not applicable
- 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
No

3. DETAILS OF ANY OUTSTANDING DEPOSITS

- a. Amount outstanding as on 31.03.2021
Rs. 10,00,18,000/-
- b. Date of acceptance
Accepted on different dates
- c. Total amount accepted (2020-21)
Rs 3,14,44,000/-
- d. Rate of interest : (1) 1 year - 8 % (2) 2 years - 8.5 % (3) 3 years - 9 %
- e. Total number of depositors
351
- 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. Profit/Loss of the company, before and after making provision for tax, for the three financial years immediately
(Rs. in Lakhs)

SNo.	for the period ended	Profit before tax	Profit after tax
1	31.03.2019	-248.59	-176.11
2	31.03.2020	-509.65	-354.23
3	31.03.2021	-82.40	-61.00

- 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 / interest paid)

SNo.	for the period ended	Dividend	Interest coverage Ratio
1	31.03.2019	10%	1.43
2	31.03.2020	-	1.12
3	31.03.2021	-	1.71

- 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	as at 31.03.2021	as at 31.03.2020	as at 31.03.2019
Share Capital	170.08	170.08	170.08
Reserves & Surplus	3,043.38	3,104.38	3,479.12
Non-current Liabilities	2,402.31	1,860.97	2,391.18
Current Liabilities	4,652.85	5,618.99	5,665.02
Total	10,268.62	10,754.42	11,705.40
Assets	as at 31.03.2021	as at 31.03.2020	as at 31.03.2019
Fixed Assets	5,858.56	6,328.73	6,743.60
Non-Current Investments	388.21	388.21	388.21
Long Term Loans and Advances	568.20	568.20	550.63
Current Assets	3,453.65	3,469.28	4,022.96
Total	10,268.62	10,754.42	11,705.40

d. Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement (Rs. in lakhs)

	2020-21 Rs.	2019-20 Rs.	2018-19 Rs.
I. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before Tax	(82.40)	(509.65)	(248.59)
Add/Less:			
Adjustments for:			
Depreciation	423.54	426.80	422.26
Interest paid	495.91	573.86	557.40
Interest received	(10.82)	(16.30)	(19.99)
Dividends received	--	(90.58)	(30.19)
Profit on sale of assets	--	(8.00)	(4.84)
Loss on sale of assets/ write off	21.78	--	--
Operating Profit before working capital changes	848.01	376.13	676.05
Adjustments for			
Inventories	218.33	521.74	(659.76)
Investments	--	--	0.02
Long Term Liability	7.79	(5.90)	8.79
Long Term Provision	2.59	(0.27)	(7.83)
Trade Payables	(1,016.07)	323.92	286.15
Current Liability	141.35	(122.60)	(53.59)
Short term Provision	(8.28)	(1.60)	10.00
Trade Receivables	(232.78)	(78.02)	44.01
Long term Loans & Advances	--	(17.57)	(0.05)
Short term Loans & Advances	(29.51)	113.11	(80.82)
Current Assets	15.62	8.05	(30.63)
Cash Generated from operations	(52.95)	1,116.99	192.34
Less Direct Taxes paid/Refund (Net)	(12.02)	2.25	2.09
Net Cash from operating activities	(40.93)	1,114.74	190.25
before extra ordinary items			
Net cash from Operating activities(A)	(40.93)	1,114.74	190.25
II. CASH FLOW FROM INVESTMENT ACTIVITIES:			
Purchase of Fixed Assets	(8.16)	(22.13)	(130.06)
Proceeds from sale of assets	33.00	18.20	16.93
Interest received	10.82	16.30	19.99
Dividends received	--	90.58	30.19
Net cash used in Investment activities (B)	35.66	102.95	(62.95)
III. CASH FLOW FROM FINANCING ACTIVITIES:			
Acceptance/(Repayment) of loans	469.23	(613.72)	301.15
Dividends paid	--	(17.01)	(17.01)
Dividend Tax paid	--	(3.50)	(3.50)
Interest paid	(495.91)	(573.86)	(557.39)
Net cash used for Financing activities (C)	(26.68)	(1,208.09)	(276.75)
Net increase in cash and its equivalents (A+B+C)	(31.95)	9.60	(149.45)
Opening cash & bank balances	88.85	79.26	228.71
Closing cash & bank balances	56.90	88.86	79.26
	31.95	(9.60)	149.45

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

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 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 Central Government;
- the deposits accepted by the company before the commencement of the Act have been repaid (or will be repaid along with interest on respective due dates 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;
- 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.

By order of the Board of Directors,
for SREE AKKAMAMBA TEXTILES LTD.
Sri P. Narendranath Chowdary
Chairman
Venkatarayapuram
Tanuku
26th June, 2021

SCHEME - I		SCHEME - II	
Period	Amount of amt payable deposit on maturity	Period	Amount of amt payable deposit on maturity
One year	10,000	One year	10,000
Two years	10,000	Two years	11,880
Three years	10,000	Three years	13,882

SREE AKKAMAMBA TEXTILES LIMITED

CIN : U51909AP1954PLC000525

Regd. Office : Venkatarayapuram, **TANUKU** - 534 215

Phone Nos. : (08819) 224945, 224946 (M) 9866506099

I/We the undersigned apply for placement/renewal of Fixed Deposit as detailed hereunder.

DEPOSIT APPLICATION

APPLICANT'S DETAILS

Applicant's details	Amount of Deposit
First Applicant Mr./Mrs/Miss Second Applicant Mr./Mrs/Miss Third Applicant Mr./Mrs/Miss <p style="text-align: center;"><u>In Case of Minor</u></p> Guardian's Name : Date of Birth : Relationship	Rs. (Rupees only) paid by P.O. / Cheque / Demand Draft No. Dated Drawn on Bank Branch
Address for Communication	Period of Deposit
S/o/W/o Door No. Street Village/Town Dist. Pin Phone No.	<input type="checkbox"/> One Year <input type="checkbox"/> Two Years <input type="checkbox"/> Three Years First Applicant Shareholder LF No.
Permanent Account No. (PAN) of First Applicant	

OTHER DETAILS

(Please in applicable box)

<input type="checkbox"/> New Deposit <input type="checkbox"/> Renewal of Deposit if Renewal FDR No. Dt.	Deposit Scheme Chosen <input type="checkbox"/> Fixed <input type="checkbox"/> Cumulative
<input type="checkbox"/> Tax to be deducted <input type="checkbox"/> Not to be deducted Form 15G / 15H enclosed Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable <input type="checkbox"/>	SOURCE OF INCOME : (Proof must be enclosed)

DECLARATION

1. I/We have read and understood the terms and conditions accepting deposits
2. I/We are residing in india and am/are not depositing this as nominee(s) of any persons residing outside India.
3. I/We declare that the amount is not being deposited out of the funds acquired by me/us borrowing or accepting deposits from any other person.
4. 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 tax under Section 194A of the Income Tax Act, 1961.

NOMINATION

(To be filled in by individual applying singly or jointly)

I/We hereby nominate the following person to receive the amount payable to me/us in the event of my/our death.

Nominee's Name :	
Father's / Husband's Name	Relationship :
Address :	Date of Birth :
(In case of minor)	

Date :

Your's faithfully

FOR OFFICE USE ONLY	
Folio No. :	FDR No. :
Date :	Amount :
Date of Maturity	

(First Applicant)*
(Parent/Guardian in case of Minor)

(Second Applicant)

(Third Applicant)

TERMS AND CONDITIONS GOVERNING FIXED DEPOSITS

AMOUNT OF DEPOSIT :

1. The minimum amount of deposit shall be Rs. 10,000/- Additional amounts will be accepted in multiples of Rs. 1,000/-
2. Deposits will be accepted for a period of 1 year 2 years and 3 years

INTEREST :

3. Interest is payable on quarterly basis. Interest will be payable for the quarter ending 30th June, 30th September, 31st December, and 31st March.
4. Interest on cumulative deposits is subject to deduction of tax at source on 31st March of each year and on maturity Interest accrued as reduced by tax deducted at source will be the basis for calculating interest for subsequent periods.
5. Interest will be calculated from the date of realisation of the Cheque / Demand Draft. Interest will cease on the date of maturity.
6. Income tax at the applicable rates will be deducted from the interest paid / credited in terms of the provisions of Income Tax Act, 1961, prevailing from time to time, except where appropriate tax exemption certificate is furnished at least 15 days prior to the date of payment of interest.

JOINT DEPOSITS

7. Deposits will be accepted from the resident individuals, domestic companies, minors through their guardians and from trusts Deposits in two or more (not exceeding three) names will be accepted on 'Either of Survivors basis'. Deposits will not be accepted from non-residents and foreign nationals.
8. In the case of deposits in joint names, all correspondence will be addressed to the person whose name appears first on the Deposit Receipt. Cheques / Demand Drafts or payment of interest or principal amount will also be drawn in favour of the first named depositor irrespective of option for repayment exercised by the depositor. Any discharge given by such person for payment of interest and the principal amounts shall be valid and binding on all the joint holders.
9. In the event of death of the first joint holder, the repayment of deposit and payment of interest will be made to the person first in order of the survivor(s) on production of a death certificate without reference to the heirs and/or legal representatives of the deceased. In the event of the death of the sole depositor, the Fixed Deposit amount together with interest due thereon will be paid to the nominee mentioned in the application form or to the legal representative(s) of the deceased on production of probate, will, Succession Certificate or Letter of Administration granted by a Court of competent jurisdiction or at the discretion of the company the production of Succession Certificate may be waived on the strength of indemnity Bond and such other documents as insisted by the Company
10. When a depositor holds deposit receipts in his individual name as well as jointly with others, interest paid on these deposits would be aggregated for tax deduction if applicable, if he is beneficial owner of the joint deposit.

DEPOSIT RECEIPTS :

11. Fixed / Cumulative Deposit receipts will be forwarded to the depositor by Registered Post.
12. In the event of loss destruction or mutilation of Fixed Deposit receipt, the Company may at its sole discretion will issue a duplicate receipt subject to compliance with such terms and conditions including indemnity by the depositor(s) as the company may require. All expenses in this connection will be borne by the depositor(s).
13. Fixed deposit receipts are not transferable and the Company will not accept or recognise any lien or assignment of the deposit and/or interest thereon.

RENEWAL OR REPAYMENT OF DEPOSITS

14. Deposits will be repaid only on maturity and not on demand or notice.
15. The Fixed Deposit Receipt duly discharged on a Rs. 1-00 revenue stamp should be sent to the Registered Office of the Company a fortnight before the date of the maturity to enable the Company to renew or refund the deposit as the case may be on the due date. In case of renewal, a fresh application form duly filled in should accompany the said discharged receipt.
16. Payment of interest and repayment of deposit will be made by account payee cheques and by Demand Drafts in case of outstation depositors. The payments by cheques/demand drafts will be sent by ordinary post to the registered address of the depositor.
17. Where the due date of any payment falls on Sunday, Bank holidays or any other day on which the Company's Registered Office remains closed, the payment will be made on the next working day.
18. If the deposits are withdrawn before the date of maturity the rate of interest payable on the entire deposit will be governed by the provisions of the Companies (Acceptance of Deposits) Rules 2014 in this regard from time to time, and the difference between interest already paid and the lower rate of interest as prescribed in the Companies (Acceptance of deposits) Rules 2014 in this regard from time to time will be, recovered at the time of payment.

GENERAL

19. Application for deposits with thumb impression will not be accepted unless attested by a Notary Public or a Magistrate
20. Intimation to the Company regarding change in address, tax exemptions and all other communications must be lodged at least 30 days before the date on which payment of interest due to be acted upon.
21. The Company reserves the right to reject any application for deposit or renewal thereof without assigning any reasons.
22. The Company reserves the right to alter or amend any of the terms and conditions mentioned herein without notice and without assigning any reasons so long such alterations or amendments are not inconsistent with the provisions of the Companies (Acceptance of Deposits) Rules, 2014 or amendments thereto from time to time.
23. The text of these terms and conditions were approved by the Company's Board of Directors at their meeting held on 26th June, 2021.

SCHEME-I			
CUMULATIVE DEPOSITS			
Period	Amount of deposit	Amt. payable on maturity	Average Yield
One year	10,000	10,830	8.30%
Two years	10,000	11,850	9.25%
Three years	10,000	13,090	10.30%
Interest compounded monthly and payable on maturity			

SCHEME-II	
NON-CUMULATIVE DEPOSITS	
Period	Rate of interest p.a
One year	8.0%
Two years	8.5%
Three years	9.0%
Interest compounded monthly and payable on quarterly	