

Reg. Office : 14, Motilal Nehru Road, Kolkata, West Bengal – 700029

Corp. Office : V.K.K Building, Main Road, Irinjalakuda, Thrissur, Kerala – 680121

Website: <https://www.salemerode.com>, Email: salemerodeinvestmentsltd@gmail.com; cs@salemerode.com

Tel : +91 33 24752834; +91 0480 2828071

Notice of Postal Ballot

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and the Circulars issued by the Ministry of Corporate Affairs, Government of India

Dear Shareholder(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter also refer to as “the Act”) read together with the Companies (Management and Administration) Rules, 2014, including any statutory modifications or re-enactments thereof for the time being in force, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter also refer to as “the Listing Regulations”), Secretarial Standard - 2 issued by the Institute of Company Secretaries of India (hereinafter also refer to as “SS-2”) and other applicable laws and regulations, if any, that the resolutions set out below are proposed to be passed by the Shareholders by way of Postal Ballot through Electronic Voting (hereinafter also refer to as “e-voting”). Since the Company is availing the exemption under Circular No. 39/2020 issued by the Ministry of Corporate Affairs on 31st day of December, 2020, the Company is not dispatching the physical postal ballot forms.

Special Businesses:

1. Appointment of M/s. Mohandas & Associates, Chartered Accountants, Thrissur as the Statutory Auditors of the Company in Casual Vacancy and fixation of remuneration.

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 139 (8), 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with the Companies (Audit & Auditors) Rules, 2014, as amended from time to time and other applicable provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendations of the Audit Committee and the Board of Directors, the consent of the Members of the Company be and is hereby accorded to the appointment of M/s. Mohandas & Associates (Firm Registration No. 02116S) Chartered Accountants, 3rd Floor, Sree Residency, Press Club Road, Thrissur, Kerala - 680001 as the Statutory Auditors of the Company in Casual Vacancy caused by the resignation of M/s. S. Mandal & Co., Chartered Accountants (Firm Registration No. 314188E), 29 D, Seven Tanks Lane, Dum Dum Jn., Kolkata, West Bengal - 700 030 for the Financial Year 2020 - 2021 and to hold office from the recommendation of Board ie. 28th day of November, 2020 to the conclusion of 90th Annual General Meeting for the Financial Year ending March 31, 2021, at a consolidated remuneration of Rs.1,50,000/- (Rupees One Lakh and Fifty Thousand Only), payable in one or more installments, exclusive of applicable taxes and reimbursement of out-of-pocket expenses incurred thereon and, on such terms and conditions, as may be mutually decided between the Auditors and the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps, as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in

relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings, that may be required, on behalf of the Company, including filing of necessary forms and returns with the Ministry of Corporate Affairs, Bombay Stock Exchange, Reserve Bank of India and other concerned Authorities and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution.”

2. Adoption of new set of Articles of Association of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:-

“**RESOLVED THAT** pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modifications or amendments thereto or re-enactments thereof for the time being in force) and subject to necessary approvals as may be necessary, the new set of Articles of Association, placed before the meeting, containing Clause numbers 1 to 187 be and is hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the present Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company may modify the clauses of aforesaid Articles of Association, if the Registrar of Companies or any other appropriate authorities requires such terms, conditions, amendments or modifications etc.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, including filing of

necessary forms and returns with the Ministry of Corporate Affairs, Bombay Stock Exchange and other concerned Authorities and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution.”

3. Approval of Borrowing Limit.

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or amendments thereto or re-enactments thereof for the time being in force) and in terms of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by the Resolution) to borrow any sum or sums of moneys from time to time from any one or more Banks, Company’s Directors, Firms, Bodies Corporate, Financial Institutions, Insurance Companies, Mutual Funds, Trusts, Investment Institutions, any other persons or other acceptable sources (hereinafter also referred to as the “Lending Agencies”) whether by way of Secured or Unsecured Debentures (Non – Convertible or Convertible), Bonds, Commercial Papers, Securitized instruments such as floating rates notes, fixed rate notes etc., Securities with or without detachable warrants, with a right exercisable by the warrant holder(s) to convert or subscribe for Equity or Preference Shares, Long term or Short Term loans, advances and any other instruments or securities or otherwise permitted by law for the time being in force, designated in Indian or foreign currency and on such terms and conditions as the Board may deem fit, notwithstanding that such sum or sums of monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary

course of business), may exceed aggregate of its paid-up capital, free reserves and Securities Premium of the Company, provided that the total amount so borrowed by the Board shall not exceed Rs.300,00,00,000/- (Rupees Three Hundred Crores Only), together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements/Loan Agreements entered/to be entered into by the Company in respect of the said borrowings.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, including filing of necessary forms and returns with the Ministry of Corporate Affairs, Bombay Stock Exchange and other concerned Authorities and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it by or under the aforesaid resolution to any Director or Officer or Committee of Directors, as it may consider appropriate in order to give effect to the resolution.”

4. Creation of mortgage or charge on the assets, properties or undertaking(s) of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable

provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or amendments thereto or re-enactments thereof) and in terms of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by the Resolution) to sell, lease or dispose of in any manner including but not limited to mortgaging, hypothecating, pledging or in any manner creating charge on all or any part of the present and future moveable or immovable assets or properties of the Company or the whole or any part of the undertaking(s) of the Company of every nature and kind whatsoever (hereinafter referred to as the “Assets”) and/or creating a floating charge on the Assets, together with the power to take over the management of the business and concern of the Company in certain events of default, to or in favour of Banks, Debenture Trustees, Firms, Bodies Corporate, Financial Institutions, Insurance Companies, Mutual Funds, Trusts, Investment Institutions, any other persons or any other lenders to secure the amount borrowed by the Company or other Group Companies from time to time for the due re-payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of the said borrowings, provided that the aggregate indebtedness so secured by the assets do not at any time exceed the value of limits approved under Section 180(1)(c) of the Act, ie. Rs.300,00,00,000/- (Rupees Three Hundred Crores Only).”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, including filing of necessary forms and returns with the Ministry of Corporate Affairs, Bombay Stock Exchange and other concerned Authorities and generally to do all

such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it by or under the aforesaid resolution to any Director or Officer or Committee of Directors, as it may consider appropriate in order to give effect to the resolution.”

5. Investments, Loans, Guarantees and security in excess of limits specified under section 186 of Companies Act, 2013

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or amendments thereto or re-enactments thereof) and in terms of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by the Resolution) to give any loan(s) to any other body corporate or person and/or give any guarantee(s) or provide any security(ies) in connection with any loan(s) to any other body corporate or person and/ or to make any investments or acquisition by way of subscription, purchase or otherwise, the securities (including Equity Shares, Preference Shares, Debentures or any other kind of instruments, whether convertible or not) of other body corporate, whether in India or outside India, as may be considered appropriate, beneficial and in the interest of the Company, provided that the aggregate of the loans and investments so far made in and the amount or which guarantees or securities have so far been provided to all persons or bodies corporate along with the

additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 50,00,00,000/- (Rupees Fifty Crores Only), over and above the limits available to the Company of 60% (Sixty Percent) of its paid up share capital, free reserves and securities premium account or 100% (One Hundred Percent) of its free reserves and securities premium account, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, including filing of necessary forms and returns with the Ministry of Corporate Affairs, Bombay Stock Exchange and other concerned Authorities and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it by or under the aforesaid resolution to any Director or Officer or Committee of Directors, as it may consider appropriate in order to give effect to the resolution.”

6. Issue of Secured Non - Convertible Debentures on Private Placement basis.

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the

Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for the time being in force) and subject to other applicable rules, regulations and guidelines issued by the Reserve Bank of India, as amended from time to time, the Memorandum and Articles of Association of the Company, any other applicable laws, rules and regulations and guidelines, for the time being in force and subject to such other approvals, as may be required from regulatory authorities from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by the Resolution) to offer, issue and allot from time to time, Secured Unlisted Non-Convertible Debentures, in one or more series / tranches aggregating upto an amount not exceeding Rs.300,00,00,000/- (Rupees Three Hundred Crores Only), on a private placement basis, at par or at such premium or such discount, as may be decided by the Board to such person or persons, including one or more Companies, Bodies Corporate, Statutory Corporations, Commercial Banks, Lending Agencies, Financial Institutions, Insurance Companies, Mutual Funds, Pension/Provident Funds and Individuals, as the case may be or to such other person/ persons as the Board may from time to time determine and consider proper and most beneficial to the Company and on such terms and conditions, as the Board may from time to time deem fit, proper and appropriate”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company, including filing of

necessary forms and returns with the Ministry of Corporate Affairs, Bombay Stock Exchange and other concerned Authorities and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the resolution.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it by or under the aforesaid resolution to any Director or Officer or Committee of Directors, as it may consider appropriate in order to give effect to the resolution.”

By Order of the Board,

For **Salem Erode Investments Limited**

Sd/-

Manisha Menon

Company Secretary

Place: Irinjalakuda

Date: 18.01.2021

Notes & Instructions

1. The Explanatory Statement pursuant to Section 102 of the Act read with Rules setting out the material facts pertaining to the proposed resolutions and reasons thereof are annexed for your consideration and requisite action.
2. The Notice of Postal Ballot along with the Explanatory Statement (hereinafter referred to as 'the Notice') is being sent only by e - mail to all the Members, whose names appear in the Register of Members / List of Beneficial Owners as furnished by the Depositories i.e. National Securities Depository Limited (hereinafter also referred to as "NSDL") and Central Depository Services (India) Limited (hereinafter also referred to as "CDSL") as at the close of business hours on **Friday, the 15th day of January, 2021 ("cut-off date")** and who have registered their e-mail address in respect of electric holdings with the Depository through the concerned Depository Participants and in respect of physical holding with the Company's Registrar and Share Transfer Agent i.e. Niche Technologies Private Limited (hereinafter also referred to as "RTA").
3. Members whose name appears on the Registrar of Members/ List of Beneficial owners as on the cut-off date will be considered for the purpose of remote e-voting and voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on that date. A person who is not a Member as on the record date should treat this Notice for information purposes only.
4. In compliance with Regulation 44 of the Listing Regulations and provisions of Section 108 and 110 of the Companies Act, 2013 and Rules made thereunder and in terms of the General Circular Nos. 14/2020 dated 08th day of April, 2020, 17/2020 dated 13th day of April, 2020 and 39/2020 dated 31st day of December, 2020 (hereinafter collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/ HO/ CFD/ CMD 1/ CIR/ P/ 2020/ 79 dated 12th day of May, 2020 (hereinafter referred to as "SEBI Circular") voting can be done only by remote e-voting. The Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically and for this purpose the Company has engaged Central Depository Services (India) Limited for providing e-voting facility to all its Members. Members are requested to carefully read and follow the

instructions on e-voting printed in this Notice and use the remote e - voting procedure by themselves and not through any other person.

5. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and the SEBI Listing Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India (in English language) and one regional daily newspaper circulating in Kolkata (in vernacular language, i.e., Bengali).
6. The Communication of the assent / dissent to the items in the notice would take place only through remote e-voting.
7. Once the Vote is casted on remote e - voting, members are not allowed to change it subsequently or cast the vote again.
8. The Notice will be displayed on the Company's website www.salemerode.com and website of CDSL www.evotingindia.com during the entire period of voting for the information of all concerned.
9. In case a member is desirous of obtaining an email of postal ballot, he/she may send an email to cs@salemerode.com.
10. The voting period shall commence on Monday, the 25th day of January, 2021 at 10.00 a.m. IST and will end on Tuesday, the 23rd day of February, 2021 at 05.00 p.m. IST. The remote e - voting facility shall be disabled by the CDSL for e-voting thereafter.
11. The Board of Directors of the Company, vide meeting held on Wednesday, the 13th day of January, 2021 has appointed Mr. K. G. Anilkumar, Managing Director (DIN: 00766739) of the Company, as the person responsible for the entire postal ballot process.
12. The Board of Directors of the Company, vide meeting held on Wednesday, the 13th day of January, 2021 has appointed Mr. Yacob Pothumuriyil Ouseph, Practicing Company Secretary having office at 02nd Floor, Kalarikkal Building, Karingachira, Tripunithura, Kerala – 682301 as the Scrutinizer for scrutinizing the Postal Ballot process in a fair and transparent manner.
13. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny on remote e - voting on Thursday, the 25th day of February, 2021 at 10.00 a.m. at the Corporate Office of the Company at V.K.K. Building, Main Road, Irinjalakuda, Thrissur, Kerala – 680121

and will also be displayed on the website of the Company www.salemerode.com and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to Stock Exchange, where the Equity Shares of the Company are listed.

14. Resolutions, if passed by the Members through postal ballot are deemed to have been duly passed on the last date specified for the e-voting i.e., Tuesday, the 23rd day of February, 2021 in terms of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India.
15. Resolutions passed by the Members through Postal Ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
16. In case of any queries or grievances connected with the e – voting process, Members may contact the following official:

Ms. Manisha Menon
Company Secretary,
M/s. Salem Erode Investments Limited
V. K. K. Building, Main Road, Irinjalakuda, Thrissur, Kerala – 680121
Ph: 85890 00342, E mail: cs@salemerode.com

17. The instructions to shareholders for voting electronically are as under:
 - i. The e-voting period commences on **Monday, the 25th day of January, 2021 at 10.00 a.m. IST** and ends on **Tuesday, the 23rd day of February, 2021 at 5.00 p.m. IST** During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on **cut-off date (record date) ie. Friday, the 15th day of January, 2021** may cast their vote by electronic means in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 - ii. The voting rights of the Members shall be in proportion to their shares of the Paid-up Equity Share Capital of the Company, as on the cut-off date being **Friday, the 15th day of January, 2021**. Voting rights in the e-voting cannot be exercised by a proxy, though corporate and institutional Members shall be entitled to vote through authorized representatives with proof of

their authorization. The voting right of the Equity Share is one vote per Equity Share, registered in the name of the Member.

iii. Procedures of E Voting:

a) The shareholders should log on to the e-voting website www.evotingindia.com.

b) Click on “Shareholders” module.

c) Now enter your User ID

- For CDSL: 16 digits beneficiary ID.
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

Or

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e - services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e - services, click on **e - Voting** option and proceed directly to cast your vote electronically.

iv. Next enter the Image Verification as displayed and Click on Login.

v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e - voting of any Company, then your existing password is to be used.

- vi. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the Depository or Company please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (iii) (c).</p>

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e - voting through CDSL platform. It is strongly recommended not to share your password

with any other person and take utmost care to keep your password confidential.

- ix. For shareholders holding shares in physical form, the details can be used only for e - voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the relevant **Salem Erode Investments Limited** on which you choose to vote.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL’s mobile app “**m - Voting**”. The m-Voting app can be downloaded from

respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

18. Process for those Shareholders whose e - mail addresses are not registered with the depositories for obtaining login credentials for e - voting for the resolutions proposed in this Notice:

- i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by e - mail to Company e - mail id cs@salemerode.com and to the RTA e - mail id nichetechpl@nichetechpl.com.
- ii. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to Company e-mail id cs@salemerode.com and to the RTA e-mail id nichetechpl@nichetechpl.com.

19. Note for Non – Individual Shareholders and Custodians

- i. Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- iv. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer csevoting@gmail.com and to the Company at the email address cs@salemerode.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- vii. If you have any queries or issues regarding attending EGM & e-voting from the e-voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- viii. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1 – Appointment of M/s. Mohandas & Associates, Chartered Accountants, Thrissur as the Statutory Auditors of the Company in Casual Vacancy and fixation of remuneration.

The Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee and the Audit Committee, vide meeting held on 28th day of November, 2020 has appointed M/s. Mohandas & Associates (Firm Registration No. 02116S) Chartered Accountants, 3rd Floor, Sree Residency, Press Club Road, Thrissur, Kerala – 680001 as the Statutory Auditors of the Company for the Financial Year 2020 – 2021 to fill the Casual Vacancy caused by the resignation of erstwhile Statutory Auditors, M/s. S. Mandal & Co., Chartered Accountants, 29 D, Seven Tanks Lane, Dum Dum Jn., Kolkata, West Bengal – 700 030.

M/s. Mohandas & Associates is holding the office of the Statutory Auditors of the Promoter Company, M/s. ICL Fincorp Limited since the Financial Year 2015 – 2016. Further, the said Firm is also holding the Office of Statutory Auditors of Group Companies under the same Management. In accordance with Section 139(2) of the Companies Act, 2013 and Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. Mohandas & Associates is eligible for the said appointment. The Company has also received consent and eligibility letter to act as the Statutory Auditors of the Company, in accordance with the provisions of Section 139, Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms and Conditions of proposed appointment in Casual Vacancy are as under:

Term of Appointment	For the Financial Year 2020 - 2021 and to hold office from the date of recommendation of Board ie. 28 th day of November, 2020 to the conclusion of 90 th Annual General Meeting for the Financial Year ending March 31, 2021.
Proposed Audit Fees	Consolidated remuneration of Rs.1,50,000/- (Rupees One Lakh and Fifty Thousand Only) for the Financial Year 2020 – 2021, payable in one or more installments, exclusive of applicable taxes and reimbursement of out-of-pocket expenses incurred.

The Company is in the process of wide expansion of branches throughout the Country and consequent to the same the volume of business will also increase accordingly. The Company is projecting increased volume of operations, both in financial and non-financial terms. Hence, the increase in Audit fees as compared to the Audit fees paid to the outgoing Auditor is reasonable and acceptable. Further, the proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by M/s. Mohandas & Associates during association with the Company. The proposed fees are also in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be decided by the management in consultation with the Auditors.

A brief profile of M/s. Mohandas & Associates is annexed hereto for reference and evaluation.

Sl. No.	Particulars	Response
01.	Name and address of the Firm	M/s. Mohandas & Associates, Chartered Accountants Sree Residency, 3 rd Floor, Press Club Road, Thrissur, Kerala – 680001 Ph: 0487 2333124, 2321290 Email: ma.auditors2gmail.com
02.	PAN of Firm	AADFM8074D
03.	Firm Registration Number	02116S
04.	Terms & Conditions of Appointment	As explained above
05.	Nationality	Indian
06.	Date of Establishment	01.09.1986
07.	Details of Partners and Educational/professional qualifications	1) Mr. Mohandas A. BSC, FCA 2) Mr. G. Anoop B.Com, FCA, DISA (ICAI) 3) Ms. Mini Chandrankaipulli FCA, CIFR, DISA (ICAI)

		4) Mr. Sohanlal M.S. M.com, FCA, DISA (ICAI) 5) Mr. Rakhi K. R. ACA
08.	Experience	Around 34 years of experience in accounts, audit, taxation and allied matters
09.	Details of Remuneration for the Financial Year 2019 - 2020	Not Applicable
10.	Date of first appointment as Statutory Auditors	Not Applicable
11.	Relation with other Directors, Managers or Key Managerial Personnel	Not Applicable
12.	Shareholding in the Company a) As on 31.03.2020 b) As on 13.01.2021	Nil Nil
13.	Brief Resume M/s. Mohandas & Associates is an old and well established Chartered Accountancy firm, having been setup in the year 1986 and established as an independent Indian partnership firm in 1995. The firm is head-quartered in Thrissur District of Kerala and its operations are adequately supported by 5 partners and 48 staffs. All the partners are equipped with adequate professional qualification, skill and knowledge and are in full time practice. With a track record of over three decades, the firm is providing services in the field of	

	<p>Accounting, Audit (Statutory/Internal), Taxation, Management Consultancy and other allied areas. The firm has been Statutory Auditors of large reputed Companies including Non – Banking Finance Companies, Listed Companies, Banks, Government Companies etc. and carries a good professional track-record. Multi-disciplinary experience, timely service, online interaction/solutions, ethical values, professional excellence, integrity, confidentiality etc. paves the Firm to a strong standing and brand name in Kerala.</p>
<p>14.</p>	<p>Performance Evaluation</p> <p>M/s. Mohandas & Associates is the Statutory Auditors of Promoter Company, M/s. ICL Fincorp Limited and other Group Companies under the same management. M/s. Mohandas & Associates has exercised duties with due and reasonable care, skill and diligence, along with cent percent independent judgment and in the best in the interest of the Members of the Promoter Company and other Group Companies. M/s. Mohandas & Associates has complied with all the guidelines with respect to the professional conduct, role, functions and duties, as mentioned under the provisions of the Companies Act, 2013.</p> <p>The performance evaluation criteria for assessing the appointment of Statutory Auditors inter-alia, includes factors like participation at General Meetings, Audit Committees, Managing Relationship with Board Members, Knowledge and skill, Personal attributes like ethics and integrity, independent judgment with regard to auditing and reporting, corporate governance improvement suggestions, knowledge about the Company and external environment in which it operates, confidentiality level, adherence to the applicable code of conduct for Independent Auditors etc.</p>

The Board is of the view that the continued association of M/s. Mohandas & Associates and rich experience in the audit field would definitely benefit the

Company. Further, M/s. Mohandas & Associates also possess appropriate skills, expertise and competencies in the context of the Company's present and proposed businesses. In the opinion of the Board, M/s. Mohandas & Associates fulfills the conditions specified in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed appointment as the Statutory Auditors of the Company and is independent of the management. Hence, your Board recommends the appointment of M/s. Mohandas & Associates as the Statutory Auditors of the Company in Casual Vacancy for the Financial Year 2020 - 2021 and to hold office from the recommendation of Board ie. 28th day of November, 2020 to the conclusion of 90th Annual General Meeting for the Financial Year ending March 31, 2021, at a consolidated remuneration of Rs.1,50,000/- (Rupees One Lakh and Fifty Thousand Only), payable in one or more installments, exclusive of applicable taxes and reimbursement of out-of-pocket expenses incurred thereon and, on such terms and conditions, as may be mutually decided between the Auditors and the Board of Directors of the Company.”

Pursuant to the provisions of Section 139 (8) of the Companies Act 2013, any Casual Vacancy arises due to resignation of a Statutory Auditor shall be filled by the Board of Directors within thirty days and such appointment shall also be approved by the Company at a General Meeting by way of Ordinary Resolution, convened within three months of the recommendation of the Board and the Auditor appointed in Casual Vacancy shall hold the office till the conclusion of the next Annual General Meeting. Hence, the proposed resolution is recommended for consideration and approval of the Members of the Company through Postal Ballot process.

Copy of draft Letter of Appointment constituting terms and conditions of appointment and other allied documents, being referred in the resolution would be available for inspection by the Members free of cost, in physical or electronic form during business hours i.e., 09.30 a.m. to 05.30 p.m. at the Registered Office and Corporate Office of the Company from the date of

circulation of this Notice to e – voting end date ie. 23rd day of February, 2021. Members seeking to inspect such documents may also visit the Company's website www.salemerode.com or send an e-mail to cs@salemerode.com.

None of the Directors or Key Managerial Personnel or other relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

Item No. 2 - Adoption of new set of Articles of Association of the Company.

The existing Articles of Association of the Company were adopted very long back and are based on the provisions of the erstwhile Companies Act. With the enactment of the Companies Act, 2013 and amendments made thereunder, several clauses of the existing Articles of Association of the Company have become redundant and several clauses may be replaced with more enabling provisions. Your Board proposes to replace the present Articles of Association of the Company with a new set of Articles of Association having clauses in line with the provisions of the Companies Act, 2013, rules and regulations made thereunder and the Secretarial Standards on Board Meetings and General Meetings.

Section 14 of the Companies Act, 2013, prescribes that alteration of the Articles of Association of the Company requires prior approval of the Shareholders by means of Special Resolution. Hence the proposed resolution is recommended for consideration and approval of the Members of the Company through Postal Ballot process.

Copy of the existing Articles of Association of the Company and copy of Articles of Association, indicating the proposed amendments, being referred in this resolution would be available for inspection by the Members free of cost, in physical or electronic form during business hours i.e., 09.30 a.m. to 05.30 p.m. at the Registered Office and Corporate Office of the Company from the date of circulation of this Notice to e – voting end date ie. 23rd day

of February, 2021. Members seeking to inspect such Articles of Association may also visit the Company's website <https://www.salemerode.com> or send an e-mail to cs@salemerode.com.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the said resolution.

Item No. 3- Approval of Borrowing Limit

The Members are hereby informed that the Company is in continuous requirement of working capital for meeting existing and future financial requirements to support its business operations and branch expansions. Your Board has also approached various Banks and Financial Institutions for availing various credit facilities. Even though, the Banks have various credit schemes to promote the Non-Banking Financial activities like Lines of Credits, Term Loans for the purpose of on-lending to Priority Sector customers, Partial Credit Guarantee scheme etc., the benefits of the same to the small and mid – sized NBFCs are debatable. However, your Board is trying its best in availing fund based and non-fund based loans from Banks and other financial institutions and the same is in progress. Hence, it is advisable to raise funds by issue of Debt Securities like Non - Convertible Debentures, along with the proposed availing of loans from Banks and other financial institutions at lower interest rates. Considering the above requirements and expectations of the Company, the ceiling limits of borrowings may be approved upto Rs.300,00,00,000/- (Rupees Three Hundred Crores Only).

Pursuant to Section 180 (1) (c) of the Companies Act, 2013 the borrowings, together with the money already borrowed exceeding aggregate of its Paid-up Share Capital, Free Reserves and Securities Premium, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, shall be approved in the General Meeting by way of Special Resolution. As the proposed borrowing limits exceed the said stipulated

statutory limits, the proposed resolution is recommended for the consideration and approval of the Members of the Company by way of Special Resolution through Postal Ballot process.

None of the Directors or Key Managerial Personnel or other relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

Item No. 4 - Creation of mortgage or charge on the assets, properties or undertaking(s) of the Company

The Company may require to create security by way of charge, mortgage, hypothecation or pledge of the present and future moveable or immovable assets or properties of the Company or the whole or any part of the undertaking(s) of the Company of every nature and kind whatsoever (hereinafter referred to as the "Assets") and/or creating a floating charge on the Assets, together with the power to take over the management of the business and concern of the Company in certain events of default in favour of Lenders, as per the terms and conditions mutually agreed in the course of borrowing of funds from time to time to support the operations of the Company.

Consequent to the proposed ceiling limits of borrowings of Rs.300,00,00,000/- (Rupees Three Hundred Crores Only) under agenda item no.3, the limits of creation of mortgage or charge on the assets, properties or undertaking(s) of the Company may also be fixed accordingly.

Pursuant to Section 180 (1) (a) of the Companies Act, 2013 the selling, leasing or otherwise disposing of assets of the Company shall be approved in the General Meeting by way of Special Resolution. As the creation of charges in favour of the Lending Institutions are required for the availing the borrowings, the proposed resolution is recommended for the consideration and approval of the Members of the Company, through Postal Ballot process.

None of the Directors or Key Managerial Personnel or other relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

Item No. 5 - Investments, Loans, Guarantees and security in excess of limits specified under section 186 of Companies Act, 2013

Being part of the business and investment purposes, the Company may provide loans and guarantees to any person and make investments by acquiring securities. Further, the Group Companies of the Company may also require investments or financial support of the Company for their short-term requirement of funds in various tranches from time to time.

As per the latest audited Financial Statements of the Company as on 31st March, 2020, sixty per cent of the paid-up share capital, free reserves and securities premium account amounts to Rs. 14,02,50,135 (Rupees Fourteen Crores Two Lakhs Fifty Thousand One Hundred and Thirty Five Only), while one hundred per cent of its free reserves and securities premium account amounts to Rs. 22,22,84,630/- (Rupees Twenty Two Crores Twenty Two Lakhs Eighty Four Thousand Six Hundred and Thirty Only). Therefore, the maximum limit available to the Company under Section 186(2) of the Companies Act, 2013 for making investments or giving loans or providing guarantees / securities in connection with a loan, as the case may be is Rs. 22,22,84,630/- (Rupees Twenty Two Crores Twenty Two Lakhs Eighty Four Thousand Six Hundred and Thirty Only).

The said Group Companies of the Company may require financial support of the Company for their short term requirement of funds in various tranches from time to time, for which adequate approval from the Members of the Company is necessary. In view of the requirements of Group Companies and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, it is advisable to

maintain the limits under Section 186 of the Companies Act, 2013 to Rs.50,00,00,000/- (Rupees Fifty Crores Only).

Pursuant to Section 186 (2) of the Companies Act, 2013 read with Rule 11 & 13 of the Companies (Meetings of Board and its Powers) Rules, 2014 any loan to any person or other body corporate; give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its Paid-up Share Capital, Free Reserves and Securities Premium account or one hundred per cent of its Free Reserves and Securities Premium account, whichever is more, shall be approved in the General Meeting by way of Special Resolution. As the proposed loan or investment limits exceeds the said stipulated statutory limits, the proposed resolution is recommended for the consideration and approval of the Members of the Company by way of Special Resolution through Postal Ballot process.

None of the Directors or Key Managerial Personnel or other relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

Item No. 6 - Issue of Secured Non - Convertible Debentures on Private Placement basis.

As informed in Agenda No. 3 the Company is in continuous requirement of working capital for meeting existing and future financial requirements to support its business operations and branch expansions. Your Board is of the view that the fund raising by way of Debt Securities is much easier and cost effective, as compared to credit facilities from Banks and Financial Institutions. Even though, the Banks have various credit schemes to promote the Non-Banking Financial activities like Lines of Credits, Term Loans for the purpose of on-lending to Priority Sector customers, Partial Credit Guarantee scheme etc., the benefits to the same to the small and mid – sized NBFCs are debatable. Considering the financial uncertainty

generated due to COVID-19 pandemic through the Country, it is advisable to raise funds by issue of Debt Securities.

The Members are hereby informed that the Board of Directors of the Company had proposed to offer, issue and allot 30,00,000 Secured Non – Convertible Debentures of face value of Rs.1000/- (Rupees One Thousand Only) each for cash on private placement basis aggregating to Rs.300,00,00,000/- (Rupees Three Hundred Crores Only). The Company is on a growth phase and raising of funds by way of debt instruments will further help in evolution and expansion of networks. The source of finance through debt instruments helps in reduction of finance cost, expansion of lender base, improve debt maturity profile and reduction in exposure with the scheduled and commercial banks. Further, it will also strengthen the Company's balance sheet and reduce finance cost for the Company which in turn will improve the capability to obtain credit facilities at better terms and overall reduced cost.

Considering the above requirements and future expectations of the Company, the ceiling limits of Non - Convertible Debentures may be fixed at Rs.300,00,00,000/- (Rupees Three Hundred Crores Only).

Disclosures under Section 42 of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 is detailed as below.

Sl. No.	Particulars	Response
i.	Particulars of the offer including date of passing of Board Resolution	The Board of Directors vide meeting held on 13 th day of January, 2021 has proposed to offer, issue and allot 30,00,000 Secured Unlisted Non – Convertible Debentures of face value of Rs.1000/- (Rupees One Thousand Only) each for cash on private

		placement basis aggregating to Rs.300,00,00,000/- (Rupees Three Hundred Crores Only) to various invitees, in one or more tranches for meeting the general corporate purposes, working capital requirements of the Company and to overcome the financial uncertainty generated due to COVID-19 pandemic through the Country.
ii.	Kinds of Securities offered and the price at which security is being offered	Non - Convertible Debentures, Secured and Unlisted of face value of Rs.1000/- (Rupees One Thousand Only) each.
iii.	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not Applicable
iv.	Name and address of valuer who performed valuation	Not Applicable
v.	Amount which the Company intends to raise by way of such Securities	Rs.300,00,00,000/-
vi.	Material terms of raising such Securities, proposed time schedule, purposes or objects of	<u>Material terms</u> The Company shall offer, issue and allot 30,00,000 Non – Convertible Debentures, Secured & Unlisted of face value of

<p>offer, contribution being made by the Promoters or Directors either as part of the offer or separately in furtherance of objects principal terms of assets charged as Securities.</p>	<p>Rs.1000/- (Rupees One Thousand Only) each for cash on private placement basis aggregating to Rs.300,00,00,000/- (Rupees Three Hundred Crores Only) to the various invitees in various tranches, as decided by the Board.</p> <p><u>Proposed time schedule</u></p> <p>Private Placement Offer shall be valid for one year and the allotment shall be completed within a period of twelve months from the date of passing of the Special Resolution in one or more tranches. Private Placement Offers shall be according to the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p><u>Objects of offer</u></p> <p>General Corporate purposes and to meet working capital requirements and to overcome the financial uncertainty generated due to COVID-19 pandemic through the Country.</p> <p><u>Contribution being made by the Promoters & Directors</u></p> <p>Promoters & Directors' contribution may not</p>
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		<p>be applicable; however, the Promoters & Directors may subscribe at their own discretion.</p> <p>Private Placement subscription shall be according to the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p><u>Principle terms of assets charged as Securities</u></p> <p>Fully secured by hypothecation of all loan receivables, advances, fixed assets and other unencumbered assets of the Company, both present and future</p>
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The Board of Directors is of view that the proposed issue of debt securities is in the best interest of the Company. Section 42 of the Companies Act, 2013 and rules made thereunder mandates that all the offer of securities or invitation to subscribe to securities on Private Placement basis shall be previously approved in the General Meeting by way of Special Resolution. Further the said Act stipulates that in case of an offer or invitation for Non – Convertible Debentures, it would be sufficient if the Company passes Special Resolution only once in a year for all offer(s) or invitation(s) for such Non – Convertible Debentures issued on a private placement basis during the year. Hence, the proposed resolution is recommended for the consideration and approval of the Members of the Company through Postal Ballot process.

Copy of draft PAS 4 along with application form and other allied documents, being referred in the resolution would be available for inspection by the

Members free of cost, in physical or electronic form during business hours ie, 09.30 a.m. to 05.30 p.m. at the Registered Office and Corporate Office of the Company from the date of circulation of this Notice to e – voting end date ie. 23rd day of February, 2021. Members seeking to inspect such documents may also visit the Company's website www.salemerode.com or send an e-mail to cs@salemerode.com.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the said resolution.

By Order of the Board,

For **Salem Erode Investments Limited**

Sd/-

Manisha Menon

Company Secretary

Place: Irinjalakuda

Date: 18.01.2021